

**Notes of 2nd Meeting of Hong Kong Fleet Operation Advisory Committee  
(HKFOAC)**

Date : 11 July 2018  
Time : 3:00 p.m. to 5:30 p.m.  
Venue : Conference Room A, Marine Department Headquarters, 24/F,  
Harbour Building

<b>Chairman</b>	Mr. WONG Sai-fat	Deputy Director, Marine Department
<b>Members</b>	Ms. Sandy CHAN	The Hong Kong Shipowners Association Limited
	Capt. LI Chan-kuen	The Merchant Navy Officers' Guild - Hong Kong
	Mr. CHEN Yan	COSCO (Hong Kong) Shipping Co., Ltd
	Mr. TAI Shan-chien, James	Orient Overseas Container Line
	Mr. LAI Ming-hong, Leon	Amalgated Union of Seafarers, Hong Kong
	Capt. ZHOU Jian-feng	Wah Kwong Maritime Transport Holdings Limited
	Mr. Anil ARORA	Unique Shipping (H.K.) Limited
	Mr. Uttam KUMAR JAISWAL	Pacific Basin Shipping (HK) Limited
	Mr. SHUM Yee-hong	Goldbeam International Limited
	Mr. Laxman KUMAR	Langton Shipmanagement Limited
	Mr. CHAN Chun-kam	American Bureau of Shipping
	Dr LEE Wing, Stephanie	The Hong Kong Polytechnic University
	Miss Catherine YEN	Ernest & Young (CPA Firm)
<b>In-attendance</b>	Mr. Martin CRESSWELL	The Hong Kong Shipowners Association Limited (accompanying Ms. Sandy CHAN)
	Mr. AU YEUNG Kam-lung	Amalgated Union of Seafarers, Hong Kong (stand-in representative for Mr. LAI Ming-hong, Leon)
	Mr. Derrick WONG	Wealth Ocean Services Ltd. (stand-in representative for Mr. WONG Ching-hoi, Ernest)
	Ms Belinda LEE	Reed Smith Richards Butler

(stand-in representative for Mr. LEE Tin-ho, Peter)

<b>MD officials</b>	Mr. CHOI Chi-chuen	Assistant Director/ Multi-lateral Policy, Marine Department
	Mr. LIU Chiu-fai, Barry	Chief/ Technical Policy
	Mr. CHAN Ming-yau	General Manager/ Shipping Registry & Seafarers' Branch
	Mr. NI Zhao	General Manager/ Ship Safety Branch (Ag.)
	Miss Dora TUNG	Senior Treasury Accountant
	Mr. FONG Chung-lap, Gary	Senior Surveyor/ Cargo Ships Safety
<b>Absent with Apology</b>	Capt. LI Chi Wai	Hong Kong Seamen's Union
	Mr. LAI Ming-hong	Amalgated Union of Seafarers, Hong Kong
	Mr. WONG Ching-hoi, Ernest	Wealth Ocean Services Ltd.
	Capt. Pradeep Kumar CHAWLA	Anglo-Eastern Ship Management Ltd.
	Capt. LAM Ming-fung, Lothair	Parakou Shipping Limited
	Mr. LEE Tin-ho, Peter	Reed Smith Richards Butler
	Mr. Martin ROWE	Clarksons Platou Hong Kong
<b>Secretary</b>	Ms Jennifer LAM	Executive Officer / Shipping & Multi-lateral Policy Divisions (1)

**The Chairman** welcomed all attendees of the meeting.

2. He invited members to disclose and declare any direct personal or pecuniary interest in relations to any of the agenda item in the meeting. No conflict of interests was recorded from the floor.

### **Agenda Item 1: Endorsement of Notes of Last Meeting (30.11.2017)**

3. **The Chairman** addressed that the last notes of meeting had been sent out to member for comments prior the meeting. **The Secretary** reported that one proposed amendment was received from Mr. LIU Chiu-fai, Barry from MD with respect to paragraph 34:

Original: **The Chairman** reported that MD has *completed* a number of

legislative exercises last year, including Ballast Water Management, IGF Code, Polar Code and MARPOL.

Proposed amendment: **The Chairman** reported that MD has a number of *on-going* legislative exercises, including Ballast Water Management, IGF Code, Polar Code and MARPOL.

