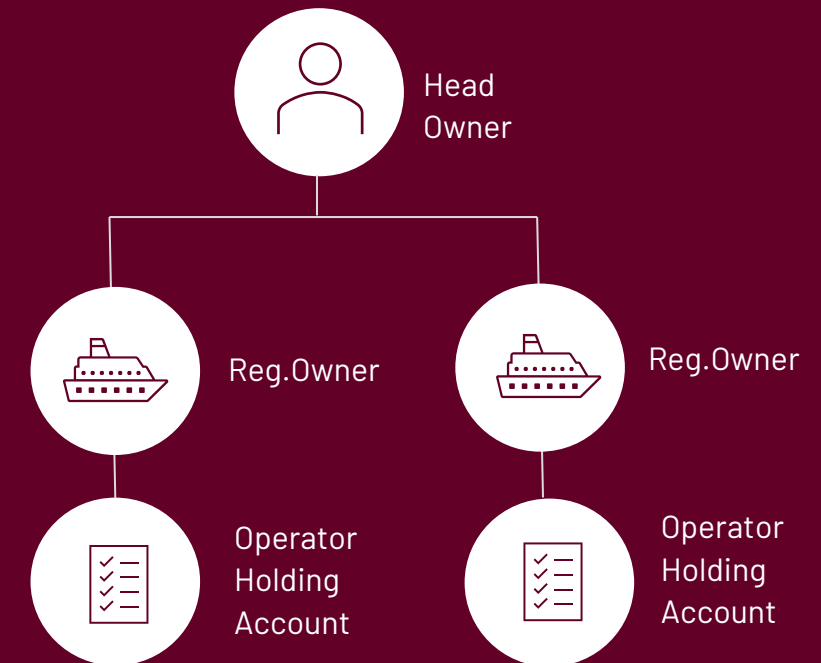


# EU ETS

## From an owner's perspective

- Registered owners will be responsible for compliance, increasing the administrative burden and exposing head owners to the possibility of a myriad of registrations in multiple EU countries.
- Operator Holding Accounts will not be available until after February 2024. The question is how long the registration process will be after that, considering the vast number of accounts needed?
- Considering owners need to receive and hold allowances, an EU Registry Trading account becomes a useful/needed tool with Operator Holding accounts not being immediately available.



# Owner's Perspective

## Settlement in Allowances

Using allowances as currency, as stipulated in the BIMCO clause, entails charterers buying allowances and transferring them to owners at certain deadlines during the charter period.

Looking at the prerequisites of this setup, the question is if all counterparties are ready to engage in this model?

- How many of your customers can/will comply with these terms?
- Are you ready to receive allowances and eventually distribute to individual operator holding accounts (your fleet)?
- Who is responsible (compliance, risk management, operations)?



## Prerequisites

- You, as the receiver, must hold an EU Registry account.
- The submitter of EU allowances must hold an EU registry account.
- Your counterparty must have the ability to acquire allowances.

# Owner's Perspective

## Cash Settlement as an alternative

Cash settlement enables parties that does not fullfill the prerequisites of transferring allowances between them to continue a commercial relationship.

For shipowners it does however give rise to following questions.

- How should the cash settlement be calculated?
- How do I avoid taking on price risk (allowance cost fluctuate)?
- Am I ready to acquire allowances?
- Why would I agree to cash if I am ready to receive allowances?

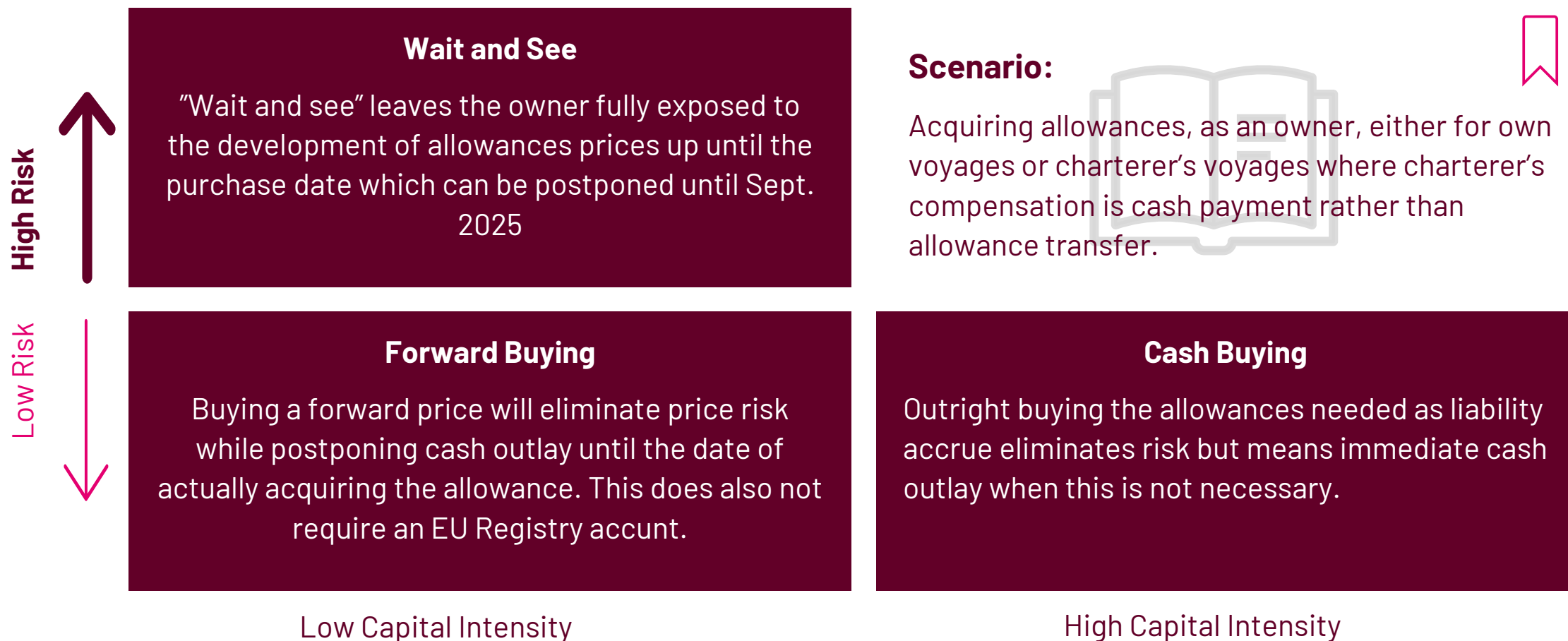


### Prerequisites (recommendable)

- Clear agreement on how the calculation of the cash settlement is done.
- Commercial account with a provider of allowances.
- An active approach to risk management through forward buying.

# Commercial Strategies

## Acquiring allowances as an owner



# Recommendation

## Prepare for all scenarios

- An EU Registry Trading account, if available to you, will ensure the highest level of operational and commercial flexibility.
- Select your provider of allowances and initiate the onboarding process as soon as possible. These are financial products subject to stricter KYC requirements.
- Define your risk strategy and balance with cash flow considerations.
- Assess the ability of your counter parts to acquire and transfer allowances.



Contact us today to start the onboarding process with Dan-Bunkering to enable the transaction of spot and forward EU ETS allowances.



[www.dan-bunkering.com](http://www.dan-bunkering.com)