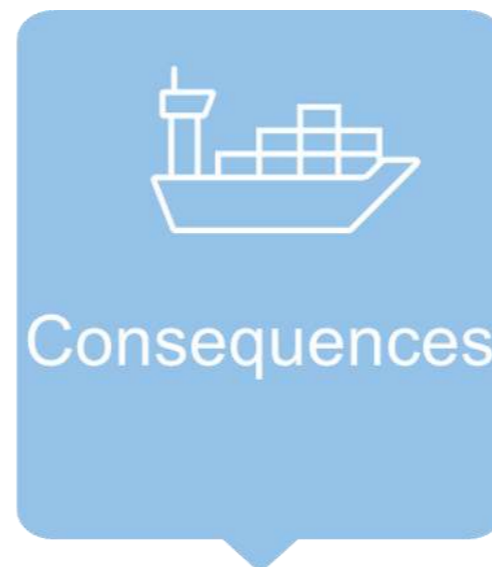


# Contractual consequences of EEXI and CII under existing time charter parties












SHOC Conference

Sophia Cai and Malthe Hersom Kløft, Copenhagen, 10 November 2022

# Overview














# Green regulation in shipping

|   | New ships   | Existing ships  | Part of the IEE-certificate   |
|---|---|---|---|
| Ship Energy Efficiency Management Plan (SEEMP)          |    |    |    |
| Energy efficient design (EEDI)                          |    |   |    |
| Technical energy efficiency (EEXI)                      |   |  |  |
| Operational energy efficiency (CII)                     |  |  |   |
| Monitoring of CO <sub>2</sub> -emissions (MRV- and DCS) |  |  |   |



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Limitation on top speed approx. 25 % (SHaPOLi or EPL)



Reduction in speed (slow steaming) or prolongation of the sea route (deviation)

Scenarios

Legal questions

Risk



Optimisation of energy efficiency of ships (EEXI and CII)

Duty to optimize energy efficiency under maintenance clause?



Energy optimisation results in reduced maximum speed (EEXI)

Breach of speed warranties?



Ship owner deviates from the normal sea-route or makes use of slow-steaming (CII)

Breach of utmost despatch obligation?

Off hire?



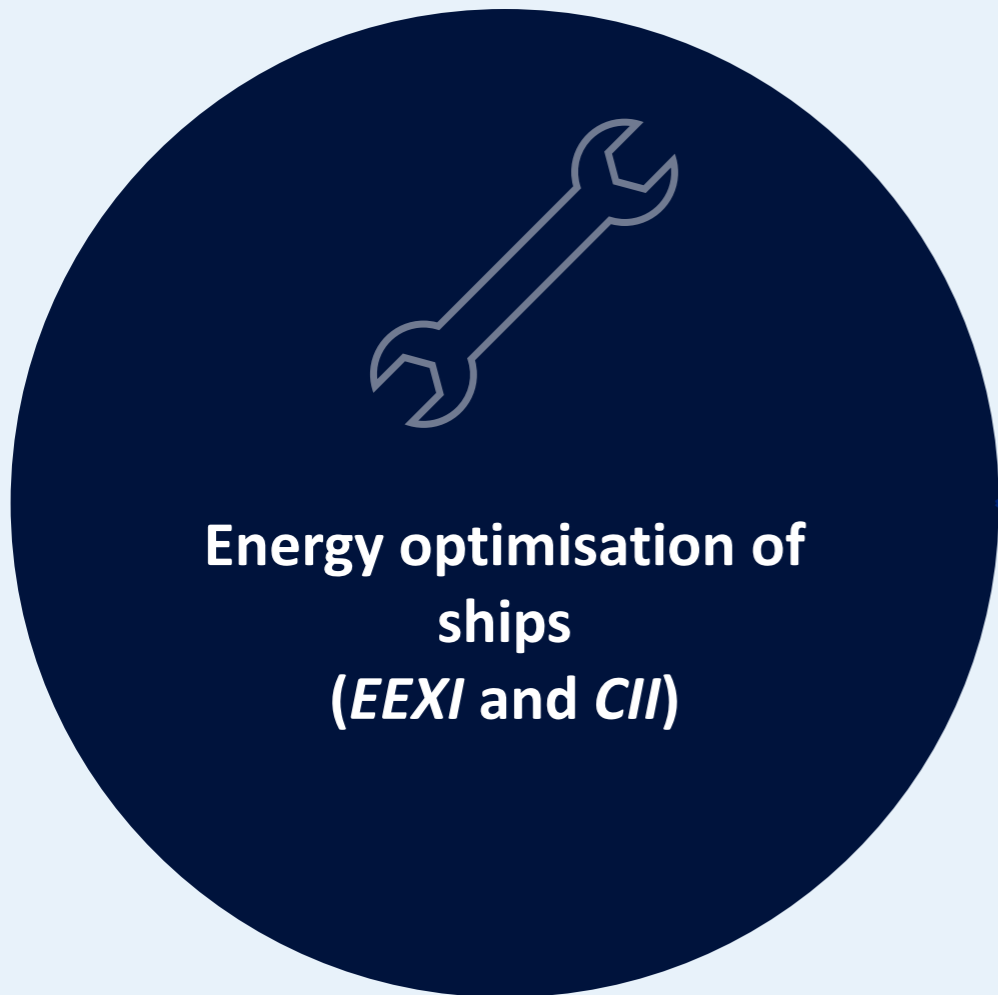
**Energy optimisation of  
ships  
(EEXI and CII)**

