

# ETS Webinar with AIJA and IUMI

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# It takes two to tango...

Does EU ETS need to be addressed in commercial contracts?

Why would parties want to reflect new legislation in their commercial contracts?

Commercial optionality



# Time Charter Parties

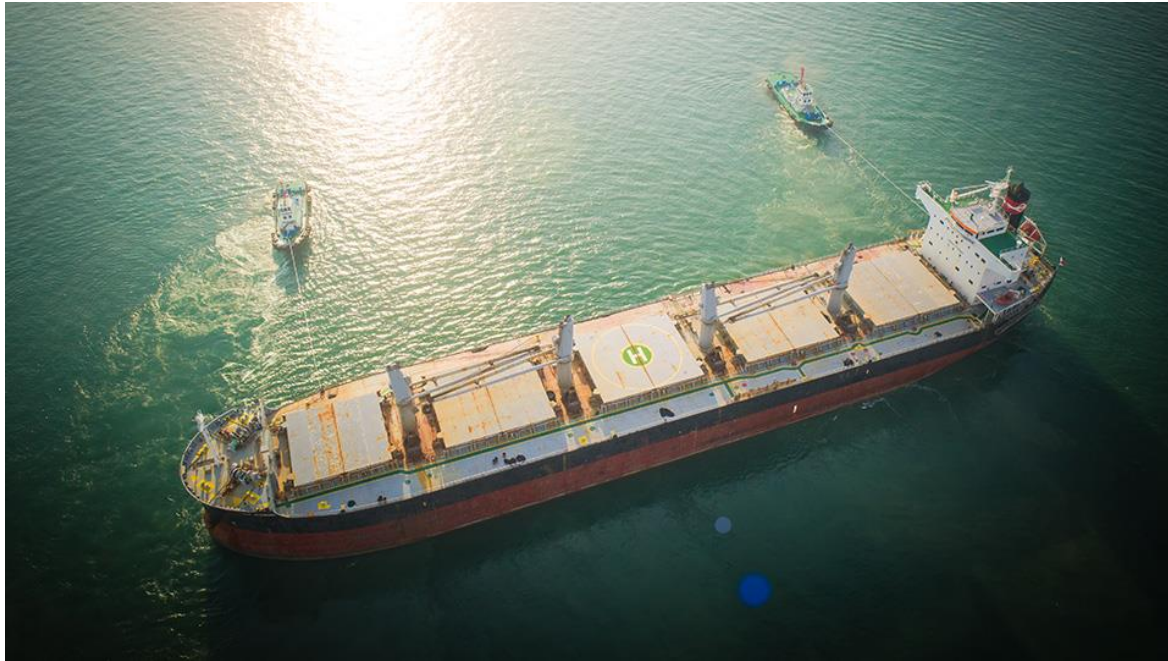


ETS - Emission Trading Scheme  
Allowances Clause for Time  
Charter Parties 2022

# Key features

- Owners to monitor and report relevant GHG emissions
  - Owners to nominate an Emission Scheme Account
  - Notifications
  - Charterers to transfer EUAs
  - Data and calculations to establish the quantities
  - Redelivery
  - Off-hire
  - Suspension of performance
-

# Voyage Charter Parties



[ETS – Emission Scheme Freight Clause for Voyage Charter Parties 2023 \(bimco.org\)](#)

[ETS – Emission Scheme Surcharge Clause for Voyage Charter Parties 2023 \(bimco.org\)](#)

[ETS – Emission Scheme Transfer of Allowances Clause for Voyage Charter Parties 2023 \(bimco.org\)](#)

# ETS costs included in the freight

- ETS costs included in the freight
- No additional payment unless the charterers are in breach of the charter party
- Follows traditional voyage charter party principles

# ETS costs paid as a surcharge

- ETS costs payable as a surcharge
- No additional payment unless the charterers are in breach of the charter party
- Follows traditional voyage charter party principles – however an option to protect against price fluctuations

# ETS costs paid by transfer of allowances

- The clause sets out two options:
  - (1) An agreed quantity of emission allowances is to be transferred and received by owners at a certain point in time
  - (2) An estimated quantity of emission allowances is to be transferred and received by owners at a certain point in time, but reconciliation will take place post-voyage



