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Yangtze River Protection Law - Ban on Transportation of Acutely Toxic Chemicals in the Yangtze River Basin as from March 1, 2021

Dear Sirs/ Madam,

The Yangtze River Protection Law of the People's Republic of China, as adopted on December 26, 2020 has come into force on March 1, 2021. As stipulated by Item 2 of Article 51, "It shall be prohibited to transport acutely toxic chemicals by water and other dangerous chemicals of which the transportation by inland river is prohibited

under the provisions issued by the state in the Yangtze River Basin”.

For the implementation of the Law, Shanghai MSA issued a Notice on Implementing the Requirements of the Yangtze River Protection Law to Prohibit the Transportation of Acutely Toxic Chemicals and Other Goods in the Shanghai Section of the Yangtze River (hereinafter referred to as ‘Notice’) on February 18, 2021.

The content of the Notice is hereby interpreted for the reference of the Clubs and their Members.

What Kinds of Goods are Banned Under the Law?

As stipulated by the Law, the following goods are banned:

- i. acutely toxic chemicals
- ii. other dangerous chemicals of which the transportation by inland river is prohibited under the provisions issued by the state

The Notice specifies the two types of goods as follows:

- i. ‘acutely toxic chemicals’ means:
The chemicals marked as ‘acute toxicity’ in the remarks column of the Catalogue of Hazardous Chemicals (2015 Edition).
- ii. ‘other dangerous chemicals forbidden to be transported by inland river’ means:
The chemicals listed in the Catalogue of Prohibited Dangerous Chemicals by Inland River (2019 Edition), which comprises **228 types** of dangerous chemical cargo totally forbidden to be transported by inland river regardless of its packing

and the other **85 types** of dangerous chemical cargo forbidden to be transported by inland river in bulk, but can be shipped in packaged form, including steel cylinders, portable tanks, containers, etc.

Area of Banned Waters

The Yangtze River Protection Law applies throughout the Yangtze River Basin, while the Notice is only for the Shanghai section of the Yangtze River.

Being the mouth of the Yangtze River, a part of the water area of Shanghai belongs to the Yangtze River Basin.

****Waters and wharfs in the Yangtze River Basin:***

‘Shanghai section of Yangtze River’ refers to the waters of Yangtze River between the longitude line 122°29’38.6 “E and the lines connecting Liu Hei Wu (near the lower reaches of Liuhe River Mouth) and Shi Xin Gan (near Shiqiao River Mouth on Chongming Island).

The Yangtze River Protection Law also applies for the Huangpu River, which is a tributary of the Yangtze River.

‘Shanghai section of Yangtze River’ mainly contains the following wharfs:

Pudong Dongfang Storage Tank Wharf, Shanghai Sewage Plant Wharf, Phase 1 to Phase 6 Container Wharf in Shanghai, Chongming Public Freight Wharf, Wusong Jungong Road Wharf, Baosteel Chemical Production Wharf.

****Waters and wharfs NOT in the Yangtze River Basin:***

Yangshan Deep-Water Port does not belong to the Yangtze River Basin prescribed in the Law.

Implementation Process and Impact on Shipowners

As from March 1, 2021, when the Yangtze River Protection Law came into force, all acutely toxic chemicals, regardless of its packing, imported, exported, transited or transferred in the Yangtze River Basin will be subject to the transportation ban. All types of vessels, including Liquefied vessel, bulk carrier, general cargo carrier and container vessel shall comply with the law.

****Additional documentation required when declaration:***

MSDS (Material Safety Data Sheet) and Commitment Letter must be provided for all substances under the UN number (Major Categories) corresponding to the CAS number of acutely toxic substances. Both MSDS and Commitment Letter shall be provided by the Freight Forwarder when making the declaration. The Shipping Agent shall provide only a Commitment Letter that the entire cargo is non-acute toxicity and it is not necessary to submit MSDS repeatedly. MSDS can also be provided if the information obtained by the Shipping Agent is not consistent with the Freight Forwarder or if it is deemed necessary.

The Commitment Letter shall contain the following elements: Cargo description, CAS Number, Hazard Class, UN number, Container Number and Bill of Lading Number.

Legal Liability

In accordance with Article 90 of the Yangtze River Protection Law, penalties for violations of the law include:

- i. order the violator to take corrective actions, confiscate its illegal income, impose a fine of not less than 200,000 yuan but not more than two million yuan on the violator;
- ii. a fine of not less than 50,000 yuan but not more than 100,000 yuan on each of the directly liable person in charge and other directly liable persons;
- iii. for serious violation, order the suspension of business for consolidation or suspend the relevant permit.

The object of punishment is mainly directed at the Carrier. But if the Shipper or the owners of the cargo falsely declare the banned cargo, resulting in the Carrier in the complete ignorance of the circumstances of transport, the Maritime Authorities will also impose penalties on the Shipper according to the provisions of the law.

Advice to the Club/Members

- i. When Members are doubtful of the description of cargo to be carried, they are suggested to request the Shippers to submit all relevant information of the cargo, including CAS number, UN number, Customs official name of the cargo, technical specification etc.
- ii. When the content of cargo to be carried is not clear, especially when the cargo is a chemical mixture, Members are suggested to seek advice from a competent

chemical expert through the Club's correspondent.