## **NYPE 2015**

“The Vessel on delivery shall be seaworthy and in every way fit to be employed for the intended service (...)”

## **NYPE 2015**

“(...) shall maintain the Vessel’s class and keep her in a thoroughly efficient state in hull, machinery and equipment for and during the service (...)”



Duty to implement technical energy optimisation measures (EEXI)



No duty to implement operational energy optimisation measures (CII)




Off hire during implementation on the ship (EEXI)



Off hire, if the ship is detained and/or IEE-certificate is ordered by public authority (EEXI)



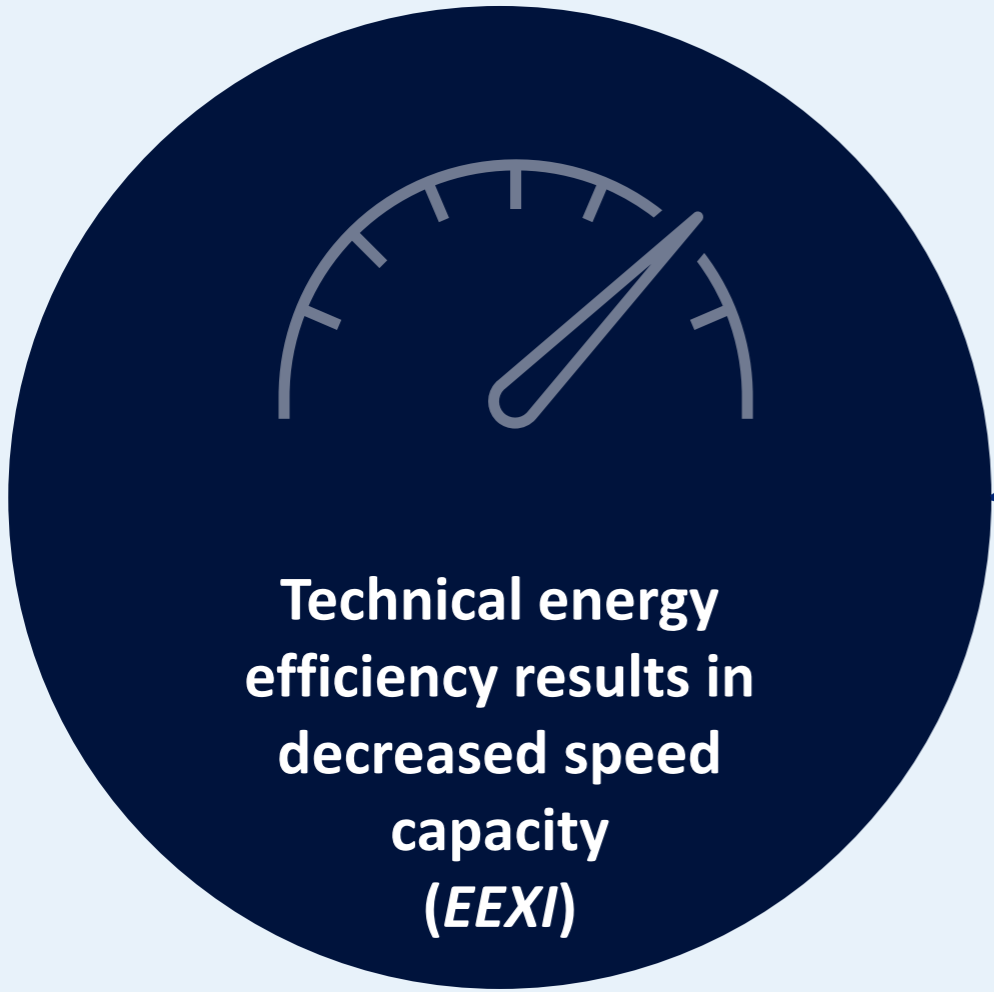


Technical energy  
efficiency results in  
decreased speed  
capacity  
(*EEXI*)

|     |   |               |             |                |                |
|-----|---|---------------|-------------|----------------|----------------|
| 5.4 | What type/viscosity of fuel is used in the generating plant                 |               |             |                |                |
|     | Capacity of auxiliary (aux.) engine(s) bunker tanks (excluding unpumpables) |               |             |                |                |
|     | Speed on sea passage  | Knots ballast | Knots laden | On tons (main) | On tons (aux.) |
|     |   |               |             |                |                |

