

## Notes of 43<sup>rd</sup> Meeting of the Shipping Consultative Committee

Date : 12 November 2015 (Thursday)  
Time : 10:30 a.m. to 12:20 p.m.  
Venue : Conference Room A, Marine Department Headquarters, 24/F,  
Harbour Building

### Present

<b>Chairman</b>	Mr. Jimmy W. H. LEUNG	Assistant Director / Multi-lateral Policy (Acting)
<b>Members</b>	Mr. Arthur BOWRING	The Hong Kong Shipowners Association Ltd.
	Mr. LI Chi-wai	Hong Kong Seaman's Union
	Mr. YI Yue-feng	Maritime Consultant Co., Ltd. (subsidiary of North China Group)
	Mr. ZHANG Bao-liang	Associated Maritime Company (Hong Kong) Ltd.
	Mr. Alasdiar SMITH	Seateam Management Pte Ltd. (subsidiary of Golden Ocean Group Limited)
	Capt. CHEN Shui-liang	Ocean Longevity Shipping & Management Co. Ltd.
	Mr. LI Shu-dong	Sinotrans Shipping Ltd.
	Capt. Vijay M SOMAN	Wallem Shipmanagement Ltd.
	Mr. Abhay S JOSHI	Seaspan Corporation
	Capt. ZHOU Wei	Orient Overseas Container Line Ltd.
	Mr. Philip K H TSOI	Goldbeam International Limited
	Mr. CHEN Yan	China Shipping Group
	Miss WONG Shun-kwan	The Merchant Navy Officers' Guild – Hong Kong (stand-in for Capt. YU Chi-ming)
	Mr. Richard OAKLEY	Ince & Co (stand-in for Mr. David BEAVES)
	Capt. Vikrant MALHOTRA	Anglo-Eastern Ship Management Ltd. (stand-in for Capt. Pradeep CHAWLA)
	Capt. Y. K. JAISWAL	Pacific Basin Shipping (HK) Limited (stand-in for Mr. C. Kocherla)
	Mr. HARE Ram-sah	Wah Kwong Shipmanagement (HK) Limited (stand-in for Capt. Sanjeev KUMAR)
	Mr. Jack YANG	“
	Capt. Sanjeev VERMA	“

**Secretary** Miss Jennifer LAM

Executive Officer / Shipping & Multi-lateral  
Policy Divisions (1) (Acting)

**In attendance**

Mr. Y. M. CHENG	Assistant Director / Shipping
Mr. W. H. HO	Chief / Marine Accident Investigation and Shipping Security Policy
Mr. C. Y. FONG	Chief / Maritime Policy (Acting)
Mr. Y. W. YU	Chief / Technical Policy
Mr. C. H. TSO	General Manager / Ship Safety Branch
Mr. K. F. KWAN	Senior Surveyor / Marine Accident Investigation
Mr. K. L. LUI	Senior Surveyor / Technical Policy (2)
Mr. Jammy N. W. NG	Senior Surveyor / Seafarers' Certification

**Absent with apologies**

Mr. Pradeep RANJAN	UNIVAN Ship Management Limited
Mr. Alex BILOKON	China International Shipmanagement Company
Mr. Dilip N NAIR	Fleet Management Limited
Mr. LI Ke-wei	Huayang Maritime Centre (subsidiary of Centrans Group Holdings Limited)
Mr. DONG Qing-ru	COSCO (H.K.) Co. Ltd.
Mr. Sancho KIM	CIDO Shipping (H.K.) Co. Ltd.
Mr. Dipak DASH	Maersk Shipping Hong Kong Limited

**Opening remarks**

The **Chairman** welcomed all members to the meeting. He then introduced members who were new to the meeting including Mr. Abhay S JOSHI, Mr. Philip K H TSOI, Capt. U. K. JAISWAL, Mr. ZHANG Bao-liang, Mr. Alasdair SMITH and Mr. YI Yue-feng. He invited members to make declaration of interests before convening the meeting. No declaration was made after consulting members.

