



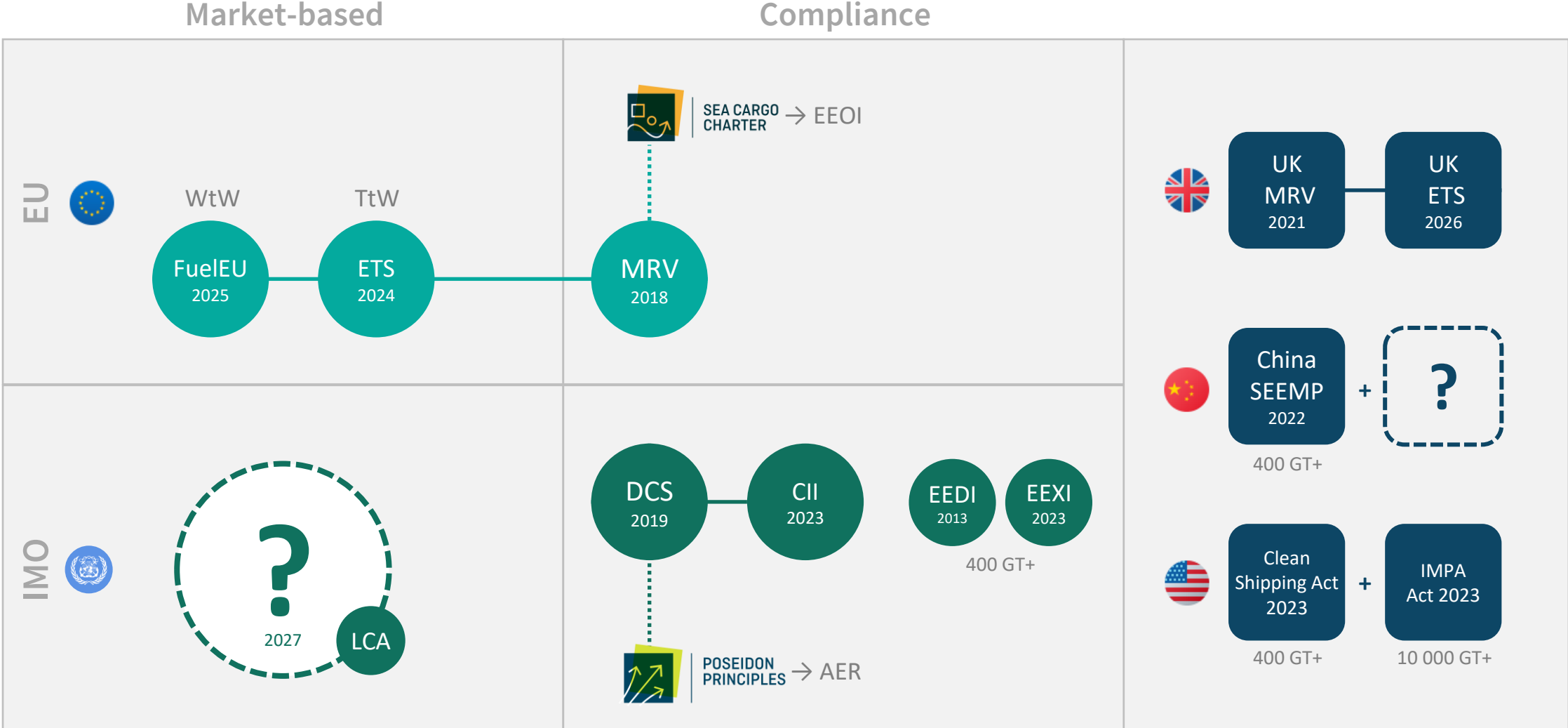
EU ETS and Fuel EU Market Update

Capital Link Singapore
25 March 2025

Taylor Wamberg

IR

Evolving Maritime Emissions Regulatory Landscape