4. **Ms. Sandy CHAN from HKSOA** also pointed that paragraph 39 shall be amended:-

Original: **Mr. CHENG Yeung-ming from MD** replied that the Hong Kong Convention was signed in 2007.

Proposed amendment: **Mr. CHENG Yeung-ming from MD** replied that the Hong Kong Convention was signed in 2009.

5. Since Members have no objection, **the Chairman** endorsed the last notes of meeting subject to incorporation of the two proposed amendments.

## **Agenda Item 2: Matters Arising**

### ***(i) Issue of Electronic Certificates***

6. **Mr. CHAN Ming-yau from MD** reported that at this stage, the Certificate of Registry (CoR) issued by HKSR is already incorporated with a specific track number to enable foreign ports to cross-check its authenticity at MD' website. The assigning of track numbers to individual CoR would be the first step and the digitalization of the entire certification process is still underway.

7. In order to update the digitalised issuance procedures, MD has deployed resources to renovate the existing the Shipping Registry Information System (SRIS). The system revamp exercise would put in place the most updated requirements on e-certification at the time of tender exercise and the project is expected to be completed by Q3 of 2019. Despite the update tender specification, the successful rolling out of electronic certificates will also be reliant on other factors, i.e. the compatibility of the local legislations, IMO latest development, encryption technology and the mode of acceptance of other port Authorities.

8. **Mr. Anil ARORA from Unique Shipping (H.K.) Limited** pointed that Recognized Organisations (ROs) were already well equipped with necessary technologies to issue electronic trading certificates, he asked if MD would place these certificate copies on MD's website to allow checking by other port Authorities. **The Chairman** replied that unlike CoRs issued by MD, the legislation still requires

placing hardcopies of the trading certificates, issued by ROs on behalf of MD, on board ship for port clearance.

9. **Mr. Laxman KUMAR from Langton Shipmanagement Limited** echoed that the successful launching of electronic certification is highly related to whether or not other jurisdictions accept e-certificates at port clearance. For trading certificates issued by the ROs, transiting to e-certification would be even more challenging as it would be dependent on the compatibility of local legislations.

10. **The Chairman** remarked that even though IMO had been encouraging the use of electronic certificates, it does not mandate global adoption amongst flag States. MD is working closely with THB and DoJ to review relevant legislative provisions to accommodate e-certification. If necessary, some legislation might need to go through amendment exercise.

11. **Mr. Anil ARORA from Unique Shipping (H.K.) Limited** suggested MD shall pursue the process of amending the law, if required, to allow trading certificates to be issued in electronic format.

12. **Ms. Sandy CHAN from Hong Kong Shipowners Association** appreciated that MD had taken forth digitalization through assigning track numbers to CoRs. As a step forward, she believed that MD could work in parallel with DoJ to prepare for the legislative amendments to accommodate the issuance of legitimate electronic certificates in the future.

13. **The Chairman** replied that MD would update members if DoJ has set forth direction in this respect, yet he highlighted that the successful launching of e-certificates would still depend on the acceptance by other port Authorities.

*(ii) Developing of Ship Registration Guidelines*

14. **Mr. CHAN Ming-yau from MD** reported that the Shipping Registry is preparing an FAQ set to highlight key registration issues and fallacies. The FAQ is expected to be released in Q3 of 2018. For the detail registration guidelines, since the drafting process involves a lot of manpower resources, the publication is going to be released in mid-2019.

15. **Mr. Anil ARORA from Unique Shipping (H.K.) Limited** suggested MD to expedite the drafting process by outsourcing the editorial work to service providers, so that MD could save manpower for core operations. **Ms. Sandy CHAN from Hong Kong Shipowners Association** shared the same view as Mr. ARORA as hiring

a competent consultant would share the workload of MD officials and speed up the release of the ship registration guideline.

16. **The Chairman** remarked that the drafting process involves considerable time to clarify with DoJ the interpretations of certain legal provisions. MD would also need to coordinate comments from stakeholders, shipowners and law firms. Since such liaison work could not be delegated to external parties or outsourced, it is considered more appropriate to retain the drafting process in-house. The FAQ set is intended to enlist those common pitfalls encountered during registration process and recommendations that could speed up the vetting procedures.

*(iii) Strengthening the Services at Economic and Trade Offices*

17. **Mr. CHAN Ming-yau from MD** reported that apart from Beijing, Shanghai and Tokyo Offices, the collection service of CoR envelopes would be extended to two more locations, i.e. Jinan and Shenyang before the end of 2018.

