

# BIMCO 2020 Marine Fuel Sulphur Content Clause for Time Charter Parties

- (a) For the purpose of this Clause, “Sulphur Content Requirements” means any sulphur content and related requirements as stipulated in MARPOL Annex VI (as amended from time to time) and/or by any other applicable lawful authority.
- (b) The Charterers shall supply fuels to permit the Vessel, at all times, to comply with any applicable Sulphur Content Requirements. All such fuels shall meet the specifications and grades set out in this Charter Party.

The Charterers also warrant that any bunker suppliers, bunker craft operators and bunker surveyors used by the Charterers shall comply with the Sulphur Content Requirements.

The Charterers shall indemnify, protect, defend and hold harmless the Owners from any and against all losses, damages, liabilities, delays, deviations, claims, fines, costs, expenses, actions, proceedings, suits, demands arising out of the Charterers’ failure to comply with this subclause (b), and the Vessel shall remain on hire throughout.

- (c) The Owners warrant that the Vessel shall comply with the Sulphur Content Requirements.

Subject to the Charterers having supplied the Vessel with fuels in accordance with subclause (b), the Charterers shall not otherwise be liable for any losses, damages, liabilities, delays, deviations, claims, fines, costs, expenses, actions, proceedings, suits, demands arising out of the Owners’ failure to comply with this subclause (c).

## BIMCO 2020 Fuel Transition Clause for Time Charter Parties

### (a) Definitions

#### For the purpose of this Clause:

“Carriage Ban Date” means 1 March 2020.

“Carriage Ban” means the prohibition of the carriage for use of Non-Compliant Fuel as of the Carriage Ban Date.

“Compliant Fuel” means any fuel that meets the Sulphur Content Requirements with effect from the Effective Date.

“Effective Date” means 1 January 2020.

“Non-Compliant Fuel” means any fuel with a sulphur content of more than 0.50%.

“Sulphur Content Requirements” means any sulphur content and related requirements as stipulated in MARPOL Annex VI (as amended from time to time) and/or by any other applicable lawful authority.

### (b) Requirements

- (i) Before the Effective Date, the Charterers shall have supplied the Vessel with fuel so that on the Effective Date the Vessel shall have sufficient Compliant Fuel to reach the nearest bunkering port where Compliant Fuel is available.
- (ii) No later than the Carriage Ban Date there shall be no Non-Compliant Fuel carried for use by the Vessel. Together subclauses (b)(i) and (ii) are the “Requirements”.

Notwithstanding the Carriage Ban, Owners and Charterers shall cooperate and use reasonable endeavours so that no later than the

Effective Date there shall be no Non-Compliant Fuel carried for use by the Vessel.

- (c) (i) In order to meet the Requirements, the Charterers shall at their risk, time and cost ensure that any Non-Compliant Fuel remaining on board after the Effective Date shall be discharged from the Vessel’s bunker tanks until such tanks are free of liquid and pumpable fuel latest by the Carriage Ban Date or the redelivery date of the Vessel, whichever occurs first; and
- (ii) In respect of the bunker tanks that are free of liquid and pumpable fuels, Owners shall at their risk, time and cost ensure that such tanks are fit to receive Compliant Fuel, taking into account the type of Compliant Fuel that will be loaded into such bunker tanks.

Compliant Fuel shall not be loaded into a Vessel’s bunker tanks until the steps described above in subclauses (c)(i) and (c)(ii) have been carried out in respect of such bunker tanks. Once bunker tanks are fit in accordance with subclause (c)(ii), no Non-Compliant Fuel shall be loaded into such bunker tanks.

**(d) Disposal of Non-Compliant Fuel -**  
In respect of Non-Compliant Fuel, if any, which needs to be discharged from the Vessel in accordance with subclause (c)(i), Charterers shall dispose of such fuel in accordance with any applicable local regulations at Charterers' risk, time and cost.

**(e) Segregation -** Unless otherwise agreed between Owners and Charterers, each supply of Compliant Fuel shall be bunkered into empty tanks within the Vessel's natural segregation.