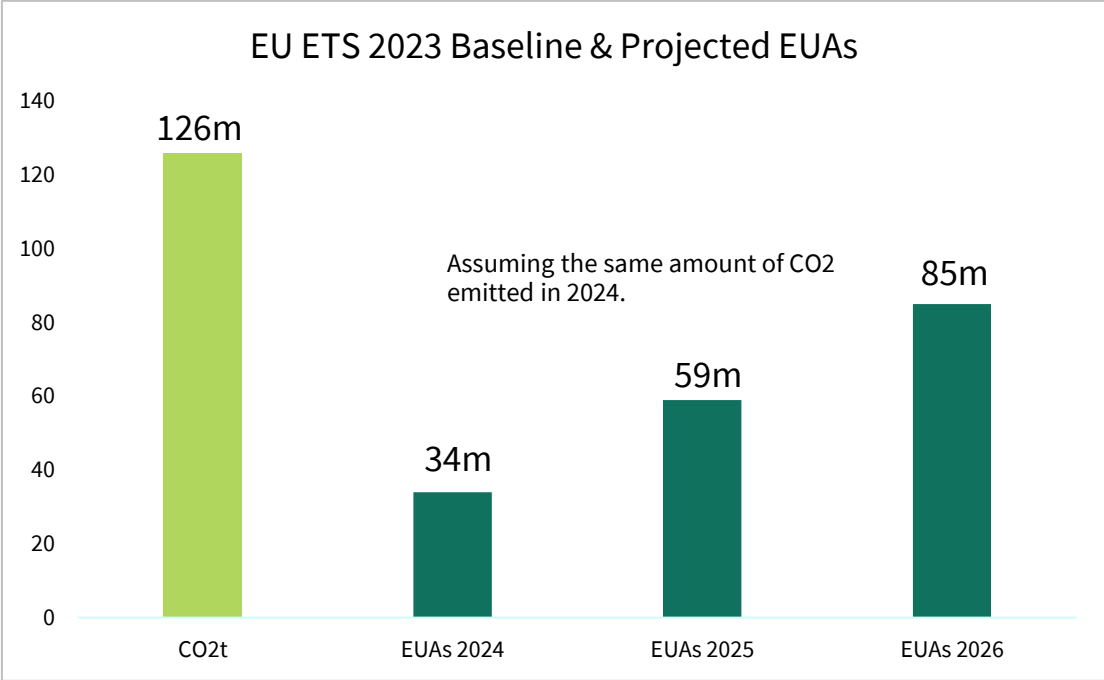
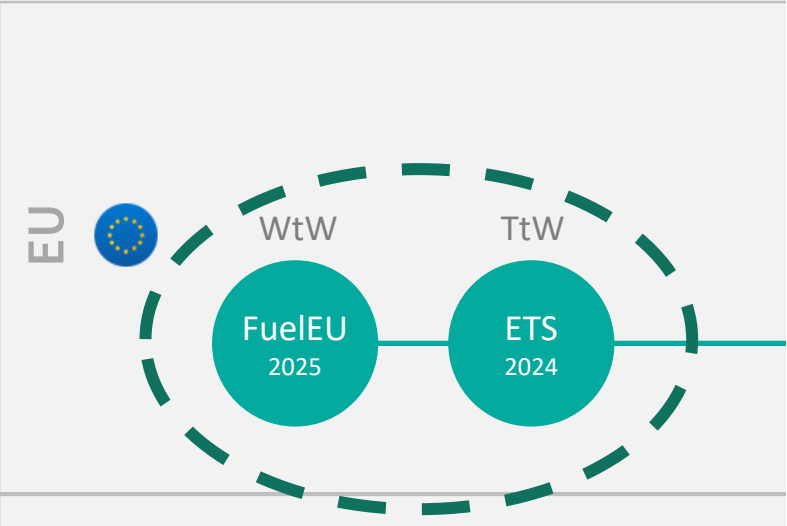
applicability: 5 000 GT and above, if not specifically provided