18. **Ms. Sandy CHAN from Hong Kong Shipowners' Association** suggested MD to consider establishing a collection point in the United States. **The Meeting** also noted the suggestion of using the consulate office(s) as the collection points.

19. **The Chairman** responded that the Shipping Registry would progressively expand the collection points to more overseas offices, whereas priorities will be accorded to those locations with more frequent ship transactions. In addition, MD does not have plan to render support from consulate offices at the moment as the delivery of CoR is more an operational issue rather than diplomatic matter. He concluded that an MSIN will be issued upon the formal establishment of the new collection points at Jinan and Shenyang.

*(iv) Email Subscription Service for MSN and MSIN*

20. **The Secretary** reported that following the suggestion raised in last HKFOAC meeting, MD has worked with the IT team in the last few months for incorporating a new email subscription function at MD's official website. The new function was rolled out in mid-June 2018. By clicking the subscription button and inputting the personal email address, the subscriber would be notified by email for any new publications of notices on MD's website.

21. **Mr. Anil ARORA from Unique Shipping (H.K.) Limited** welcomed the new feature and suggested that the secretariat could issue an email informing members of the new function. **Ms. Sandy CHAN from Hong Kong Shipowners'**

**Association** conveyed that HKSOA could help disseminating the message to its members so as to encourage more stakeholders to join the subscription.

***(v) Bill of Sale issued by Court outside Hong Kong***

22. **Mr. CHAN Ming-yau from MD** told the meeting that the recognition of Court order and Admiralty court bill of sale issued outside Hong Kong is governed by Foreign Judgments (Reciprocal Enforcement) Ordinance (Cap. 319) and Mainland Judgments (Reciprocal Enforcement) (Cap. 597). MD has kept close monitoring on the development of an international instrument that is under discussion in UN Commission on International Trade Law (UNCITRAL). Since the establishment of the Hong Kong Shipping Registry, MD had rarely come across with cases concerning Bill of Sale issued by court outside the jurisdiction. Colleagues from the registry were at all time in place to offer assistance to ship companies in need.

23. **The Chairman** recaptured that MD would take note of the latest development of the United Nations body regarding the related discussions on the judicial sale of ships. While the matter is also related to other sale products and equipment, subject to new developments, MD would draw attention from relevant bureau(x) to collate the legislative exercises under Cap. 319 and Cap. 597.

**Agenda Item 3: Legislation Work**

***(i) Legislation Progress since end of 2017***

24. **Mr. LIU Chiu-fai, Barry from MD** reported that in the first half of 2018, the amendment exercises for seven regulations had been completed. Three of them are relevant to the Load Lines Convention under Merchant Shipping (Safety) Ordinance, Cap. 369 and it came into operation on 1.6.2018. Another subsidiary legislation which is also under Cap. 369 is the Gas Carriers Regulation and just come into force on 9.7.2018. Another three amended regulations pertaining to MARPOL on Noxious Liquid Substances, BCH Code and IBC Code under Merchant Shipping (Prevention and Control of Pollution) Ordinance, Cap. 413, would come into operation on 17.7.2018. In addition, a new regulation has been enacted under Cap. 413 for implementation of the Ballast Water Management Convention which would be commenced when the Convention extended to Hong Kong.

***(ii) Coming Legislation Work***

25. **Mr. LIU Chiu-fai, Barry from MD** reported that to implement the latest

requirements of SOLAS Ch. II-1, II-2, IMDG Code and STCW Convention for passenger ships, subsidiary legislations under Cap. 369, Cap. 413 and Cap. 478 will be amended accordingly.

26. Another exercise of making new subsidiary regulations under Cap. 369, Cap. 413 and Cap. 478 with respect to the adaptation of the Polar Code, INF Code (Carriage of Irradiated Nuclear Fuel as Cargo) and STCW Convention for ships complying with IGF Code are in progress. Furthermore, the Freight Container (Safety) Ordinance, Cap. 506 will be updated to reflect the latest amendments of the International Convention for Safe Containers (CSC Convention).

27. **Mr. Anil ARORA from Unique Shipping (H.K.) Limited** enquired if Direct Reference Approach (DRA) is adopted in all legislative exercises. He mentioned that due to consistent updates in international requirements, the local legislation shall be modified to mirror such changes. Using DRA in legislative exercises can automatically reflect the latest international conventions in local legislations.