## **INTERTANKO BUNKER COMPLIANCE CLAUSE for Time Charterparties – General Provisions**

**1.1.** Charterers warrant that they will supply bunkers (hereafter referred to as 'Compliant Bunkers'):

- a)** Of sufficient quantity and quality to enable the Vessel to:
- i.** Comply with the global limits on sulphur content of fuel oil under Regulation 14.1 of MARPOL Annex VI (as amended from time to time) ('MARPOL Annex VI'), including the maximum 0.50% m/m for fuel oil used on board after 1 January 2020 ('0.50% Sulphur Cap')
- ii.** Comply with the limit of 0.10% m/m on sulphur content of fuel oil within designated Emission Control Areas under Regulation 14.3-4 of MARPOL Annex VI
- iii.** Comply with Regulation 18.3 of MARPOL Annex VI regarding quality of fuel oil supplied to the Vessel
- iv.** Comply with Regulation 4.2.1.1. of the International Convention for Safety of Life at Sea (SOLAS) Chapter II-2 regarding a minimum flashpoint for fuel oil of 60°C
- v.** Comply with any other local, regional or national laws or regulations relating to the limits on sulphur content of fuel oils, bunker specification, and bunkering procedures in any areas the Vessel

is ordered to and does proceed

- vi.** Avoid non-compatibility with any bunkers previously supplied under this charterparty.
- b)** In accordance with the specifications in the latest version of ISO 8217 as at the time of supply and/or any other specifications and grades contained elsewhere in this charterparty.
- c)** That are fit for purpose and suitable for burning in the main and auxiliary engines of the Vessel.

**1.2.** Charterers shall further ensure that their bunker suppliers shall provide:

- a.** Bunker delivery note in accordance with and containing the minimum information specified in Appendix V of MARPOL Annex VI; and
  - b.** Representative sample of the bunkers delivered in accordance with Regulation 18.8.1 of MARPOL Annex VI and the guidelines set out in IMO Resolution MEPC.182(59) and any subsequent amendment thereto.
- 1.3.** Where bunkers are supplied by Charterers in a place where MARPOL Annex VI is in force, Charterers warrant that any bunker suppliers shall be registered if required, and shall comply with Regulations 14 and 18 of MARPOL Annex VI, including the provisions relating to sampling and bunker delivery notes.

**1.4.** Charterers shall indemnify Owners for any loss, liability, damage, fines, delay, deviation, cost or expense arising from or connected to Charterers' failure to comply with the provisions of this Clause.

**2.1.** Owners warrant that provided always that Charterers have fulfilled their obligations under this Clause:

- a.** The Vessel shall comply with the global limits on sulphur content of fuel oil, the limits on sulphur

content of fuel oil within designated Emission Control Areas and any other applicable requirements of Regulations 14 and 18 of MARPOL Annex VI and any other local, regional or national laws or regulations relating to the limits on sulphur content of fuel oil and bunkering procedures applicable in any areas the Vessel is ordered to and does proceed.

- b.** The Vessel shall be able to consume Compliant Bunkers
- c.** Any bunkers supplied will be kept segregated and not commingled with any previous supply until a compatibility test has been carried out
- d.** They participate in a recognised fuel testing programme.

**2.2.** Owners shall indemnify Charterers for any loss, liability, damage, fines, delay, cost or expense arising from or connected with Owners' failure to comply with the provisions of this Clause.

**3.** Any speed and performance undertaking in this Charterparty is based on use of Compliant Bunkers. Fuel changeover periods will be excluded from any speed and performance evaluation.

Additional provisions for Vessels to be redelivered in 2019.

If the Vessel will be redelivered pursuant to this charterparty between (insert date to give sufficient time for below to occur) and 31 December 2019 the following additional provisions will apply:

**4.1.** Charterers warrant that on redelivery:

- a.** Any fuel oil used or carried for use with a sulphur content in excess of 0.50% m/m ('High Sulphur Fuel Oil') remaining on board will not exceed [insert amount depends on ship type/date/trade etc] MT.

b. There will be a minimum of [insert amount depends on ship type/ date/trade] fuel oil with a sulphur content at or below 0.50% m/m MT ('Low Sulphur Fuel Oil) on board to safely reach the next bunkering port (if after 1 January 2020) at which Compliant Bunkers are available.

