

UPDATE OF UKRAINIAN BALLAST REGULATIONS - 2019

Please be advised on 27/03/2019 the Cabinet of Ministers of Ukraine adopted a resolution in order to improve the business environment in Ukraine. The purpose of adoption of this resolution is to reduce the risks of corruption including the risks during performance of ecological control in Ukrainian ports. According to the above-mentioned governmental resolution, ecological control in the Ukrainian ports established by the Rules on Protection of Inland Sea Waters from Pollution has been changed.

As we wrote in our previous newsletters, State Ecological Inspection for Protection of Black Sea (SIPBS, or state ecologists) acting very severely with ballast claims, sampling and analyzing procedures performed by the state ecologists are imperfect and not transparent, appropriate criteria for ecological inspection of vessel's ballast waters were not determined properly by the local legislation. All above-mentioned uncertainties in Ukrainian legislation created significant problems for Shipowners and entail administrative fines, claims for ballast discharge during vessel's loading operations in Ukrainian ports and even delay in vessel's sailing until settlement ecologists' claims. The problems with ballast waters inspection, which performs by the state ecologists in Ukrainian ports are well known for Shipowners and P&I Clubs.

In accordance with the above-mentioned governmental resolution of 27/03/2019 the inspection of vessel's segregated ballast in Ukrainian ports <u>will be cancelled</u> and inspection (including sampling and analyzing) of the segregated ballast of the vessels by the state ecologists <u>will be prohibited</u>. Moreover, this resolution will introduce the process of regular monitoring of the sea water condition in port aquatorium. Thus vessel's segregated ballast waters which should be discharged during vessel's staying in the port area will be not a subject of ecological control. See more details on website: <u>https://issuu.com/mineconomdev/docs/-26.03.2019.pptx</u>

The above-mentioned resolution will be entering into legal force after the official publishing in governmental bulletins.

We recommend to Shipowners the following steps to be undertaken:

- to appoint P&I Correspondents and instruct surveyor immediately to attend the vessel beforehand the state ecologists in case of any dispute with State Ecological Inspection and clarify the situation with segregated ballast with the Master;
- to assist Master, Chief Engineer and obtain all necessary information about equipment the vessel by segregated ballast system and prepare all vessel's documentation, Ballast Exchange Forms in a proper way, Master should not sign or complete any documents submitted by of state ecologists until P&I surveyor are present;
- to instruct lawyers for challenge/appeal the fine imposed by state ecologists.

Above-mentioned information are given as a notification in order to inform P&I Clubs and Shipowners about changes in ballast regulations in Ukrainian ports. We'll inform Clubs/Owners in due course when the resolution of Cabinet of Ministers of Ukraine will be published officially and enter into legal force.

Pavel Svertilov Managing partner CIS PANDI SERVICES (UKRAINE) LTD