**Agenda item 1 – Confirmation of the Minutes of the 42nd Meeting held on 30**

## July 2014

2. **Mr. Y. M. CHENG** proposed that for paragraph 10 of the last notes of meeting, it is suggested to change the phrase "... 185 countries *joined* the MLC, 2006" to "... 64 countries *ratified* the MLC, 2006". While no adverse view was obtained on this amendment, the **Chairman** endorsed the last notes of meeting with the proposed change agreed.

### Agenda item 2 – Legislation progress

3. The **Chairman** invited **Mr. Y. W. YU** to report on the legislation progress. At present, a total of 11 sets of legislations, pertaining to SOLAS, COLREGS and Load Lines Convention, were underway. On 27 July 2015, MD consulted the Legislative Council's (LegCo) Economic and Development Panel on the legislative proposals to amend and make new regulations under the Merchant Shipping (Safety) Ordinance (Cap. 369), with a view to implementing the latest requirements of the COLREGS and SOLAS Chapters III, IV and V. With the Panel's support, MD would introduce the relevant amendments and new regulations into LegCo for negative vetting early next year.

4. **Mr. Arthur BOWRING** expressed concern over the Direct Reference Approach (DRA) adopted in legislation exercises. He pointed that MD should explore a faster way to effect international convention requirements in Hong Kong. The **Chairman** told that in general, the Transport and Housing Bureau (THB) and the Department of Justice (DoJ) supported the use of DRA. To expedite legislation progress, 14 working groups had been convened to assist in drafting and reviewing the designated regulations.

5. **Mr. Y. M. CHENG** supplemented that even though the present legal framework allowed the use of DRA in drafting laws, DoJ still held the safeguarding role in looking after the draft statutory provisions in the domestic context. Therefore, it took considerable time for MD officers to explain the technical content to legal professionals during the drafting of subsidiary legislation.

### Agenda item 3 – New SOLAS Amendments

6. **Mr. Y. W. YU** briefed members that amendments to SOLAS and related mandatory Codes adopted by resolutions of MSC 93, MSC 94 and MSC 95 would enter into force phase by phase from 2016 to 2017.

7. **Mr. K. L. LUI** tabled [Appendix 1](#) illustrating the amendments to SOLAS

and related mandatory Codes and briefed members on the technical requirements and applicability in details for those amendments which had entered or would enter into force since 1 January 2015 up till 1 January 2017.

8. **The Chairman** took the opportunity to draw members' attention to the requirement of verification of Gross Mass of a Container with Cargo, in which SOLAS Chapter VI would be applicable on 1 July 2016. The legislative amendments were scheduled for negative vetting on or before July 2016, in order to effect this international requirement.

9. **Mr. Y. M. CHENG** told the meeting that at present, MD was arranging consultation with the maritime sector. Two verification methodologies could be adopted for such purpose, including direct weighing of containers, or adopting a standardised calculation method. To uphold the safeguarding role, MD would consider arranging random inspection on the compliance with the requirements for the relevant stakeholders, such as terminals, shippers, container ships, etc. A tentative mass tolerance level of 5% discrepancy would be allowed.

10. **Mr. ZHOU Wei** enquired if there was imposition of penalty if the weighs of containers on board exceeded the tolerance level. **Mr. Y. M. CHENG** replied that the existing statutory provisions already set forth penalty for making a false declaration, i.e. \$20,000 and imprisonment for two years. The SOLAS amendment was indeed giving an additional option of verification methodologies of container mass.

11. **Mr. Abhay S JOSHI** mentioned that those shipping companies offending the weighing requirement could dissolve the original company and apply for registration by forming another company. **Mr. Y. M. CHENG** replied that MD would introduce a register system for recording the "registered shipper". For cases of re-registration under the same "registered shipper", MD would tighten up monitoring on those companies. Apart from that, having considered that quite a number of companies would have arranged weighing of containers in the Mainland, MD would explore the feasibility of recognising those certificates issued by the Mainland Authorities.