28. **The Chairman** replied that whether or not DRA could be applied depends on the professional advice offered by DoJ. MD would support the use of DRA as far as possible subject to professional advice tendered by DoJ. By now, the implementation progress is satisfactory. **Mr. CHOI Chi-chuen from MD** supplemented that for international provisions that require explicitly set out, it is less likely that DRA would be adopted. On the contrary, if the provisions are founded on quantifiable technical standard, it is more possible that DoJ would recommend the use of DRA so as to keep our local legislation in tandem with new convention requirements.

29. **Ms. Sandy CHAN from Hong Kong Shipowners' Association** enquired if MD had considered create in-house government counsel posts to expedite the drafting of legislative proposals. **The Chairman** explained that DoJ had already assigned a dedicated team of government counsels, comprising of representatives from *International Law Division, Law Drafting Division and Civil Division*, to work on maritime legislations. Practically, separate focus groups consisting of officers from THB, MD and DoJ would meet regularly to tender advices for each individual legislative exercise. The existing cooperation arrangement is seen to be effective as the backlog of legislative exercises has been significantly reduced in recent years.

30. **Mr. Anil ARORA from Unique Shipping (H.K.) Limited** mentioned that for the global implementation of sulphur emission reduction to 0.5% under MARPOL to be followed starting from year 2020, he opined that the government shall put forth DRA so as to minimize the discrepancy between international standard and local legislation. **The Chairman** responded that apart from the requirement laid down in

Cap. 413, the legislations under Environment Protection Department (EPD) have to be updated accordingly. MD would take opportunity to convey HKFOAC's preference in the focus group meeting to adopt DRA. He remarked that not every legislative amendment exercise would be suitable for using DRA. He quoted an example concerning the implementation of MLC on the minimum age limit for seafarers. There are discrepancies in the requirements for the minimum age of labour laid down in MLC and Hong Kong law, i.e. 16 years old and 17 years old respectively. DRA would not be appropriate as local law would outweigh the international requirement in this case.

31. **Mr. Laxman KUMAR from Langton Shipmanagement Limited** enquired if there is any forthcoming legislative exercise pertaining to LNG bunkering given the implementation of IGF Code. **Mr. Anil ARORA from Unique Shipping (H.K.) Limited** supplemented that CLP Power Hong Kong (CLP) is going to launch a project to set up a 'share-use' import facility that has the capability to receive and store LNG.

32. **The Chairman** replied that the import facility to be built by CLP is not intended for vessel bunkering. For the upcoming legislative exercise on implementation of IGF Code, it would focus on the safety standard of LNG vessel but not port facilities nor infrastructure.

33. **Ms. Sandy CHAN from the Hong Kong Shipowners Association Limited** opined that the government might consider liaising with CLP to allow bunkering purpose at the newly built import facility, so as to better utilise resources.

34. **Mr. SHUM Yee-hong from Goldbeam International Limited** conveyed that many ship companies have moved to Zhoushan for bunkering services. He worried that Hong Kong would lose its competitive edge in the long run if it does not devote to improve its bunkering facilities in Hong Kong.

35. **Capt. ZHOU Jian-feng from Wah Kwong Maritime Transport Holdings Limited** supplemented that Zhoushan government offers attractive pricing and the bunkering infrastructure is more developed compared to Hong Kong.

36. **Mr. Laxman KUMAR from Langton Shipmanagement Limited** ascertained that MD should keep an eye on the benchmarking of other neighbouring cities so as to maintain Hong Kong's competitive advantage.

37. **The Chairman** responded that since the suggestion was related to the long term strategy to be upheld by Hong Kong as the International Maritime Centre, HKSOA



might convey their views to the Maritime and Port Board (MPB).

#### **Agenda Item 4: Revision of Fees (HKFOAC Paper No. 3/2018)**

38. **Miss Dora TUNG from MD** tabled *HKFOAC Paper No. 3/2018* on the fee revision proposal for seven types of fees. The applicable changes on HKFOAC, pertaining to Cap. 415A – Merchant Shipping (Registration) (Fees and Charges) Regulations, were enlisted in paragraph 6 (p.9) of the discussion paper. She emphasized that the fee revision proposal would be considered on an overall rather than individual basis.

