

## Fuel Oil Sulphur Cap

This Bulletin applies to all merchant ships on all voyages.

As you are aware, the IMO has agreed a global cap of 0.50% on sulphur content for fuels used on board, to be implemented on 1 January 2020. The global cap is a mandatory requirement and is applicable to all ships on all voyages, covering all fuel carried on board for consumption - this includes fuel used in emergency systems (emergency generator, lifeboats, rescue boat, etc.). Ships may be allowed to carry unconsumed fuel with sulphur content exceeding 0.50% for a period of two months, however consumption of such fuel beyond 1 January 2020 is not permitted. Ships having such fuel on board after 1 January 2020 must make plans to debunker the non-compliant fuel prior to 1 March 2020.

You should therefore plan for transition to compliant fuel oil on board your ships leading up to 1 January 2020, unless the ship is fitted with an approved equivalent under Regulation 4 of MARPOL Annex VI.

The introduction of the marine fuel sulphur cap does not affect existing marine fuel sulphur content limitations for ships operating in Emission Control Areas as outlined in Regulation 14.2 of MARPOL Annex VI.

The Barbados Maritime Ship Registry (BMSR) therefore recommends that all companies operating Barbadian flagged ships allow plenty of time to prepare a detailed ship specific implementation plan - MEPC circular MEPC.1/Circ.878 contains guidance and an indicative example Ship Implementation Plan (SIP). The circular highlights the most commonly expected issues in relation to the sulphur cap but should not be seen as a comprehensive list of all potential difficulties that may be encountered on individual ships. The Recognised Organisation which issues the ship's International Air Pollution Prevention Certificate should be contacted.

We further recommend that you make enquiries with your regular bunker suppliers and/or charterers who are responsible for bunker stemming now to ensure plans are in place for each ship to have guaranteed compliant fuel oil on board by the end of December 2019. If fuel oil for ship's consumption is being provided by the charterers, it is recommended that consideration be given to the introduction of a fuel quality clause within the charter party agreement. The clause should stipulate the Company and charterers' duties in respect of fuel oil procurement from outside sources, as well as outline the responsibilities of each party in respect of fuel oil supply, storage, preparation and handling to ensure that the fuel oil on board remains compliant, in case of any future disputes or potential sanctions by Port State Control. Where, despite all reasonable efforts, compliant fuel may not be received at the scheduled port of call, and no feasible alternative exists, the ship will be required to prepare and submit a Fuel Oil Non-Availability Report (FONAR) as indicated in Section 5 of IMO Resolution MEPC.320(74). An example format of a FONAR can be found at page 12 (of 19) here: <https://www.mardep.gov.hk/en/msnote/pdf/msin1917anx1.pdf> FONARs should be submitted to both the BMSR and the necessary authorities of the port of destination. In addition to submission of a FONAR, the BMSR recommends that the Master prepares a Letter of Protest addressed to the local authorities in the port where compliant fuel was not available.

Note that the submission of a FONAR does not exempt the ship from the requirement to consume compliant fuel oil. The FONAR provides documented background information to the authorities of the port of destination, as well as the BMSR, to determine whether any enforcement actions or penalties may be applicable in each individual case. Notwithstanding submission of a FONAR, the Company must try to obtain compliant fuel at the earliest opportunity. Follow-up actions when arranging the provision of compliant fuel oil following bunkering of non-compliant fuel under a FONAR should include assessment of necessity and practical

arrangements to de-bunker any remaining non-compliant fuel at the first port where compliant fuel is available and specific preparations to ensure bunker tanks and fuel transfer, treatment and preparation systems are sufficiently cleaned and are suitable for compliant fuel without the risk of contamination by residues of non-compliant fuel. Such actions may include tank cleaning, system pipelines and equipment flushing or mechanical cleaning. FONARs and all related documents, including any applicable emails, are to be retained on board for at least 3 years following the date of submission.

It is the Company's responsibility to conduct a timely assessment of the potential effect of continuous use of low-sulphur compliant fuel on the ship's machinery and equipment. Where concerns exist, equipment manufacturers and Recognised Organisations should be consulted well in advance of the deadline in order to find a technical solution. Concerns about the safety of ship and machinery will not allow the ship to bunker and/or consume non-compliant fuel after 1 January 2020. The BMSR is unable to accept any requests for postponement, deviation from, or other methods of alternative compliance in respect of any ship unable to comply with Regulation 14.1.3, except those approved under the provisions of Regulation 4 of MARPOL Annex VI.

Enforcement of Regulation 14.1.3 of MARPOL Annex VI will run in parallel with enforcement of compliance with local and regional requirements relating to sulphur emissions.

In ports where the use of open loop scrubbers is not permitted, ships fitted with open loop scrubbers will be expected to consume compliant fuel.

New sample categories of "in-use sample" and "on-board sample" have been introduced to facilitate competent authorities of Parties to MARPOL to determine whether fuel oil used on board, or carried for use on board, meets the requirements of allowed sulphur content per Regulation 14.1.3 or 14.4. For this purpose, new sampling points are to be introduced on fuel systems of ships as outlined in IMO Circular MEPC.1/Circ.864/Rev.1. In-use and on-board samples will be analysed by an accredited laboratory on behalf of the competent authorities of the Party conducting the inspection and sampling. Results of sample tests will be used by the Party to establish whether a ship is consuming and/or carrying compliant fuel.

The IMO has also produced guidance for Port State Control on how non-compliant fuel oil should be addressed.