#### **Agenda item 4 – Implementation of MARPOL Annexes**

12. **Mr. C. Y. FONG** tabled Appendix 2, which had summarised all IMO amendments as adopted from last complete revision (up to 31 October 2015) for individual MARPOL Annexes, AFS 2001 and BWMC 2004 Convention.

Corresponding MSINs had been issued to announce the IMO amendment and the respective Hong Kong local subsidiary legislations under Cap. 413. Legislation amendments pertaining to Cap. 413K (Sewage), Cap. 413O (Garbage) and Cap. 413N (Anti-Fouling Systems) were already completed. Cap. 413A (Oil) and Cap.413M (Air) will be tabled to LegCo in the early of 2016. Drafting instructions for Cap. 413B (Noxious Liquid Substances) and Cap. 413H (Marine Pollutants) would be established by the end of 2015.

13. **Mr. C. Y. FONG** supplemented that the Ministry of Transport of PRC had planned to set up three Emissions Control Areas (ECAs) in Pearl River Delta, Yangtze River Delta and Bohai Rim Region, with a view to reduce emissions of nitrogen oxides, sulphur oxides and particulate matters from ships. Detail implementation plan would be announced by the end of 2015.

14. **Capt. U. K. JAISWAL** suggested MD to issue a circular letter to indicate the ECAs in China. **Capt. Vikrant MALHOTRA** enquired the definition of inland waters of China. **Mr. Y. M. CHENG** supplemented that, in order to draw the attention of the maritime sector on the emission controlling arrangement in China, MD would consider issuing MSIN when new regulations were being put forth in the future. **Mr. C. Y. FONG** replied that the baselines of China had been spelt out at the official website of China's Maritime Safety Administration. The new rules would be applicable to merchant ships navigating or anchoring in the three ECAs, with a goal to cut sulphur dioxide emissions to a maximum content of 0.5% in 2020. Detail implementation schedule was yet to be announced.

15. **Mr. Arthur BOWRING** pointed that the MEPC of IMO should be kept informed regarding the setting up of ECAs in China. **Mr. Y. M. CHENG** explained that the establishment of three ECAs was under the jurisdiction of China and therefore Hong Kong was not in the position to inform IMO in this regard.

#### **Agenda item 5 – Maritime Labour Convention, 2006**

16. **Mr. Y. M. CHENG** told the meeting that the legislation exercises, pertaining to the implementation of Maritime Labour Convention, 2006 (MLC, 2006), were in progress. 10 subsidiary legislations had already been completed and 1 was still underway. China was preparing to deposit the MLC, 2006 to the International Labour Organisation (ILO) and the instrument would exclude Hong Kong and Macau. MD expected to arrange enactment in 2016 and would inform the Central Government nearer the time, so that they would extend the coverage of MLC, 2006 to Hong Kong.

(Post-meeting Note: On 12 November 2015, the People’s Republic of China deposited with the ILO the instrument of ratification of the MLC, 2006. The Convention will enter into force for the People’s Republic of China on 12 November 2016, which was one year after its ratification.)

17. **Mr. Y. M. CHENG** supplemented that the implementation of MLC, 2006 would put forth new requirements on the financial security system for seafarers, which would be enforced w.e.f. 18.1.2017. He quoted MLC Regulation 2.5 and Regulation 4.2, which had spelt out that *“Each Member shall ensure that a financial security system meeting the requirements of this Standard is in place for ships flying its flag. The financial security system may be in the form of a social security scheme or insurance or a national fund or other similar arrangements. Its form shall be determined by the member after consultation with the ship owners’ and seafarers’ organizations concerned.”* He thus took the opportunity to collect members’ views on this proposed arrangement. Members agreed to engage the Protection and Indemnity Clubs (P&I Clubs) as the form of financial security system.

18. **Mr. Arthur BOWRING** told the meeting that the majority of states had agreed to engage the Protection and Indemnity Clubs (P&I Clubs) as the form of financial security system, yet they had not yet reached a consensus on the new financial coverages. Some flags were looking for insurance other than the P&I Clubs. The International Group of P&I Clubs would put up the discussions at the Special Tripartite Committee Meeting scheduled in February 2016.