39. **The Chairman** highlighted that to ascertain the cost reduction in various ship registration and tonnage fees, charges on examinations and certification etc., the proposal would come in bundle with a number of cost increase pertaining to port facilities and fees for permit etc. MD would seek comments from all relevant consultative bodies and final endorsement would be made on the overall costs of marine services.

40. **Ms. Sandy CHAN from the Hong Kong Shipowners Association Limited** responded that HKSOA welcomed the proposed fee reduction of the registration fees. Even though HKSOA was aware that the government needs to observe the “full cost recovery” principle, some members of HKSOA reflected that Hong Kong’s maritime industry is facing many challenges and keen competition from other countries, therefore they opined that it is not desirable to increase the fees and charges of marine services.

41. **The Meeting** had discussed about the implementation of Regulation 4 – Reduction in Annual Tonnage Fee in the 3<sup>rd</sup> year for ships that have not been detained in the 1<sup>st</sup> and 2<sup>nd</sup> year as an award to the shipowners for having maintained their ships in good conditions. It had been clarified that the 1<sup>st</sup> and 2<sup>nd</sup> year would be taken as the first two years after the ship was registered and the subsequent two years would be taken as another new cycle. Apart from that, enquiry was raised on whether or not Hong Kong would follow example of Singapore administration on providing discounts on registration fees for the bulk registration of vessels under the same company. **The Chairman** responded that such fee arrangement was not allowed under Hong Kong law.

42. **The Chairman** also conveyed that members from other consultative committees enquired if Hong Kong would establish prices by benchmarking on other neighbouring port authorities. He informed HKFOAC members that the current fee revision proposal was solely based on “full cost

recovery” ideology and consideration was not taken to set strategy on enhancing competitiveness of Hong Kong port as an IMC. Other than the pricing strategies imposed on government services, he gauged that a basket of factors would affect Hong Kong’s global position as the IMC, for instance, the quality of our fleet and complimentary services.

43. **Mr. Anil ARORA from Unique Shipping (H.K.) Limited** noted under paragraph 4 of the discussion paper, the Local Vessels Advisory Committee (LVAC) was being consulted on the fee increase for port facilities. He enquired if there were any port operator representatives in the LVAC that could give advice in such respect. **The Chairman** replied that the LVAC was constituted by a diversified pool of members, including cargo vessels operator, launch and excursion vessel operator, ferry vessel operator, river trade cargo operator, fishing industry etc. Since these local vessel stakeholders would have a chance to use the port facilities, thus it is necessary to consult them for any changes on fees.

44. **Mr. Anil ARORA from Unique Shipping (H.K.) Limited** continued to address that under paragraph 4, one of the fee items is related to port facilities and light dues – Ocean Going Vessels, and he enquired whether or not MD needs to arrange consultation for the ocean-going sector. **The Chairman** explained that prior to the issuance of this discussion (i.e. inclusive of items related to Local Vessels Advisory Committee, Seafarers’ Advisory Board, HKFOAC and High Speed Craft Consultative Committee), another separate discussion on port fees have been circulated to the Port Operations Committee (POC) for comments. The reason for placing this fee item under LVAC’s consultation is that some coastal ships would also engage in the use of ocean-going port facilities during their routine operations.

45. While no further comment was received from members, **the Chairman** announced that *HKFOAC Paper No. 3/2018* was being endorsed.

#### **Agenda Item 5: Detention of Hong Kong Registered Ships and Safety Seminars**

46. **Mr. NI Zhao from MD** reported that in 2016 and 2017, there were 49 and 41 ships being detained respectively. As for 2018, there were 30 ships being detained up to July 2018, out of which 12 ships were detained in Australia. The Ship Safety Branch has analysed the detention figures and most common detainable deficiency items and Mr. NI has taken the opportunity to remind HKFOAC members.

47. He addressed that the most popular detainable deficiencies were sewage treatment facilities, oily water separator, life boat/rescue boat, fire damper, as well as

fixed carbon dioxide firefighting system. In view of that quite a number of detained ships were found to have these deficiency items, he encouraged ships to conduct a thorough and genuine self-check in accordance with MD's pre-arrival checklist, which was promulgated in the circular letter issued on 25.4.2018. For any deficiencies identified before arrival to the port, the company should inform MD, its RO and the port Authority in advance to make proper arrangement, i.e. applying for exemption certificates or dispensations, arranging repair ashore etc.

