

TECHNICAL CIRCULAR No. 200 of 7th June 2014

| To: | All Surveyors/Auditors |
|---------------------|------------------------|
| Applicable to flag: | All Flags |
| Subject: | Sulphur Regulation |
| Reference: | Maritime Authority |

Shipowners Unite on Sulfur Enforcement

Trident Alliance, the shipping industry initiative for robust enforcement of maritime sulfur regulations, is well on track for launch after its exploratory meeting in Copenhagen.

The companies agreed that the Trident Alliance will be a coalition of shipping owners and operators who share a common interest in robust enforcement of maritime sulfur regulation and are willing to collaborate to help bring it about. The alliance will partner with other groups who share its interest in robust enforcement, collaborating on initiatives that support this objective.

Over the past years, significant steps have been taken to implement regulations to limit sulfur emissions from shipping. Whilst necessary, these regulations pose a significant cost and compliance challenge to the shipping industry. If the regulations are robustly implemented then compliance is the norm and competition is not distorted. However, when enforcement is weak a temptation is created to cut corners on compliance. The result is that regulations will not have the intended effect of protecting the environment and human health. Also, responsible shipping companies are put at a disadvantage relative to those who are intentionally non-compliant.

On 1 January 2015, new stricter requirements for ships' sulfur emissions take effect. Compliance with the regulations is of importance to the environment. But, at the same time it is important that no shipowners get a competitive advantage by speculating in cheating with the content of the fuel. Therefore, efficient and consistent enforcement of compliance with the regulations is decisive.

The action plan is based on four focus areas: International cooperation, the development and use of new technology, improved statistics and documentation on non-compliance as well as sanctions.

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houston@conarinagroup.com Page 1 of 2 In order to ensure that non-compliance does not pay, another initiative listed in the action plan involves a closer scrutiny of the size of fines.

REFERENCES:

- Maritime Authority

ATTACHMENTS: No.

Kindest Regards,

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