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0.50% max limit of the sulphur content in fuel oil- Compliance with the provisions of MARPOL Annex VI Regulation 14

1. Purpose:

To provide guidance to the Indian shipping companies so that their ships are prepared to demonstrate compliance with the provisions of MARPOL, Annex VI, and Regulation 14.

2. Application:

This circular is applicable to:

- All seagoing Indian ships registered under Merchant Shipping Act, 1958
- All bunker suppliers registered with GOI in accordance with regulation 18 MARPOL Annex VI.

3. Introduction:

Regulation 14 of MARPOL Annex VI sets a 0.50% max limit of the sulphur content in respect of all fuel oils used by any type of combustion machinery outside Emission Control Areas (ECA- SO_x) from 1 January 2020, down from 3.50% m/m currently. In emission control areas (ECAs) the limit remains, as it has been since 1 January 2015, i.e. 0.10% m/mmax of the sulphur content.

The date of 1 January 2020 was set in the regulations adopted in 2008. However a review provision was included in Regulation 14 of MARPOL Annex VI, requiring IMO to review the availability of low sulphur fuel oil for use by ships, to help Member States determine whether the new lower global cap on sulphur emissions from international shipping shall come into effect on 1 January 2020 or be deferred until 1 January 2025. An assessment of 0.5% Sulphur fuel oil

availability was entrusted upon CE Delft by IMO and based on the report of the Marine Environment Protection Committee (MEPC 70), in October 2016 decided that the 0.50% limit shall apply from 1 January 2020.

Further MEPC 73 held between October 22-26th, 2018 adopted resolution MEPC.305 (73) which amends regulation 14 of MARPOL Annex VI and the form of the Supplement to the IAPP Certificate to prohibit the carriage of non-compliant fuel oil for combustion purposes for propulsion or operation on board a ship. The carriage prohibition does not apply to ships employing an alternative arrangement (e.g. exhaust gas cleaning system) approved under regulation 4.1 of MARPOL Annex VI which is annotated in the Supplement to International Air Pollution Prevention certificate. This carriage ban enters into force on 1 March 2020 on using non-compliant fuel oil for propulsion or operation on board a ship as per resolution MEPC.280 (70). The ban on carriage does not apply to carriage of fuel oil with sulphur content >0.5% m/m as cargo. The 0.50% sulphur limit requirement will be enforced globally by Statutory authorities and locally by Indian Maritime Association.

4. Requirement:

Regulation 14 states that "The sulphur content of any fuel oil used on board ships shall not exceed 0.50% m/m on and after 1 January 2020". The interpretation of "fuel oil used on board" includes use in main and auxiliary engines and boilers. This Regulation prohibits carriage of fuel with sulphur content more than 0.5% on board ships on/after 1st March 2020 and it applies to all ships.

Further as on date, it should be noted that though carriage of more than 0.5% Sulphur Fuel oil is allowed till 1st March 2020, same cannot be used on ships on/after 1st January 2020.

The 'equivalent' compliance mechanism is permitted by MARPOL Annex VI, Regulation 4 and includes exhaust gas cleaning systems. EGCS will allow higher sulphur fuels (>0.50% m/m) to be burnt, with the excess sulphur 'scrubbed' out of the uptake exhaust gas. The prohibition on the carriage of non-compliant fuel oil is not applicable to ships fitted with such 'equivalent' means of compliance.

In the event a compliant fuel oil cannot be obtained, Regulation 18 of MARPOL Annex VI currently provides that a Party to MARPOL Annex VI can request evidence outlining the attempts made to obtain the compliant fuel, including attempts made to locate alternative sources. When a ship is visiting a port where the operator cannot purchase compliant fuel oil due to non-availability, the operator is to notify the ship's Administration and the next destination port authority.

5. Interpretation:

The interpretation of the MARPOL Regulation 14 is that in case of non-availability of residual fuel oil with Sulphur content not exceeding 0.5% m/m, but availability of other grades of fuel oil such as gas oil, distillate fuel etc. with Sulphur content not exceeding 0.5% m/m, the same will not be considered as non-availability of 0.5% Sulphur fuel oil as defined in Regulation 18 of MARPOL Annex VI.

6. Responsibility of Ship Owners:

ISM Code requires companies to assess all identified risks to its ships, personnel and the environment and establish appropriate safeguards. To meet this requirement all companies are strongly advised to develop a ship specific implementation plan for transition from high sulphur fuel oil to fuel oil with sulphur content not exceeding 0.5% taking into consideration MEPC. 1/ Circ. 878 – Guidance on the development of a ship Implementation Plan for the consistent implementation of the 0.50% sulphur limit under MARPOL Annex VI. The Plan could be complemented with a record of actions taken by the ship in order to be compliant by the applicable date.

It may be noted that administrations and port State control authorities may consider ship implementation plan as an evidence of due diligence by the ship owner when verifying compliance with 0.5% sulphur limit requirement.

7. Ships which decide to implement equivalent compliance mechanisms

*For ships intending to use an Exhaust Gas Cleaning Systems (EGCS) for some or all of its fuel oil combustion machinery, must be in compliance with MEPC. 259(68)- 2015: Guidelines for Exhaust Gas Cleaning and following must be available on board:

- SOx Emissions Compliance Plan (SECP) approved by R.O. on behalf of Flag administration detailing the method of compliance for all fuel oil combustion machinery installed on board.
- SOx Emissions Compliance Certificate (SECC) issued by R.O. on behalf of Flag Administration.
- EGCS Technical Manual for Scheme A (ETM-A) or EGCS Technical Manual for Scheme B (ETM-B) as applicable duly approved by R.O. on behalf of Flag Administration.
- An onboard Monitoring Manual (OMM) approved by R.O. on behalf of Flag Administration.
- EGC Record Book or Electronic Logging System.

“Wash water resulting from exhaust gas cleaning systems shall not be discharged into the sea, including enclosed ports, harbours and estuaries, unless the wash-water meets the criteria set out in Resolution MEPC. 259(68) adopted on 15th May 2015 and also applicable to local regulation.

8. Responsibility of approved Bunker Suppliers

The Bunker supplier should ensure that fuel supplied to ships apart from meeting the requirements of Regulation 18 of MARPOL Annex VI has a sulphur content not exceeding 0.5% m/m and be guided by MEPC. 1/ Circ. 875/Add.1 – Guidance on best practice for fuel oil suppliers for assuring the quality of fuel oil delivered to ships.

In case of ships fitted with Exhaust Gas Scrubbers (EGS), the bunker supplier can supply fuel with sulphur content more than 0.5% m/m only after ensuring fitment of EGS from “Supplement to International Air Pollution Prevention Certificate” issued by vessel Flag or RO. A copy of the same has to

be retained in records.

Further fuel with sulphur content more than 0.5% shall be supplied to ships (Indian & Foreign Flag ships not fitted with EGS) in Indian coastal waters by approved Bunker suppliers only with the prior approval of the directorate. The request for the same is to be forwarded to psc-dgs@nic.in by concerned ship operators/companies and not Bunker suppliers.

9. This circular is issued with the approval of Competent Authority.

Enclosures:

1. MEPC. 1/Circ. 878 - Guidance on the development of a Ship Implementation Plan for the consistent implementation of the 0.50% sulphur limit under MARPOL Annex VI.
2. MEPC. 1/Circ. 875/Add.1 - Guidance on best practice for fuel oil suppliers for assuring the quality of fuel oil delivered to ships.

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