

Bulletin No. 183

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# **INFORMATION BULLETIN No. 183**

# **MARPOL Annex VI - Global Fuel Oil Sulphur Limit**

Guidance and Information for Bahamas Recognised Organisations, Bahamas Approved Nautical Inspectors, Ship Owners, Managers and Masters

# 1. Purpose

- 1.1. This Bulletin provides guidance and information to assist Bahamian shipowners and Companies<sup>1</sup> operating Bahamian ships in preparation for a coordinated and orderly transition to the 0.50% sulphur content limit in marine fuel oil starting on **01 January 2020**, as required under Annex VI of the International Convention for the Prevention of Pollution from Ships, as amended (MARPOL Annex VI).
  - 1.2. The Bulletin also provides guidance and information related to the entry into force of the MARPOL Annex VI prohibition on the carriage for use of non-compliant fuel oil on ships without an approved alternative means of compliance on **01 March 2020**.
  - 1.3. Any references to Articles and Regulations in this Bulletin are references to MARPOL Annex VI unless stated otherwise.
  - 1.4. The information in this Bulletin is of advisory character and should not be considered as mandatory for application on board Bahamian ships, unless expressly indicated in the text.
- 1.5. This Bulletin should be read in conjunction with the documents listed in Annex 1.

<sup>1</sup> The "Company" is the entity responsible for the management of the ship in accordance with the ISM Code. For ships to which the ISM Code is not applicable, the Company is the Managing Owner under Section 52 of the Merchant Shipping Act.

B183 Rev.00 Contact:

# 2. Application

- 2.1. This Bulletin applies to all ships on all voyages.
- 2.2. Introduction of the MARPOL Annex VI 0.50% marine fuel sulphur limit does not affect existing marine fuel oil sulphur content limitations for ships operating in Emission Control Areas as outlined in Regulation 14.3.

### 3. IMO Decisions

- 3.1. As agreed at the 70<sup>th</sup> session of MEPC, a global limit of 0.50% on sulphur content for fuel oil used on board merchant ships will be implemented on **01 January 2020**.
- 3.2. In addition, the carriage for use of non-compliant fuel oil on ships without an approved alternative means of compliance (such as EGCS) will be prohibited as of **01 March 2020**.
- 3.3. The global sulphur limit is a mandatory requirement and is applicable to all ships on all voyages, covering all fuel carried on board for consumption this includes fuel oil used in emergency systems (emergency generator, lifeboats, rescue boat, etc.).
- 3.4. In accordance with the IMO decisions, <u>no phase-in period will be</u> <u>allowed as of 01 January 2020 for transition to shipboard consumption of compliant fuel oil</u>.
- 3.5. The Company should therefore plan for transition to compliant fuel oil on board their ships in the weeks, and possibly months, prior to 01 January 2020, unless the ship is fitted with an approved equivalent under Regulation 4.
- 3.6. Ships not fitted with approved equivalent systems under Regulation 4 may be allowed to carry unconsumed fuel with sulphur content exceeding 0.50% until 01 March 2020, however **consumption of such fuel as of 01**January 2020 is not permitted. Ships having such fuel on board on or after 01 January 2020 must make plans to debunker the non-compliant fuel oil prior to 01 March 2020.

# 4. Ship Implementation Plan (SIP)

- 4.1. To facilitate a comprehensive assessment of expected and potential difficulties in relation to the sulphur limit the BMA recommends that all Companies operating Bahamian ships allow ample time to prepare a detailed, ship-specific implementation plan.
- 4.2. MEPC circular MEPC.1/Circ.878 contains guidance and an indicative example of a Ship Implementation Plan (SIP). The circular highlights the most commonly expected issues in relation to the sulphur limit but should not be seen as a comprehensive list of all potential difficulties that may be encountered on individual ships.
- 4.3. It should be noted that the SIP is not a mandatory instrument under MARPOL Annex VI, and it is not required to be approved or endorsed by the BMA or Class. However, Administrations and Port State Control authorities may take the SIP into account when verifying compliance with the 0.50% sulphur limit requirement.