Evolving Maritime Emissions Regulatory Landscape

EU ETS – Managing Regulatory Compliance and Commercial Risk

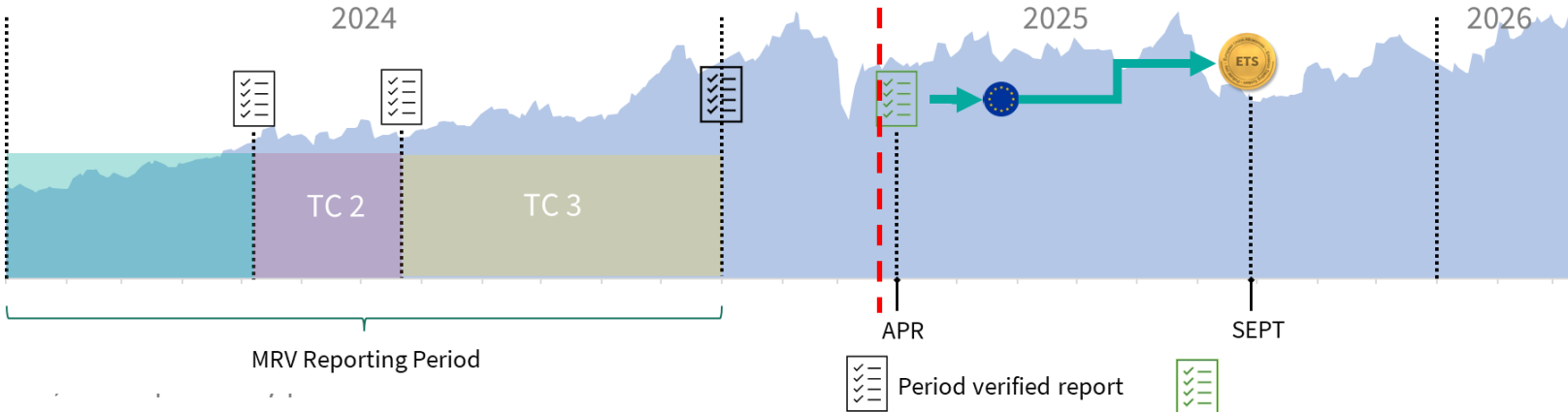


Market-based



120

ETS Compliance timeline



Fuel EU – Optionality and Complexity



Differences Create Complexity

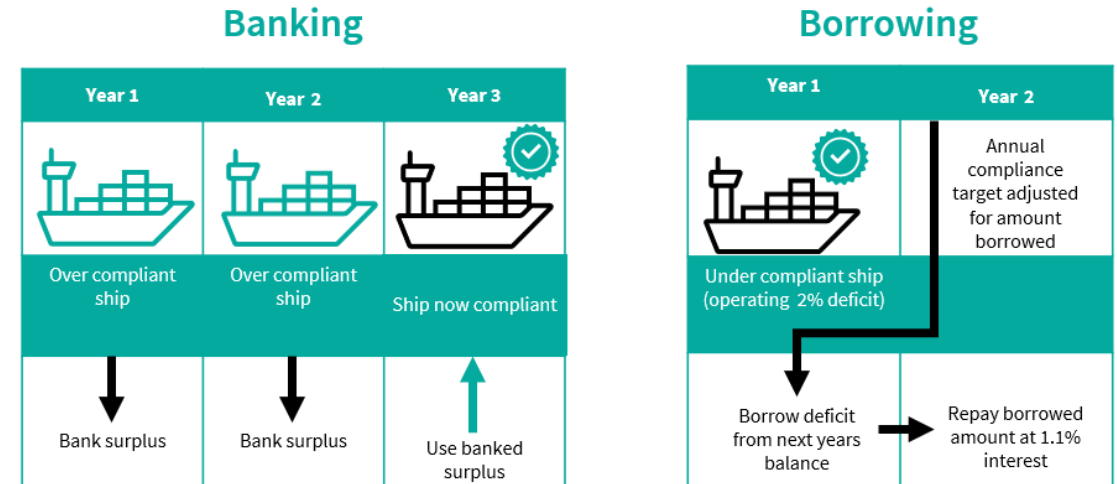
Tank to Wake (TTW)
Vs
Well to Wake (WTW)

Outer Most Regions
Indefinite Temporary
Exemption for
Iceland and Norway

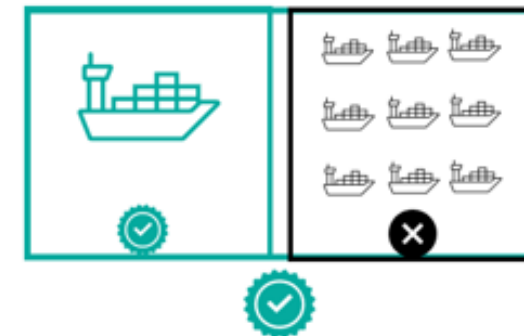
Accounting for use of
Lower emission Fuels
DG Move