12. Speed capability in knots (abt.) on a consumption in tons (abt.) of





The ship will not be able to comply with speed warranties



The ship will not be off hire due to its breach of the speed warranty

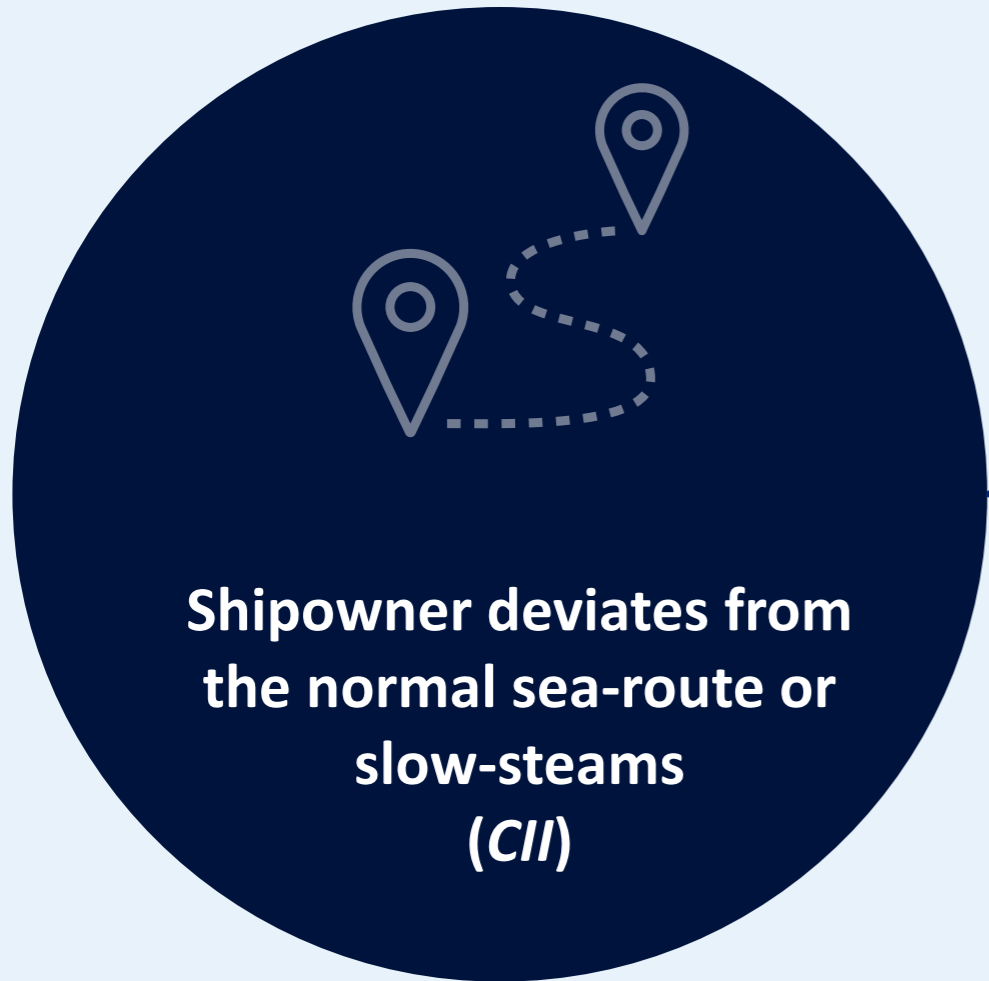




**Shipowner deviates from  
the normal sea-route or  
slow-steams  
(CII)**

**BALTIME 1939 (as revised 2001)**

**“The Master shall prosecute all voyages with the  
utmost despatch”**



Slowsteaming and deviation will be in violation with the ship owner's utmost despatch obligation



Both deviation and slow-steaming will result in the ship being off hire



Off hire will in particular depend on the applicable law





# Solution: *EEXI*

- BIMCO EEXI Transition Clause for Time Charter Parties
  - Regulates compliance
  - Allocates responsibility and risks between ship owner and charterer

# Solution: CII



- BIMCO CII Clause (Oct/Nov 2022) – expectations
  - Ship owners' right to intervene in non-CII compliant usage of the ship
  - Responsibility for non-CII compliant usage
  - Consequences if agreed CII-targets are not met

# Contact



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