

Leaked EU proposals suggest charterers will be responsible for emissions offsets

The EU ETS scheme could have changes which would add a clause making charterers the responsible party for the costs associated with the buying of emissions credits.

Charterers are responsible for ships speed, route and the cargo carried. As elements that can have a significant impact on the end emissions of a voyage, they look set to ultimately be responsible for the emissions payments.

Leaked draft amendments show the EU would also:

- Extend the ETS to cover all voyages into and out of member state jurisdictions, up from half, if the International Maritime Organization does not agree a Paris Agreement-compliant carbon measure by September 30, 2028.
- Create a sector-specific Ocean Fund using at least 75% of revenues raised from shipping allowances to support projects on energy efficiency and decarbonisation technologies for ships and ports.
- Shorten the transition period by a year, from 2026 to 2025.
- Include methane as well as carbon dioxide emissions in the ETS, increasing costs for ships powered by liquefied natural gas.

Officials noted that this legislation was likely to receive cross-party backing in the European Parliament, with monies levied to be recycled back into the shipping industry.

In Summary

- Charterers to pay for EU emissions credits
- Money raised to fund Ocean Fund for efficiency and decarbonising technologies
- Shorten transition period from 2026 to 2025
- Include methane emissions in ETS scheme