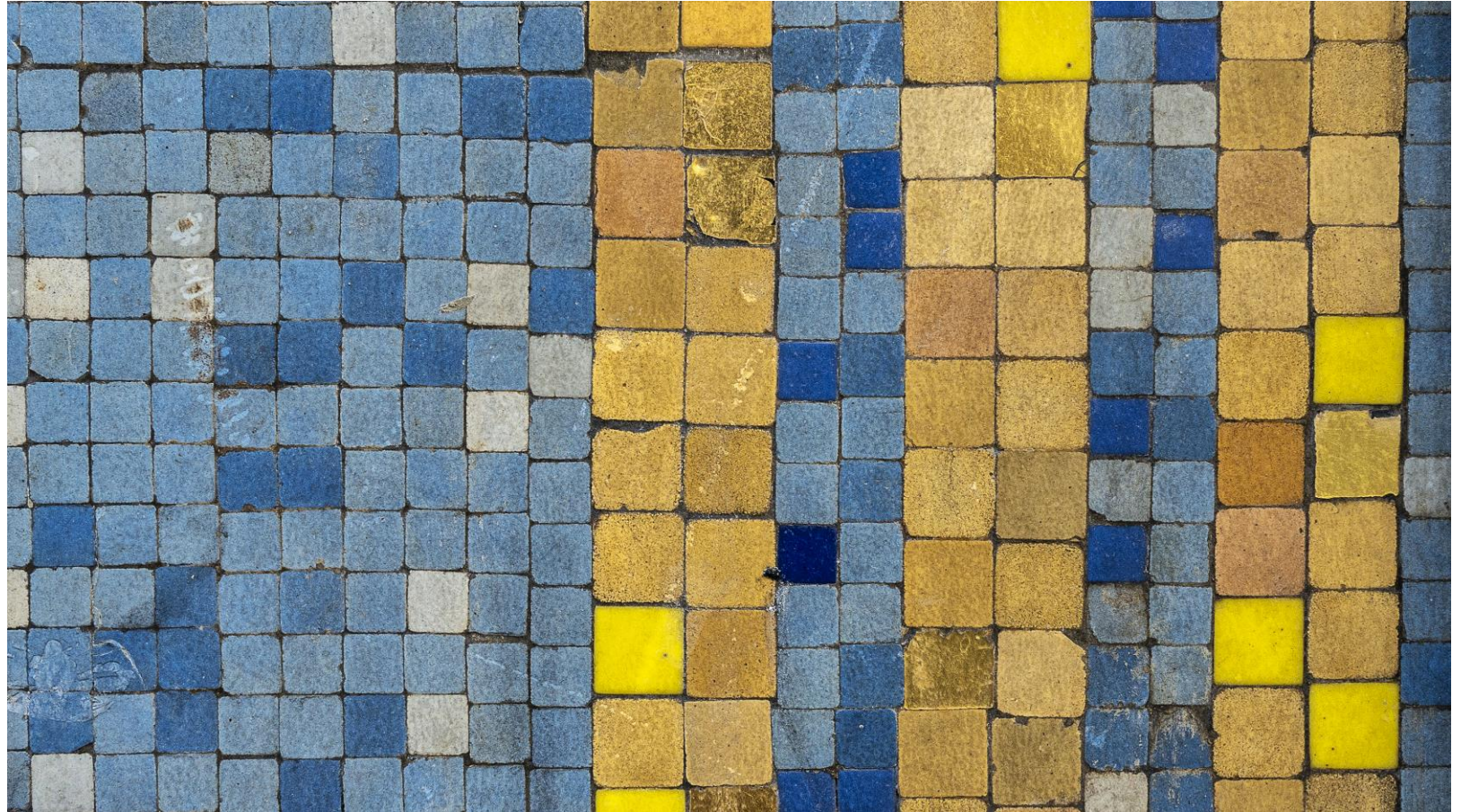
# Which path to choose?

Legal certainty

Predictability

Data and accuracy

Corporate structure



The background of the slide features a blurred financial chart. It includes a white line graph with several data points connected by straight lines, and a series of vertical bars in shades of teal and blue, resembling a candlestick or bar chart. The overall color palette is dominated by blues and teals, with a white diagonal shape separating the top right from the rest of the slide.

**Thank you for listening -  
questions?**