Different Compliance
Deadlines

Flexible Compliance Mechanisms



Pooling



BIMCO FEUM Clauses for TCP 2024 – in a nutshell



Owner shall

- Share the ship's Compliance Balance (CB) with Charterer
- ensure there is a FEUM Monitoring Plan for the ship
- regularly notify Charterer the ship's CB, validated info and surcharge calculation of previous month or voyage
- register in the FuelEU database in the case of flexible mechanism requested by Charterer
- **pay Charterer back if there is positive CB during charter period**

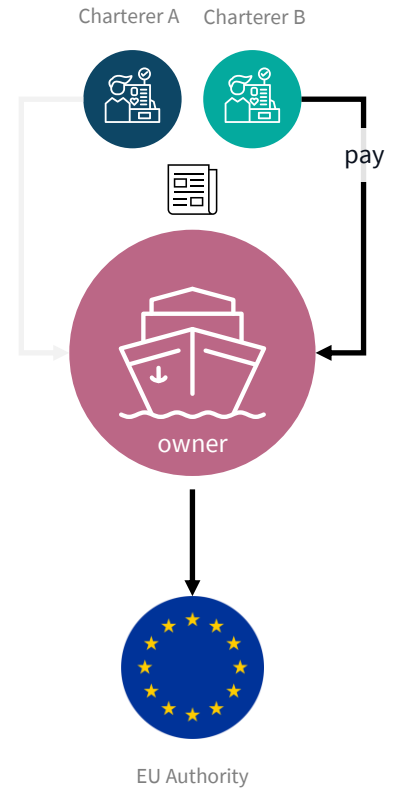
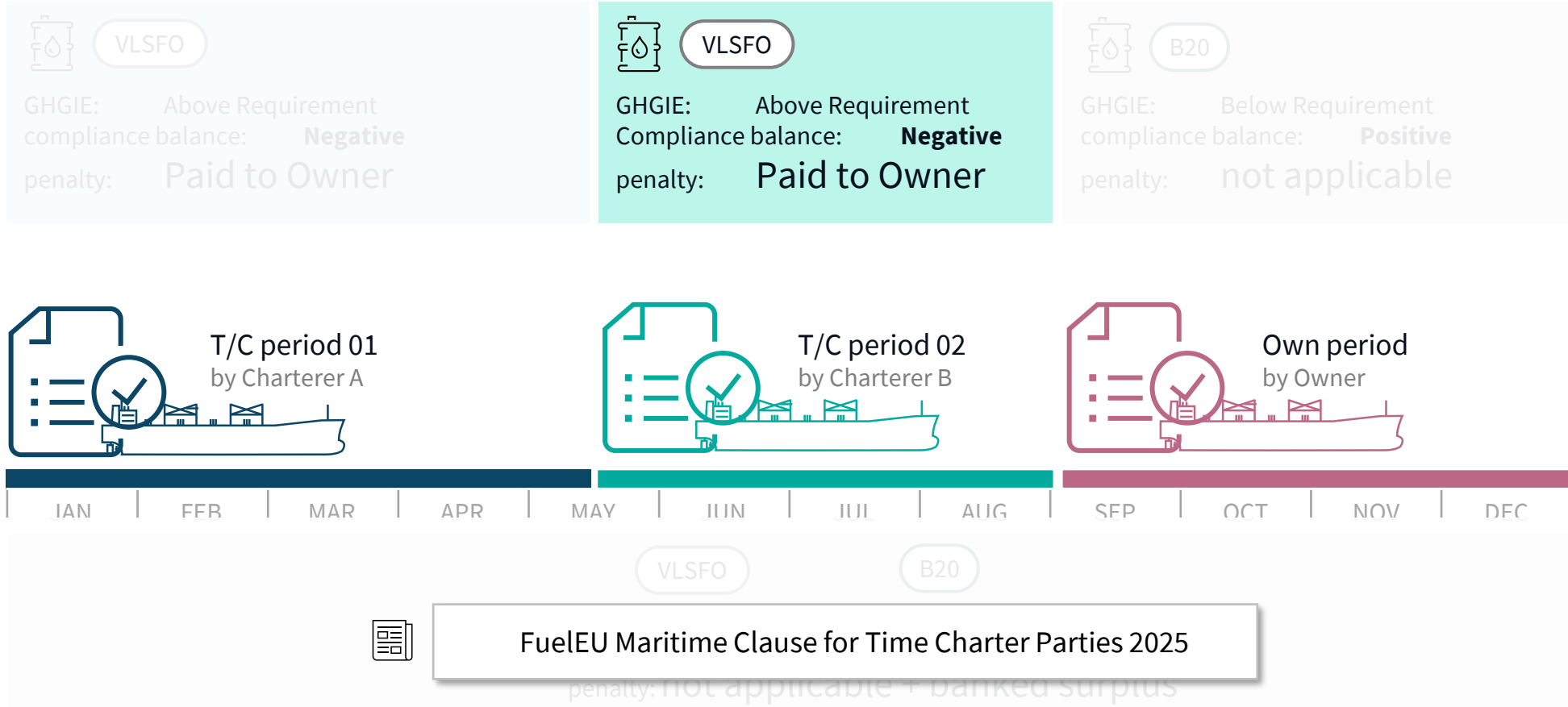