# 5. Compliant Fuel Oil Availability and Fuel Oil Non-Availability Report (FONAR)

- 5.1. It is largely expected that marine fuel oil bunker producers and traders will be well prepared to satisfy the global shipping demand for compliant fuel oil with sulphur content below 0.50% by the third quarter of 2019.
- 5.2. By 01 January 2020 compliant fuel oil should be available in all bunkering locations. It is nonetheless advisable for the Company to place timely enquiries with regular bunker suppliers and/or charterers who are responsible for bunker stemming well in advance of 01 January 2020 to ensure plans are in place for each ship to have guaranteed compliant fuel oil on board by the end of December 2019. The SIP should address the procurement of compliant fuel oil.
- 5.3. Where 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 oil quality clause within the charter party. 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.

- 5.4. Where, despite all reasonable efforts, compliant fuel oil 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). A FONAR can be downloaded here<sup>2</sup>.
- 5.5. 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 Coastal State authorities of the port(s) of destination, as well as the BMA, to determine whether any enforcement actions or penalties may be applicable in each individual case. Notwithstanding the submission of a FONAR, the Company must try to obtain compliant fuel oil at the earliest opportunity.
- 5.6. The FONAR should be sent as soon as it is determined that the ship/operator will be unable to procure compliant fuel oil and preferably before the ship leaves the port/terminal where compliant fuel oil cannot be obtained.
- 5.7. FONARs should be submitted to both the BMA and the Coastal State authorities of the port(s) of destination.
- 5.8. In addition to submission of a FONAR, the BMA strongly recommends that the Master prepares a Letter of Protest addressed to the local authorities in the port(s) where compliant fuel oil was not available.
- 5.9. Follow-up actions when arranging the provision of compliant fuel oil following bunkering of non-compliant fuel oil under a FONAR should include assessment of necessity and practical arrangements to:
  - i. De-bunker any remaining non-compliant fuel oil at the first port where compliant fuel is available<sup>3</sup>, and;
  - Specific preparations to ensure bunker tanks and fuel transfer, ii. treatment and preparation systems are sufficiently cleaned and are suitable for compliant fuel oil without the risk of contamination by residues of non-compliant fuel oil. Such actions may include tank cleaning, system pipelines and equipment flushing or mechanical cleaning.
- 5.10. FONARs and all related documents, including any applicable emails, are to be retained on board for inspection for at least three (3) years following the date of submission of the FONAR.

<sup>&</sup>lt;sup>2</sup> https://www.bahamasmaritime.com/wp-content/uploads/2019/08/FONAR-v1-ID-3397.pdf

<sup>&</sup>lt;sup>3</sup> Optional prior to 01 March 2020 but mandatory thereafter.

5.11. The BMA will report details of submitted FONARs to the IMO Global Integrated Shipping Information System (GISIS)<sup>4</sup>.

# 6. Handling of non-compliant fuel oil

- 6.1. Guidance for Port State Control on how to address non-compliant fuel oil has been provided by IMO in Circular MEPC.1/Circ.881.
- 6.2. As per the provisions of Regulation 18.2.2, a ship should not be required to deviate from its intended voyage or unduly delay the voyage in order to achieve compliance.

# 7. Expected Issues and Difficulties in Facing 2020 Sulphur Limit

- 7.1. It is the Company's responsibility to conduct a timely assessment of the potential effect of continuous use of low-sulphur compliant fuel oil on the ship's machinery and equipment. Where concerns exist, equipment makers and Classification Societies should be consulted well in advance of the deadline in order to find a technical solution.
- 7.2. Concerns about the safety of ship and machinery do not exempt the ship from the requirement to bunker and/or consume compliant fuel oil after 01 January 2020. However, if non-compliant fuel oil has been bunkered due to concerns that the quality of the compliant fuel oil available would cause operational or safety problems on board the ship, the concerns should be thoroughly documented in a FONAR.
- 7.3. Paragraph 7.1 and 7.2 do not affect exceptions due to genuine emergency situations, as per the provisions of Regulation 3.1.
- 7.4. Enforcement of Regulation 14 will run in parallel with enforcement of compliance with local and regional requirements related to sulphur oxide emission.
- 7.5. In ports where the discharge of wash water from open loop EGCS (scrubbers) is not permitted, ships fitted with open loop/hybrid EGCS may be expected to consume compliant fuel oil or to switch to closed loop mode. Documents related to changeover procedure and records should be kept on board.