4.2. Charterers to allow Owners to prepare the Vessel to receive Compliant Bunkers at Owner's expense provided same does not interfere with Charterer's operations.

### Additional provisions for Vessels to be redelivered after 31<sup>st</sup> December 2019

If the Vessel will be redelivered pursuant to this charterparty on or after 31<sup>st</sup> December 2019, the following additional provisions shall apply:

5. By (1 October 2019/date in Ship Implementation Plan), Owners and Charterers shall discuss in good faith the procedure for cleaning and/or flushing the tanks with gasoil in order to prepare the Vessel to receive Compliant Bunkers.

6. By (1 December 2019/date in Ship Implementation Plan), Charterers shall make arrangements to Owners' satisfaction to supply sufficient Compliant Bunkers in accordance with Clause 1 above to enable the Vessel to reach the next bunkering port after 1 January 2020 at which Compliant Bunkers are available.

7. From (1 December 2019/date in Ship Implementation Plan) Owners may burn any Low Sulphur Fuel Oil or Marine Gas Oil on board (up to 0.50% m/m) in order to prepare the Vessel for the introduction of the 0.50% Sulphur Cap.

8. If Charterers have failed to advise Owners of their arrangements under Clause 6 above, Owners have the right to arrange an additional supply of Compliant Bunkers between (1 December 2019/ date in Ship Implementation Plan) and

31 December 2019 at Charterers' expense provided same does not interfere with Charterers operations and to take the steps outlined in sub-Clause 9.1 below.

#### 9.1. Charterers shall:

- a. Prior to 1 January 2020 order preparation of bunker tanks, including cleaning or flushing with gasoil as necessary, to Owners' satisfaction in order to receive Compliant Bunkers;
- b. Prior to redelivery or 1 March 2020, whichever is earlier, remove all non-Compliant Bunkers and arrange disposal of the same and any residues ashore as necessary.

All costs relating to Clause 9.1 (save as provided in 9.2 below) shall be for Charterers' account. Vessel will remain on hire.

9.2. If tank cleaning is required in order to receive Compliant Bunkers, it shall be carried out at a time and place to be determined by Owners and all costs shall be for Owners' account. Vessel will be off-hire.

### Intertanko's Scrubber Clause for Time Charterparties

1. The Vessel shall be delivered with a fully functional Exhaust Gas Cleaning System ('Scrubber'), as described in this charterparty {or insert description here e.g. open/closed loop/hybrid / maker and design} for use as an alternative/equivalent means of compliance with the global limits on sulphur content of fuel oil under Regulation 14 of MARPOL Annex VI (as amended from time to time) ('MARPOL Annex VI'), including:

- i. The maximum 0.50% m/m for fuel oil used on board after 1 January 2020 when the Vessel is outside designated Emission Control Areas under Regulation 14.3-4 of MARPOL Annex VI ('ECAs'); and
- ii. The limit of 0.10% m/m on sulphur content of fuel oil within ECAs [Delete if vessel will use 0.10% m/m fuel oil in ECAs].

### 2.1. Owners warrant that the Scrubber:

- i. Has been tested, certified, surveyed and verified as required in accordance with the 2015 Guidelines for Exhaust Gas Cleaning Systems (MEPC 259/68) and any subsequent amendment thereto (the '2015 Guidelines').
- ii. Is capable of scrubbing fuel oil with a maximum sulphur content of [3.50% / maximum sulphur content warranted by the scrubber manufacturer – delete as appropriate] and will be maintained in a good and efficient state throughout the charter period.

2.2. Owners shall indemnify Charterers for any loss, liability, damage, fines, delay, cost or expense arising from or connected with Owners' failure to comply with the provisions of this Clause.

3.1. Charterers warrant that they will provide fuel oil:

- i. With a maximum sulphur content of [3.50% / maximum sulphur content warranted by the scrubber manufacturer in the Scrubber Technical Manual – delete as appropriate] ('High Sulphur Fuel Oil');
- ii. In accordance with the specifications in the latest version of ISO 8217 as at the time of supply and/or any other specifications and grades contained elsewhere in this charterparty;
- iii. That is in all respects fit for purpose and suitable for burning in the main and auxiliary engines of the Vessel.