Charterer shall

- have option to comply with compliant fuels (including biofuel)
- pay surcharge to Owner on a monthly or per-voyage basis
- Have the right to set the strategy if spanning a reporting period. **Banking, Borrowing, Pooling.**
- **pay to Owner upon redelivery for liquidated damages due to penalty multiplier (cover at least 2 RPs in a row)**

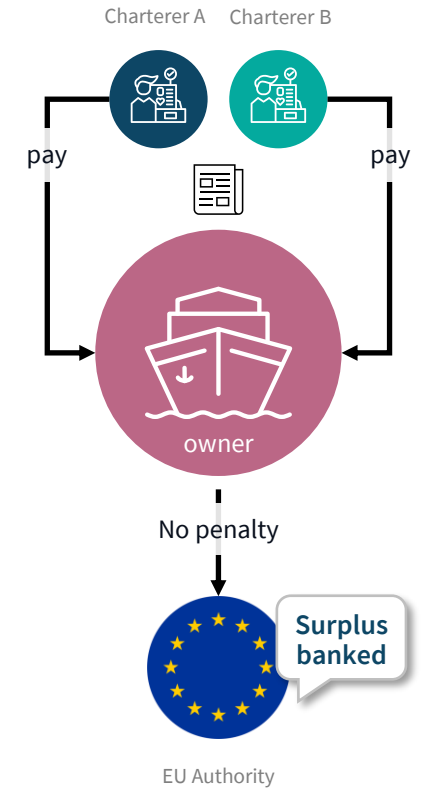
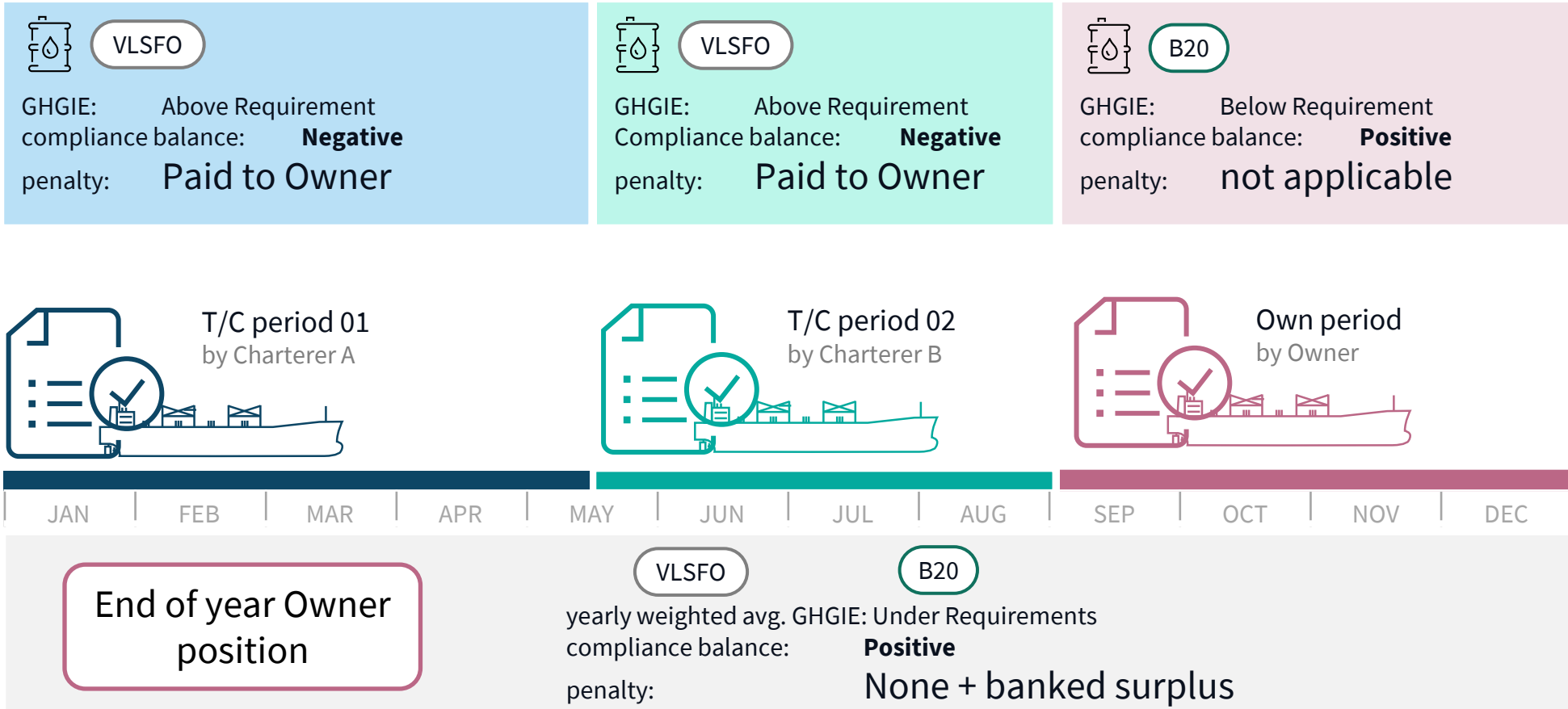
Fuel EU Time Charter Scenario