- iii. Members should be cautious to accept any booking from an unknown or a small company. When applicable, the Shippers should be asked to submit a proper LOI issued by a reliable party before accepting their booking.

- iv. Excessive interpretation on the Yangtze River Protection Law is NOT suggested. According to Shanghai MSA, the enforcement of the law shall not affect the normal transport of goods. To assist the relative party with complying with the law, the Authorities will indicate to the Ship agent when the declared cargo is involved in the acutely toxic and is banned for transportation.

We hope the above is of assistance. Any query, please contact us.

Best regards,



Yu Limin

President

Q&A

Q: According to the Catalog of banned cargo, CAS 16752-77-5 corresponds to UN 3018. But our company's cargo is UN2757, CAS 16752-77-5. In this case, is it a banned cargo or not?

A: The CAS number refers to the unique registration number of the chemical by the Chemical Abstracts Service of the United States. The CAS number shall prevail when ascertaining the consignment is banned or not. If a CAS number is classified as acutely toxic, it is within the scope of the banned cargo.

Q: An example of a hazardous chemical with UN number 2811, if its CAS number is not listed in the Catalogue of Hazardous Chemicals (2015 Edition) and List of Banned Dangerous Chemicals in Inland Rivers (2019 Edition, China), is it allowed to be transported on the Shanghai section of the Yangtze River?

A: Goods with UN number 2811, if their CAS number is not listed in the Catalogue of Hazardous Chemicals (2015 edition) and the Catalog of Prohibited Dangerous Chemicals in Inland Waters (2019 edition), or its CAS number is listed in the "Catalogue of Hazardous Chemicals" (2015 edition) but the corresponding remarks column is not marked "acutely toxic," which is not subject to the transportation ban requirements for the Shanghai section of the Yangtze River.

Q: Is it necessary to provide the CAS number when submitting the declaration of carriage of dangerous goods by sea to the maritime department after March 1, 2021?

A: If the UN number of the declared dangerous goods by sea belongs to the banned goods listed in the Catalogue of Hazardous Chemicals (2015 Edition) and the List of Banned Dangerous Chemicals in Inland Waters (2019 Edition), a further chemical safety technical specification for the dangerous goods shall be provided with the CAS number for the goods.

Free Translation

Notice on Implementing the Requirements of the Yangtze River Protection Law to Prohibit the Transportation of Acutely Toxic Chemicals and Other Goods in the Shanghai Section of the Yangtze River

To: Parties Concerned

The Yangtze River Protection Law of the People's Republic of China (hereinafter referred to as "Protection Law") was adopted at the 24th Meeting of the Standing Committee of the 13th National People's Congress on December 26, 2020, and has come into effect on March 1, 2021.

Item 2 of Article 51 of the Law stipulates that "It shall be prohibited to transport acutely toxic chemicals by water and other dangerous chemicals of which the transportation by inland river is prohibited under the provisions issued by the State in the Yangtze River Basin". According to the Article, "acutely toxic chemicals" and "other dangerous chemicals of which

the transportation by inland river is prohibited by the state” are the prohibited goods in the Yangtze River Basin.

According to item 3 of Article 54 of the Regulations on the safety management of hazardous chemicals, the scope of “acutely toxic chemicals” referred to in the Protection Law shall be the chemicals marked as “acutely toxic” in the remarks column of the Catalogue of Hazardous Chemicals (2015 Edition) (see Annex 2) formulated by the State Administration of Work Safety together with the Ministry of Industry and Information Technology; and the “other dangerous chemicals of which the transportation by inland river is prohibited under the provisions issued by the state” refers to the chemicals listed in the Catalogue of Prohibited Hazardous Chemicals in inland rivers (version 2019) (see Annex 3) formulated by the Ministry of Transport and the Ministry of Ecological Environment.

According to Article 2 of the Protection Law, the Shanghai section of the Yangtze River belongs to the main section of the Yangtze River in Shanghai as specified in the Protection Law. From March 1, 2021, it shall be prohibited to import and export, transit and transfer the prohibited goods mentioned above, including transportation in bulk or in package by ship. In accordance with the provisions of Article 90, those who violate the provisions shall be ordered by the competent Transportation Department of the people’s government of the county or above level or the maritime administrative authority to make rectification, and their illegal gains shall be confiscated, and they shall also be fined not less than CNY 200,000 but not more than CNY 2,000,000, and the persons in charge and other persons liable directly shall be fined not less than CNY 50,000 but not more than CNY 100,000; In serious cases, it shall be ordered suspension of business for consolidation or its relevant permit shall be suspended.

For implementation of the requirements of the Protection Law, the shipping enterprises of Shanghai port should place great attention to the aforesaid requirements. As from March 1, 2021, it is strictly prohibited for ships to carry acutely toxic substances and other dangerous

chemicals forbidden to be transported by inland rivers to import and export, transit and transfer in the Shanghai section of the Yangtze River.

It is hereby notified.

Shanghai Maritime Safety Administration

18 February 2021