19. **Mr. Arthur BOWRING** briefed members on the three major amendments to be discussed in the forth-coming Special Tripartite Committee Meeting. The first one was the alignment of SOLAS requirement on the renewal of the maritime labour certificates. The second one was related to the payment of wages during the period for which a seafarer was held captive by pirates. The third agenda would discuss the problems related to harassment and bullying on board ships. He hence invited members of the SCC to take part in the meeting together with the Hong Kong Shipowners’ Association.

#### **Agenda item 6 – The STCW Convention 2010 – Manila Amendments**

20. **The Chairman** told the meeting that in view of the urgency of legislations, MD and THB have convened two Working Groups to expedite the amendment exercises under Cap. 478. **Mr. W. H. HO** reported that the groupings of sub-legislations have been modified to speed up the progress. Higher priorities had been accorded to sub-legislations empowering MD to issue the Certificates of Proficiency (CoP), including Cap. 478K, Cap. 478AC, Cap. 478Z and Cap. 478Y. These pieces of

sub-legislations was expected to be ready before end of 2016.

### **Agenda item 7 – Enhancement on FSQC inspections**

21. **Mr. C. H. TSO** tabled [Appendix 3](#) to illustrate the proposal on the enhancement on FSQC inspections. As at the meeting date, there were 58 detention cases being reported by Hong Kong flag ships. To draw crew members' attention on the popular detainable items, MD had issued three circular letters together with the pre-arrival checklist this year and Chinese translation was underway. To maintain and improve the quality of Hong Kong registered ships, MD proposed to impose a three month's period for the management company or shipowner to make arrangements for MD to conduct a FSQC inspection on the detained Hong Kong ship. If the management company or shipowner failed to respond to MD's request for FSQC inspection within the three month's period, MD would instruct the ship's ISM RO to replace the existing SMC with a short term certificate of three month's validity. When the short term SMC expired, the ship would not be able to trade. Special circumstances could be considered on a case-by-case basis.

22. **Mr. Alasdiar SMITH** reflected that their company would have difficulty in complying with this new requirement as the time allowed for arranging a FSQC inspection with MD was too short and he found it unreasonable to withdraw the SMC as a penalty. He opined that instead of tightening up the inspection mechanism, MD should place more emphasis on supporting appealing cases of detained ships. **Capt. Vijay M SOMAN** doubted whether it would be practical to arrange FSQC inspection within three months' time, given that some of the cases would need more time in reality. **Mr. Capt. Vikrant MALHOTRA** suggested MD might follow the arrangement of Singapore. The Administration of Singapore would invite each flag officer for a discussion on ship issues and would remind them to apply for exemption items when necessary.

23. **The Chairman** responded that MD always tried to support appeal cases and members were welcome to comment on the FSQC system. **Mr. C. H. TSO** supplemented that in the last year, MD has assisted two appeal cases, i.e. one ship detained in Indonesia and one detained in Egypt. The prior case was successful but the latter case was not. For other detention cases, they were mainly related to critical detainable items, such as emergency generator or fire pumps etc., thus were difficult to defend. **Mr. Y. M. CHENG** pointed that in case the detainable reasons were found unjustified, the shipping company could engage appeal through the appropriate channel. MD would support Hong Kong flag ships as far as possible. While the detention figure was quite alarming, he reminded members to place closer attention to the pre-arrival checklist.

24. **Mr. Arthur BOWRING** proposed that MD might consider delegating the power to ROs to conduct FSQC inspections, this could enhance flexibility and lower the inspection cost. This issue could be further explored in the Customer Relations Group (CRG).

#### **Agenda item 8 – Any Other Business**

##### **(a) Audit for Russian Maritime Register of Shipping (RS)**

25. **Mr. C. H. TSO** reported that the Russian Maritime Register of Shipping (RS) had applied for becoming one of the ROs in Hong Kong. An audit had been arranged for RS and successfully completed at St. Petersburg between 28 and 29 October 2015. Since RS has fulfilled all the statutory requirements, it would become the ninth RO in Hong Kong, subject to its establishment of a registered office in Hong Kong.