A retrospective example for Fuel EU Maritime using B20



Full year view – Owner's perspective

A retrospective example for FuelEU Maritime using B20



Full year view – Owner's perspective

A retrospective example for FuelEU Maritime using B20



VLSFO

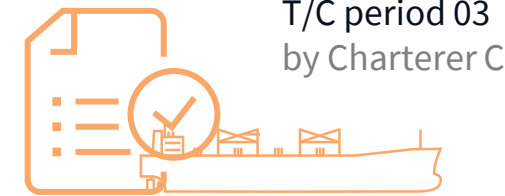
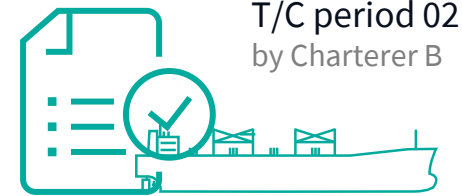
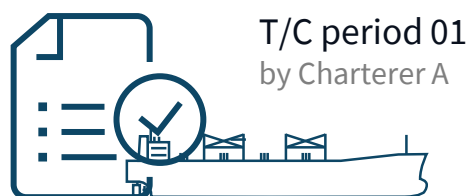
GHGIE: Above Requirement
 compliance balance: **Negative**
 penalty: **Paid to Owner**

VLSFO

GHGIE: Above Requirement
 Compliance balance: **Negative**
 penalty: **Paid to Owner**

B20

GHGIE: Below Requirement
 compliance balance: **Positive**
Surplus repaid to Charterer