3.2. Charterers shall further ensure that for all fuel supplied, their bunker suppliers shall provide:

- i. A bunker delivery note in accordance with and containing the minimum information specified in Appendix V of MARPOL Annex VI; and

ii. A representative sample of the bunkers delivered in accordance with Regulation 18.8.1 of MARPOL Annex VI and the strictly according to the guidelines set out in IMO Resolution MEPC.182(59) and any subsequent amendment thereto.

**3.3.** Where bunkers are supplied by Charterers in a place where MARPOL Annex VI is in force, Charterers warrant that any bunker suppliers shall be registered if required, and shall comply with Regulations 14 and 18 of MARPOL Annex VI, including the provisions relating to sampling and bunker delivery notes.

**3.4.** Charterers shall indemnify Owners for any loss, liability, damage, fines, delay, deviation, cost or expense arising from or connected to Charterers' failure to comply with the provisions of this Clause.

#### **4. Inability to burn High Sulphur Fuel Oil**

In the event that the Vessel is unable to burn High Sulphur Fuel Oil due to:

- i. Non-availability;
- ii. Restrictions on the use of the Scrubber by any applicable laws or regulations;
- iii. Charterers' instruction to the Vessel not to burn High Sulphur Fuel Oil;

Charterers shall allow the Vessel to burn any other bunkers on board or, at the Owners' request, provide fuel of such specification and grade that enables the Vessel to comply with MARPOL Annex VI without the use of the Scrubber ('Compliant Bunkers'). The cost of Compliant Bunkers including any deviation and time to source Compliant Bunkers shall be for

Charterers' account.

#### **5. Scrubber breakdown**

For the purposes of this clause, 'Scrubber breakdown' shall mean any breakdown or malfunction of the Scrubber as recorded by the Vessel's on board monitoring systems where the Scrubber no longer conforms to the 2015 Guidelines and that is not caused by or due to fault on the part of Charterers.

In the event of Scrubber breakdown, on each and every occasion:

- i. The Vessel will remain on hire during repairs not exceeding one hour;
- ii. If there is loss of time exceeding one hour while the Owners make repairs to the Scrubber which prevents the full working of the Vessel, the payment of hire shall cease for the time thereby lost;
- iii. Owners shall compensate Charterers by way of deduction from hire for the difference between the cost of Compliant Bunkers, either sourced or on board, and High Sulphur Fuel Oil based on Charterer's last invoice price as if there had been no breakdown;
- iv. Any deviation time and expenses to source Compliant Bunkers for use during Scrubber breakdown shall be for Owners' account. Any distance made good shall be considered time on hire and any bunkers saved shall be deducted from expenses.
6. Any speed and performance undertaking in this Charterparty is based on use of High Sulphur Fuel Oil. Any fuel changeover periods will be excluded from any speed and performance evaluation.

#### **7. Restrictions on use of open loop Scrubbers in port and during boiler operations**

For Vessels equipped with an open loop Scrubber and/or whose boiler exhaust gases do not pass through the Scrubber:

- i. Owners will ensure that there will be no violation of any local, regional or national laws and regulations prohibiting the use of an open loop Scrubber in port;
- ii. Owners will ensure that there will be no violation of local, regional, national or international laws and regulations during any operations where boiler exhaust gases do not pass through the Scrubber;
- iii. At Owners' request, Charterers will supply sufficient quantity of Compliant Bunkers to enable the Vessel to comply with any local, regional, national or international laws and regulations without the use of the Scrubber;
- iv. If Charterers fail to comply with sub-clause 7.iii above, they shall indemnify Owners for any fine or other consequences that may arise for violation of local, regional, national and international laws and regulations.

#### **8. Supply and disposal of Scrubber Agents**

For Vessels equipped with a hybrid or closed loop Scrubber:

- i. Charterers to provide any raw materials required for use with the Scrubber.
- ii. Charterers will be responsible for the removal of Scrubber waste in compliance with any local, regional, national or international laws and regulations at their time, risk and cost.