

## one company, total services and solutions

## 31 December 2018

## **Update On Low Sulphur Surcharge (LSS)**

With effect from 1 October 2018, China's Maritime Safety Administration (MSA) has required vessels operating in the Yangtze River Delta to use low-sulphur fuel not exceeding 0.5% of Sulphur level, in order to minimize emissions of sulphur oxides from ships.

Consequently, most carriers have implemented Low Sulphur Surcharge (LSS) or so called as China Low Sulphur Surcharge (CLS) / Emission Control Area Surcharge (ECA) for all inbound and outbound shipments to / from China, Hong Kong, Macau or Taiwan.

Effective date is subject to various carriers' implementation - from 1 October 2018, China Shanghai and Ningbo ports have been implemented and now it extends to all ports from China, Hong Kong, Macau or Taiwan with effective date from 1 January 2019 onwards until further notice. All quantum, payment terms and effective date are subject to various carriers' implementation.

| The quantum is as below : | USD 15~35 per 20'  |
|---------------------------|--|
|                           | USD 30~70 per 40' / 40' HQ                               |
| Payment terms :           | - To be collected in port(s) of China, Hong Kong, Macau, |
|                           | Taiwan & etc. for Oceanic and South East Asia Trade      |
|                           |  |
|                           | - To be collected or prepaid together with the freight   |
|                           | payment for European Trade                               |

Should you have any inquiries, please feel free to contact <u>our local Ensign offices</u> for details. Kindly distribute the message to the parties concerned.

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Thank you for your kind attention and continued support.