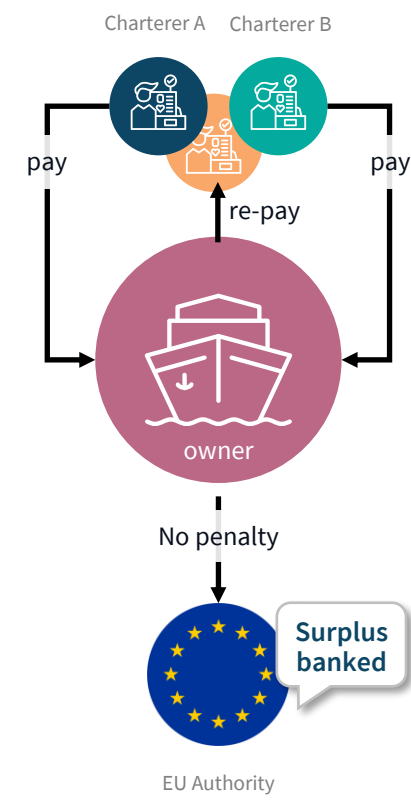


VLSFO **B20**

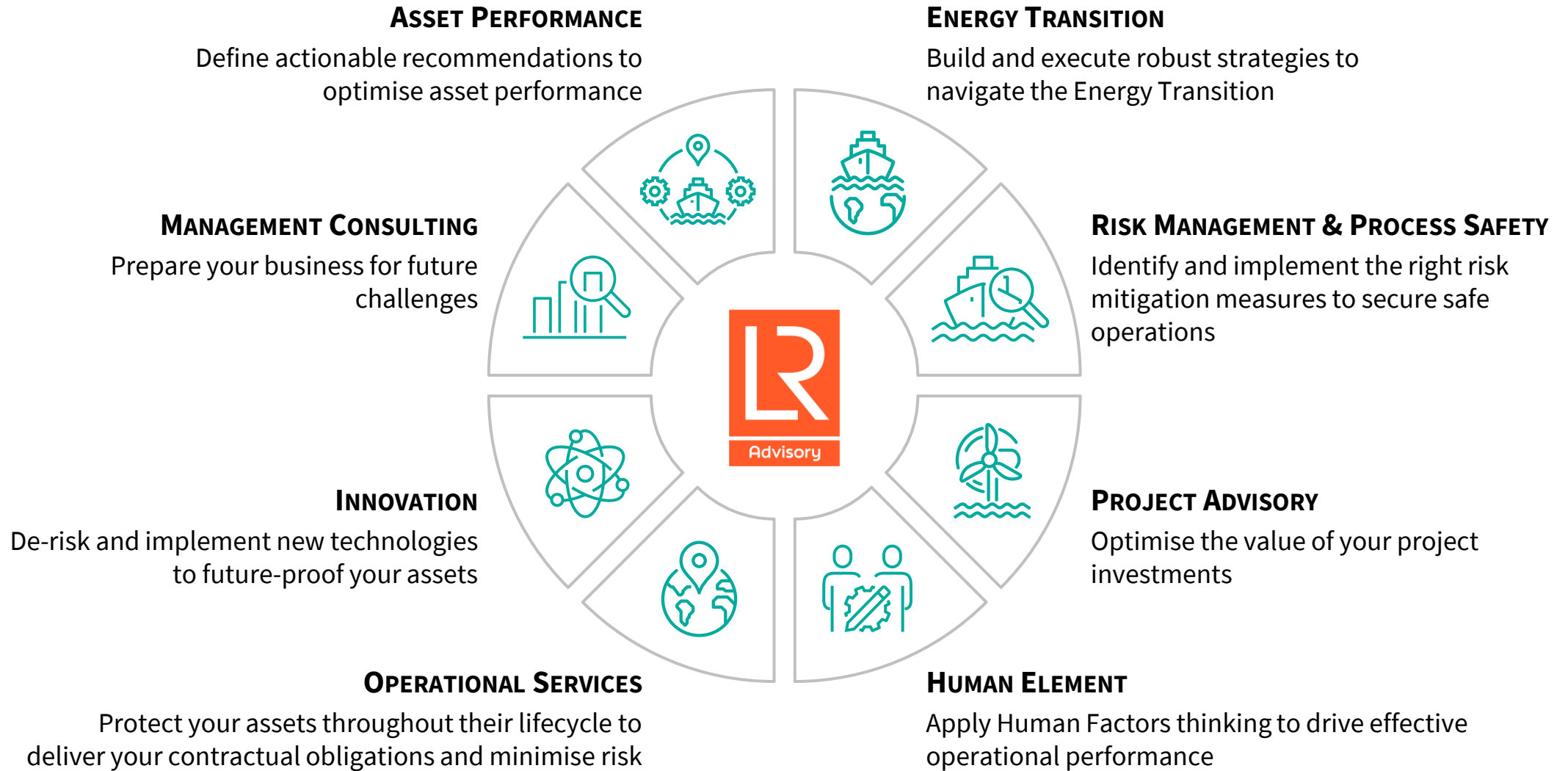
yearly weighted avg. GHGIE: Under Requirements
 compliance balance: **Positive**
 penalty: **none + banked surplus**

End of year Owner position

Owner re-pays surpluses and may also still have payment from Charterer A and B



A Trusted Advisor & Client Partner





Thank you

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