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<sup>&</sup>lt;sup>4</sup> <a href="https://gisis.imo.org">https://gisis.imo.org</a> (Registration required)

# 8. Bunker Delivery Notes (BDNs)

- 8.1. In accordance with Regulation 18.5, the sulphur content of fuel oil supplied onboard is to be confirmed from the supplier's Bunker Delivery Note (BDN), which shall contain the information specified in Appendix V of Annex VI.
- 8.2. BDNs shall be kept readily available for inspection on board for a period of not less than three (3) years after the fuel oil in question has been delivered on board.
- 8.3. In cases where a BDN is not provided by the supplier, the Master or responsible officer should document that fact. A letter of protest is to be sent to the supplier, copied to the BMA.
- 8.4. The BDN shall be accompanied by a representative sample ("MARPOL delivered sample") which is to be sealed and signed by the Master or officer in charge of the bunker operations on completion of bunkering and retained under the ship's control until the fuel oil is substantially consumed, but in any case not less than 12 months from the time of delivery.
- 8.5. It is recognised that some ships engaged on short voyages may consume small parcels of bunker fuel more rapidly than others. In such cases, representative samples of fuel already consumed may be retained in an appropriate shore side facility under control of the Company.

## 9. Sampling of fuel oil

- 9.1. 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 the fuel oil used on board, or carried for use on board, meets the sulphur content requirements of Regulation 14.1 or 14.4.
- 9.2. For this purpose, new sampling points may need to be introduced on fuel systems of ships.
- 9.3. The Company should identify locations and determine suitable arrangements of sampling points as outlined in MEPC.1/Circ.864/Rev.1.
- 9.4. 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.
- 9.5. Though in-use and on-board samples are not formally considered as MARPOL samples ("MARPOL delivered sample") under Regulation 18.8.1, the results from testing of in-use and on-board samples may be used to form a definitive judgement by the competent authority of the Party taking the samples to establish any penalties or mandatory actions in relation to a ship's compliance with Regulations 14.1 and 14.4.
- 9.6. The definitions of "in-use sample", "on-board sample", "MARPOL delivered sample", and the related sample and verification procedures, etc., are introduced in the draft amendments to MARPOL Annex VI and will be adopted at MEPC 75 in March/April 2020.
- 9.7. The Company may find during routine commercial sample testing of bunkered fuel oil that the properties of the fuel differ from that described in the BDN. It is important to be aware that although the ship may be consuming a technically non-compliant fuel, no blame should be attached to the ship if the fuel was received in good faith and in accordance with the requirements. Responsibility for confirmed non-compliance rests with the fuel supplier in this case.
- 9.8. Where routine commercial sample testing of a fuel oil sample indicates that the fuel delivered differs substantially from that described on the Bunker Delivery Note, the Company and/or bunker supplier may request permission from the Administration to have the representative MARPOL sample tested in accordance with Appendix VI of MARPOL Annex VI. The Company and/or bunker supplier is responsible for all costs associated with testing of the MARPOL sample.
- 9.9. Correspondence related to commercial sampling may be kept separately from the required MARPOL records. However, for the sake of transparency it should be made available to third parties where appropriate.