48. **The Chairman** supplemented that due to the alarming detention figures called upon Australian ports, MD had invited two Australia MSA officers to meet up with ship companies and HKSOA during MD's safety seminar to brief on the best port state control practices in early 2018. In July 2018, MD would hold mid-year safety seminars in Shanghai, Hong Kong and Singapore on 20.7.2018, 31.7.2018 and 8.8.2018 respectively. These seminars would serve as a platform for MD officials to present on issues related to the safe operation of ships and exchange views with the shipping industry about the improvement measures on boosting PSC performance. Shanghai MSA officials would be invited to give a sharing at Shanghai seminar, while Indonesian MSA officials would give a sharing at Hong Kong's seminar. Invitations shall be sent out to members and ship company representatives nearer the time.

#### **Agenda Item 6: New Arrangements of issuing Nairobi Convention Certificates by Shenzhen MSA**

49. **Mr. NI Zhao from MD** reported that the Nairobi International Convention on the Removal of Wrecks (WRC), 2007 has entered into force on 14.4.2015. The Convention applies to all Hong Kong registered sea-going ships with international voyage having 300 gross tonnage or above. On 15.6.2018 onwards, the China Maritime Safety Administration (MSA) has appointed Shenzhen MSA to issue WRC certificate for Hong Kong registered ships. A circular letter with guidance and application form has been issued on 5.6.2018 to promulgate the new arrangement. In practice, MD would receive the applications and perform vetting on the documents and information provided by the ship company. Upon final approval by Shenzhen MSA, ship companies could obtain the WRC certificate at their office. The application process is expected to take time for around 10 working days upon receipt of all required documents.

50. **The Meeting** discussed about the certificate collection arrangement as some members opined that it would be more convenient if the WRC certificate could be collected in Hong Kong rather than in Shenzhen. In

some countries, WRC certificates were delivered directly to the shipowner or ship management companies. **The Chairman** responded that the Shenzhen MSA is the issuing authority of WRC certificates. Subject to the roll-out progress of the new service, MD would liaise with Shenzhen MSA to explore the possibility of delivering certificates to Hong Kong by batch.

### **Agenda Item 7: IMO Ship Fuel Oil Consumption Reporting**

51. **Mr. NI Zhao from MD** reported that with respect to the announcement made in MEPC.1/Circ.876, all ship companies are requested to submit SEEMP Part II by 1.9.2018. The MSIN No. 35/2017 was issued to announce the implementation of the data collection system (DCS).

52. Upon request from the maritime industry and having consulted the ROs in the annual meeting on 8.6.2018, the data collection mechanism has been refined. In gist, MD has authorised all ROs to carry out data collection for Hong Kong registered ships, regardless of whether or not the ship is classed with that RO. Each ship shall request only one RO to carry out the entire process, i.e. issuing Certificate of Competency, collecting and verifying data, uploading information to GISIS. The respective RO is required to report the status to MD after completing the process. The new arrangement is announced through MSIN No. 14/2018, which is issued on 29.6.2018.

### **Agenda Item 8: A.O.B.**

#### ***(1) Hong Kong Convention***

53. **Ms Sandy CHAN from the Hong Kong Shipowners' Association** enquired the implementation progress of the Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships (Hong Kong Convention, "Convention"). It is noted that the Convention was adopted on 15.5.2009 and it aims to ensure that ships, when being recycled after reaching the end of their operational lives, do not pose any unnecessary risk to human health and safety or to the environment. The Convention would only come into force 24 months after ratification by 15 States, representing 40% of world tonnage, combined maximum annual ship recycling volume not less than 3% of their combined tonnage. To date, only 6 countries have ratified this Convention. While China and Hong Kong had not ratified the Convention, HKSOA urged MD to consider expediting the legislation work before reaching the 10<sup>th</sup> anniversary of this Convention.

54. **Mr. CHOI Chi-chuen from MD** responded that as part of the consultation

process for preparing local legislation, MD issued HKFOAC Paper No. 2/2018 on the said Convention in June 2018. No comment was received for the proposed legislative intent for the implementation of the Convention. He mentioned that not only the world tonnage but the availability of global recycling capability would also be crucial for the successful implementation of the Convention. **The Chairman** supplemented that Hong Kong could not deposit any convention with IMO directly. MD would convey members' opinion to China MSA during annual regular meeting.

