

CHINA. PERSONAL INFORMATION PROTECTION LAW (PIPL)

It is reported that a new law concerning processing of personal information and sensitive personal information within the People's Republic of China (PRC). PIPL came into effect on 1 November 2021. The PIPL defines 'personal information' as "all information related to identified or identifiable natural persons" but excludes information which is anonymized (information that cannot be used to identify a specific natural person and cannot be restored after being so anonymized).

Please see below the implications that this law may have on shipowners, managers, and their correspondents in the PRC. The FAQs are intended to provide guidance and should not be regarded as providing definitive legal advice.

1. What are shipowners' and managers' obligations under PIPL?

Shipowners and managers must ensure that they have adequate consent from seafarers so they can contact next of kin, process their data and transfer it to their correspondents and P&I clubs in the event of crew illness or injury claims arising in the PRC (regardless of the seafarer's nationality).

Crew contracts may need to be amended to include the adequate level of consent required.

2. What are correspondents' obligations under PIPL?

Correspondents need to obtain seafarers' consent when dealing with illness or injury claims arising in the PRC. This consent is required to contact next of kin, process their data and transfer it to their correspondents and P&I clubs. Key points to note are:

- In an emergency, PIPL states that that consent must be obtained 'as soon as practicable', meaning as soon as both practical and possible in the circumstances.
- If the seafarer is deceased or cannot provide their consent, consent will need to be obtained from the seafarer's next of kin.
- Correspondents located in the PRC may need to enter into the relevant data transfer agreement with overseas organizations that they transfer personal information to, for example P&I clubs.

3. What are the requirements of the term 'consent' under PIPL?

Adequate consent must confirm the relevant shipowner, manager, or correspondent's authorization to:

1. Process the relevant sensitive personal information, especially medical information, and bank details.

2. Process the relevant types of personal information, including identification and next of kin's contact details.
3. Transfer this information to third parties, including P&I clubs and law firms.
4. Transfer this information overseas.

Consent must be attained from the seafarer's next of kin if the seafarer is deceased or unable to provide it.

4. Where can I get assistance to ensure that I am compliant with PIPL?

Chinese law firms can help you draft template consent wording, crew contract wording and assessing whether PIPL imposes further obligations on your business.

BIMCO. AN ELECTRONIC BILL OF LADING STANDARD FOR BULK SHIPPING

It may be of Insured Owners' interests that BIMCO has recently published an electronic bill of lading standard (eBL Standard) for the bulk shipping sector. The aim is to help accelerate the digitalization process by establishing common industry standards for electronic bills of lading.

Issuing bills of lading electronically has been possible for more than 20 years. Despite the availability of safe and well-established platforms that have been approved by the International Group of P&I Clubs, less than 2% of seaborne world trade is carried on electronic bills of lading (eBL). One of the obstacles to wider acceptance of eBLs that has been identified is that it is currently not possible to transfer an eBL from one approved platform to another, ie a lack of interoperability. This is a particular issue for trade finance banks wanting to transition from paper bills to eBLs as it requires training of staff in the use of multiple platforms, despite the very low volume of eBLs. Transferring an eBL between platforms requires that the eBL is in the same digital language by adopting a technical standard. So, the first step is developing and applying such a standard.

BIMCO is a founding member of the FIT (Future International Trade) Alliance, a cross-industry coalition of organizations working together to produce open standards for electronic trade documents. BIMCO's eBL Standard is aligned with the UN/CEFACT Multimodal Transport Reference Data Model as well as the standards produced by DCSA and FIATA.

The BIMCO eBL Standard's design is consistent with bills of lading used in the bulk sector, for example, CONGENBILL. This means that the underlying framework applies equally to BIMCO's various bills of lading and other bulk bills of lading, for example house bills. The standard is freely available to any electronic bill of lading solution provider.