#### 10. **Operations in Sulphur Emission Control Areas (SECAs)**

- 10.1. While operating in a Sulphur Emission Control Area (SECA), as defined in Regulation 14.3, the sulphur content of fuel oil used on board ships shall not exceed 0.10% m/m.
- 10.2. Prior to 01 January 2020, the sulphur content of fuel oil referred to in paragraph 10.1 shall not apply to ships operating in the North American

- or the US Caribbean Sea ECA, built on or before 01 August 2011, that are powered by propulsion boilers that **were not originally designed** for continued operation on marine distillate fuel or natural gas.
- 10.3. Ships operating in SECAs may carry different grades of fuel oils. In such cases, sufficient allowance should be made for the fuel oil service system to be fully charged with low sulphur fuel prior entering the SECA. Such changeovers should be documented in the Bahamas MARPOL Annex VI Record Book or an acceptable alternative as set out in <a href="BMA Information Bulletin No.126">BMA Information Bulletin No.126</a>.
- 10.4. All Bahamian ships shall comply with the requirements of <u>Directive (EU)</u> 2016/802 whilst alongside in European ports. The BMA cannot issue exemptions from the provisions of EC Directives.

#### 11. Miscellaneous Provisions

- 11.1. The provisions of Regulation 14 apply to all ships on all voyages. However, emissions from marine diesel engines that are solely dedicated to the exploration, exploitation and associated offshore processing of sea-bed mineral resources, including oil and gas, are exempt from the provisions of MARPOL Annex VI, in accordance with Regulation 3.1.4.
- 11.2. The provisions of Regulation 18 do not apply to the use of hydrocarbons that are produced and subsequently used on site as fuel, as per Regulation 3.3.2. This may be applied in respect of Floating Production Storage and Offloading units (FPSOs), Floating Storage and Offloading Units (FSO/FSU), etc.
- 11.3. Where a unit that has been using hydrocarbons produced on site as fuel leaves the production site without compliant fuel being available on board, a FONAR should be submitted to the applicable authorities and compliant fuel delivered at the earliest opportunity.
- 11.4. Where a gas is used as fuel, the requirements of the *International Code of Safety for Ships Using Gases or Other Low Flashpoint Fuels (IGF Code)* and the relevant Classification Society rules should be followed.

#### 12. Further Information

12.1. Further information is available in the document "Joint Industry Guidance on the Supply and Use of 0.50% Sulphur Marine Fuel", distributed by the IMO as <u>Circular Letter 4020</u>.

# 13. Revision History

Rev.0 (30 August 2019) - First issue

- i. International Maritime Organization (IMO) Marine Environmental Protection Committee (MEPC) Resolutions:
- <u>MEPC.320(74), 2019 Guidelines for consistent implementation of the 0.50% sulphur limit under MARPOL Annex VI; and</u>
- MEPC.321(74) 2019 Guidelines for Port State Control under MARPOL Annex VI Chapter 3;

#### ii. IMO MEPC Circulars:

- MEPC.1/Circ.795/Rev.4 Unified interpretations to MARPOL Annex VI;
- MEPC.1/Circ.864/Rev.1 2019 Guidelines for on board sampling for the verification of the sulphur content of the fuel oil used on board ships;
- MEPC.1/Circ.875 Guidance on best practice for fuel oil purchasers/users for assuring the quality of fuel oil used on board ships;
- 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;
- MEPC.1/Circ.881 Guidance for Port State Control on contingency measures for addressing non-compliant fuel oil;
- MEPC.1/Circ.882 Early application of the verification procedures for a MARPOL Annex VI fuel oil sample (Regulations 18.8.2 or Regulation 14.8);
- <u>MEPC.1/Circ.883 Guidance on indication of ongoing compliance in the case of a failure of a single monitoring instrument, and recommended actions to take if the exhaust gas cleaning system (EGCS) fails to meet the provisions of the 2015 EGCS guidelines (Resolution MEPC.259(68)); and</u>
- <u>MEPC.1/Circ.884 guidance for best practice for Member State/coastal</u>
   <u>State</u>;
- iii. IMO Maritime Safety Committee (MSC) Resolution MSC.465(101),

  <u>Interim Recommendations to Enhance the Safety of Ships Relating to Use of Fuel Oil;</u>
- iv. <u>BMA Information Bulletin No.75;</u>BMA Information Bulletin No.126.