### ***(2) Maritime Labour Convention, 2006 (MLC, 2006)***

55. **Ms Sandy CHAN from the Hong Kong Shipowners' Association** pointed that China has ratified the MLC 2006 in 12.11.2015 but the ratification has not yet extended to Hong Kong. Moreover, MLC 2014 amendment is coming in place and thus HKSOA urged MD to closely follow-up on the issue.

56. **Mr. CHOI Chi-chuen from MD** responded that at this stage, MD was still liaising with Mainland authority on this issue and the convention was likely to be extended to Hong Kong very soon. MD would update HKFOAC members for any progress.

### ***(3) IMO's 2020 Global Sulphur Cap***

57. **Mr. Anil ARORA from Unique Shipping (H.K.) Limited** pointed that IMO targets to curb air pollution by cutting the maximum amount of sulphur emissions of ships to 0.5% of fuel content by year 2020. IMO recognized the need for guidance to support the consistent implementation of the new requirements and agreed that administrations should encourage ships flying their flag to develop implementation plans, outlining how the ship is to prepare in order to comply with the requirement. Since the time is running short, he enquired whether MD or ROs would approve that implementation plan or issue exemption to ships.

58. **Members** have discussed the guidance that being developed by an inter-sessional meeting in IMO that week to support the consistent implementation of the 0.50% sulphur limit under MARPOL Annex VI.

59. **Mr. CHAN Chun-kam from American Bureau of Shipping** addressed that even though the IMO guidance had not yet ready, there are well established inspection and verification procedures that could be adopted to ensure compliance on board ships.,

60. **Mr. CHOI Chi-chuen from MD** understood members' concern on the issue. MD officials would attend the upcoming MEPC 73 to keep abreast of the latest development on the issue.

*[Post-meeting Note: At the inter-sessional meeting in IMO, it was agreed that the ship implementation plan would not have a mandatory nature and would not need to be endorsed by the Administration.]*

#### ***(4) Frequency of Meeting***

61. **Ms Sandy CHAN from the Hong Kong Shipowners' Association** enquired about the frequency of HKFOAC meeting. **The Chairman** remarked that HKFOAC is not a statutory body. The meeting frequency will be around two times per year, i.e. on half yearly basis, and ad-hoc meetings could be called in case of special agenda.

#### ***(5) One Belt, One Road Initiative***

62. **The Secretary** reported on one A.O.B. item raised by *Mr. WONG Ching-hoi from Wealth Ocean Services Limited* prior to the meeting. He wished to know if MD had any engagement on the promotion of Hong Kong ship registry to the One Belt One Road countries, for example in the China International Import Expo to be held in November 2018.

63. **The Chairman** responded that the Hong Kong government is keen on promoting Hong Kong as an International Maritime Centre (IMC). Together with a vast number of government bureaux, departments and collaborative parties, including InvestHK, Maritime and Port Board, trade offices, THB, HKSOA, law firms, arbitrators etc., the Hong Kong Shipping Registry would hold promotional activities on a regular basis. MD had participated in various global events like *Posidonia, Maritime Awareness Week, Marintec Exhibition* etc. Apart from promotions, MD also endeavours to support the grooming of local maritime professionals. Through cooperating with MSTI and HKSOA, MD had lined up events and sharing in secondary schools and universities. The Sea-going Training Incentive Scheme (SGTIS) is also in place to attract new blood to join the maritime industry. Instead of solely expanding the size and quantity of the maritime market, Hong Kong government places more emphasis on enhancing the quality of Hong Kong fleet so as to sharpen its competitive edge globally.

#### ***(6) Development of New Mobile App***

64. **Ms Sandy CHAN from the Hong Kong Shipowners' Association** raised enquiry on the progress of developing the new mobile app for displaying sea map and sea chart.

65. **The Chairman** said that the matter is now handling by the Hydrographic Office. Subsequent to the Volvo Ocean Race Hong Kong, MD is obliged to develop a mobile app to facilitate public's access to these information. The secretariat is tasked to relay the enquiry to the responsible section.

66. There being no other business, the meeting was adjourned at 5:40 p.m. The date of the next meeting would be announced in due course.

**Secretariat**  
**Multi-lateral Policy Division**  
**Marine Department**  
**July 2018**