##### **(b) Casualty and Personal Accident Statistics**

26. **Mr. K. F. KWAN** reported that Marine Accident Investigation Section (MAIS) was responsible for the investigation of accidents happened to Hong Kong registered vessels. In the year 2014, MAIS has received 85 shipping casualty reports from Hong Kong registered ocean-going vessels. It comprised of 27 collisions, 11 groundings, 8 fire and explosion and 39 other accidents. Of these casualties, two were very serious collision accidents causing 24 people missing from two fishing vessels. Besides, there was one very serious fire and explosion accident resulting in loss of life for one crew. In the same period, there were 45 occupational health and safety casualties happened onboard Hong Kong registered ships, in which 13 cases involved fatality of crew members.

27. **Mr. Arthur BOWRING** pointed that all marine accident reports should be filed to IMO for record. **Mr. K. F. KWAN** replied that it was MD's regular practice to submit the report copy to IMO.

28. **Mr. Alasdiar SMITH** opined that the root cause of most accidents was related to the ship management company and the respective management system. MD should consider strengthening monitoring and providing appropriate assistance to ship management companies.

29. **Mr. Y. M. CHENG** told the meeting that the Marine Accident Investigation Section already possessed an established channel of reporting these accident cases to



International Safety Management Section. This would ensure proper internal communication and thus helped enhance the improvement works to be done by respective ship management companies.

**(c) Implementation of Nairobi International Convention on the Removal of Wrecks, 2007**

30. **Mr. Arthur BOWRING** enquired about the implementation timeframe for Nairobi International Convention on the Removal of Wrecks, 2007. **Mr. Y. W. YU** replied that MD was given to know that preparation works for China to becoming a State Party were undergoing. He anticipated that extension of the application of this Convention to Hong Kong would be around 2017. As such, prior to extending the application of this Convention to Hong Kong owners of Hong Kong registered ships should approach any of the State Parties to obtain the Certificate before their ships trade to countries which are State Parties to the Convention. Detailed arrangements have been promulgated vide MSIN No. 7/2015.

**(d) Status Report on SCC Consultation Exercises conducted in 2015**

31. **Miss Jennifer LAM** reported that three SCC Discussion Papers, i.e. No. 165, 166 and 167 have been circulated to members for comments in 2015. In general, there was no adverse comment being received.

- SCC Paper 165 – Proposed new/ amendments/ repeal to the Merchant Shipping Safety Regulations, Cap. 369
- SCC Paper 166 – Implementation of the Nairobi International Convention on Removal of Wrecks in the HKSAR
- SCC Paper 167 – Amending Schedule 2 of the Merchant Shipping (Limitation of Shipowners Liability) Ordinance (Cap. 434) for Implementing the 2012 Amendments to the 1996 LLMC Protocol

32. **Mr. Y. W. YU** supplemented that MD had enhanced the channel of disseminating IMO documents to SCC members. At present, all relevant IMO documents had been uploaded to MD's official website. To allow better access control, a separate log-in account was established with password protection. He noted that the tea session arranged in April 2015 was quite successful while SCC members had been briefed on the major agenda items on MEPC 68 and MSC 95. In the upcoming year, a similar tea session would be organised near March 2016. Details would be announced in due course.

**(e) Launching of Exemption Database**

33. **Mr. C. H. TSO** reported that MD had introduced a new IT system to record the granting of exemption certificates to shipping companies, which has been launched in November 2015. Normally, around 150 to 200 exemption applications were processed by MD officers every month. With a view to step up monitoring, the new system was established to ensure each and every exemption application was properly closed. Reminder emails would be sent out to ship owners nearer the expiry date, so that they could perform remedial actions as appropriate. **Mr. Alasdiar SMITH** showed support to the new system as it could help improve the port State control performance.

34. There being no other business, the meeting was adjourned at 12:20 p.m. The date of the next meeting would be announced in due course.

**Secretariat**  
**Multi-lateral Policy Division**  
**Marine Department**  
**December 2015**