

## ETS – EMISSION SCHEME SURCHARGE CLAUSE FOR VOYAGE CHARTER PARTIES 2023

Notwithstanding any other provision in this Charter Party, the Owners and the Charterers (the "Parties" and each individually a "Party") agree as follows:

"Emission Allowances" means an allowance, credit, quota, permit or equivalent, representing a right of a vessel to emit a specified quantity of greenhouse gas emissions recognised by an Emission Scheme.

"Emission Scheme" means a greenhouse gas emissions trading scheme which for the purposes of this Clause shall include the European Union Emissions Trading System and any other similar systems imposed by applicable lawful authorities that regulate the issuance, allocation, trading or surrendering of Emission Allowances.

"Emission Scheme Surcharge" means the agreed costs corresponding to the Vessel's emissions under the scope of the applicable Emission Scheme as set out in subclause (a).

- a. The Emission Scheme Surcharge shall be **[insert currency and amount]**.
- b. The Charterers shall pay the Emission Scheme Surcharge to the Owners in full and without deduction or set off by the date on which freight (or any other initial freight payment) falls due under this Charter Party or within **[X]**\* days of sailing from the load port, whichever is sooner.
- c. Upon receipt of the full payment of the Emission Scheme Surcharge, and subject always to subclause (d), the Owners shall have no right of recourse against the Charterers in respect of the costs arising from the surrender of Emission Allowances corresponding to the Vessel's emissions under the scope of the applicable Emission Scheme for the voyage(s) performed under the Charter Party.
- d. Subclauses (a) to (c) are without prejudice to the Owners' right to recover from the Charterers any costs arising from the surrender of Emission Allowances to the applicable Emission Scheme for the voyage(s) performed under the Charter Party resulting solely from the Charterers' breach of the Charter Party.
- e. If the Charterers fail to pay the Emission Scheme Surcharge in accordance with subclause (b), it shall be deemed as non-payment of freight under this Charter Party.
- f. The Owners shall be solely responsible for compliance with any applicable Emission Scheme including (without limitation) the surrender of Emission Allowances corresponding to the Vessel's emissions under the scope of the applicable Emission Scheme for the voyage(s) performed under the Charter Party.
- g. **Price Adjustment**

**This subclause (g) is applicable only if the Parties state "Yes" here: [            ].**

This Charter Party is concluded on the basis of an Emission Scheme Surcharge calculated on the basis of **[insert currency and amount]** per Emission Allowance under the applicable Emission Scheme. The number of agreed Emission Allowances for the voyage(s) to be performed under this Charter Party is **[insert number]**. If the spot price of an Emission Allowance (on any applicable trading platform agreed between the parties or, in the absence of agreement, the designated auction platform of the applicable Emission Scheme) is higher than **[insert currency and amount]** or lower than **[insert currency and amount]** on the first day of loading, the Emission Scheme Surcharge shall be adjusted upwards or downwards to reflect such increase or decrease in the spot price and paid in accordance with the terms of this Clause.

*\*If number of days is not inserted in subclause (b), the default shall be 14 (fourteen) days.*