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The Shipowner's 2026 Decarbonization Compliance Checklist: 10 Actions to Take This Quarter

Foreword

The second quarter of 2026 finds the maritime industry at a critical juncture. The regulatory frameworks we have discussed for years are no longer theoretical or forthcoming. They are active, enforceable, and financially material.

The Carbon Intensity Indicator (CII) has entered a new enforcement phase, with D- and E-rated vessels now facing mandatory corrective action plans and, more significantly, tangible commercial consequences in charter markets and loan covenants. The EU Emissions Trading System (EU ETS) is now in full effect, requiring 100% compliance costs for covered emissions, with EU Allowance prices forecast to average €80-85 per tonne this year. And the Poseidon Principles, with 36 signatory banks representing nearly three-quarters of global ship finance, have transformed climate alignment from a disclosure exercise into a binding contractual obligation.

These developments are not abstract. The evidence is already visible in market actions. Deutsche Bank has publicly adopted the Poseidon Principles methodology for its shipping portfolio, setting 0% emission targets for 2030 and 2050. IINO Lines secured green financing from Mizuho Bank for a methanol-dual-fuel VLCC using a third-party-verified sustainability framework. And 23 major charterers—including Maersk, MSC, and Hapag-Lloyd—have formally challenged the BIMCO CII clause as imbalanced, signaling that charter party negotiations will be the next battleground for decarbonization liability.

This article, "The Shipowner's 2026 Decarbonization Compliance Checklist," is designed to be practical. It moves beyond analysis to action. Each of the ten items is grounded in verifiable regulatory requirements or confirmed market developments from early 2026. The purpose is simple: to provide a clear, actionable roadmap for shipowners to protect their assets, preserve their access to capital, and position their fleets for the opportunities that decarbonization presents.

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Introduction



The regulatory landscape for shipowners has fundamentally shifted in 2026. The Carbon Intensity Indicator (CII) has entered a new enforcement phase. The EU Emissions Trading System (EU ETS) now requires full coverage of emissions compliance costs. The IMO's Data Collection System (DCS) has become more granular. And financial institutions are actively enforcing decarbonization covenants. This article provides a practical, actionable 10-point compliance checklist for the second quarter of 2026. Each action is grounded in current regulatory requirements and verifiable market realities from official sources.

Action 1: Verify Your CII Rating and Understand Its Implications



The IMO's Carbon Intensity Indicator (CII) now applies more stringent enforcement than in previous years. The annual carbon intensity reduction factor for 2026 is applied at 11% relative to the 2019 baseline—more than double the 5% target that applied in 2023. What You Must Do:

For each vessel in your fleet, verify its 2025 CII rating (issued in early 2026) and project its 2026 rating. Critical thresholds:

- A D rating for three consecutive years, or
- An E rating in a single year

triggers a mandatory requirement to submit a Corrective Action Plan to your vessel's flag administration. The Commercial Reality:

In 2026, CII is no longer merely a compliance metric. It has evolved into a core commercial, technical, and financial performance driver directly influencing vessel earnings, chartering decisions, inspections, and asset value. Poorly rated vessels face reduced employment flexibility and increased commercial risk. Checklist Item 1:

- Obtain and file CII ratings for all vessels (2025 reporting year)
- Identify vessels with D or E ratings requiring Corrective Action Plans
- Draft and submit corrective plans to flag administration by applicable deadline

Action 2: Review Your Ship Energy Efficiency Management Plan

Starting 1 January 2026, the IMO's Data Collection System (DCS) entered a new phase requiring enhanced mandatory data collection. What You Must Do:

All vessels of 5,000 gross tonnage or above must now report more detailed fuel consumption data, specifically categorizing usage by consumer type and operational status.

Your Ship Energy Efficiency Management Plan (SEEMP) Part II must be updated to reflect the enhanced reporting requirements. This is not optional—it is a prerequisite for compliance with IMO 2026 decarbonization obligations. Checklist Item 2:

- Update SEEMP Part II for each vessel to include enhanced DCS reporting protocols
- Ensure data collection systems can categorize fuel consumption by consumer type
- Verify that operational status data is being properly recorded

Action 3: Calculate Your Full EU ETS Cost Exposure for 2026



As of 1 January 2026, the EU ETS has entered its full implementation phase, requiring shipping companies to bear 100% of the cost for vessel CO₂ emission allowances. The Coverage Rules:

Voyage Type	% of Emissions Covered
Intra-EU voyages	100%
Voyages to/from EU	50%
Calls at EU ports	Covered

From 2026, the regulatory scope has also expanded to include methane (CH₄) and nitrous oxide (N₂O) emissions, meaning vessels using LNG as fuel face additional compliance exposure. The Financial Impact:

According to ING Bank's analysis (December 2025), EU Allowance (EUA) prices were forecast to average EUR 83/tonne in 2026, up from approximately EUR 75/tonne in 2025. Rabobank's August 2025 forecast similarly projected EUAs to average EUR 80/tonne in 2026, reaching EUR 82.50/tonne by Q4 2026. ING further noted that "the maritime industry is set to see 100% of its emissions covered from next year [2026], up from 70% in 2025. As more of the shipping sector's emissions fall under the ETS, the potential for increased hedging demand from the industry grows".

Checklist Item 3:

- Calculate 2026 EU ETS exposure for each vessel trading to EU ports
- Budget for full 100% compliance costs (not 40% or 70%)
- Account for expanded methane/nitrous oxide coverage if operating LNG-fueled vessels
- Monitor EUA price forecasts for hedging opportunities (expect EUR 80-85/tonne range in 2026)

Action 4: Review Charter Party Decarbonization Clauses



The BIMCO CII Operations Clause for Time Charter Parties has become a significant source of contractual tension. In an open letter to BIMCO, a group of 23 major charterers—including A.P. Moller – Maersk, Norden, Hapag-Lloyd, MSC, and CMA CGM, as well as commodity traders Vitol and Trafigura—expressed serious concerns that the clause places a disproportionate burden on charterers. The Key Risk:

The charterers argued that the BIMCO clause "fell short of expectations" and was "imbalanced" and "unusable," noting that key provisions concerning vessel performance and maintenance were not accepted in the final text.

The group emphasized that owners remain responsible for maintaining the vessel's operating efficiency, technical operations, and navigation. "In circumstances where charterers' employment orders are only partly responsible for the CII rating, this group does not accept taking wholesale responsibility for compliance with the regulations. This has been one of the biggest sticking points in the discussions".

Other signatories included CMA CGM, Wallenius Wilhelmsen, Stena Bulk, COFCO, Bunge, ADM, Louis Dreyfus, and Amaggi. Checklist Item 4:

- Review all charter parties for BIMCO CII clause incorporation
- Assess whether current clauses expose your company to disproportionate liability
- Consider amendments to allocate responsibility based on actual fault, noting major charterers' expressed unwillingness to accept wholesale CII compliance responsibility

Action 5:

Align Charter Party ETS Provisions with 2026 Requirements



In February 2026, BIMCO adopted a new ETS allowances clause for use with BARECON 2017 to help owners and bareboat charterers clearly allocate responsibility for emissions compliance. What the Clause Requires:

- Charterers must provide and pay for emission allowances for vessel emissions during the charter period
- Owners notify charterers of monthly emissions within 7 days
- Charterers must transfer allowances within a further 7 days
- Failure to transfer allowances gives owners the right to suspend performance (after 5 days' notice) while vessel remains on hire

What Was Not Adopted:

A proposed biofuel clause for time charter parties was not adopted amid concerns from BIMCO's document committee regarding the "novelty of certain biofuels and their potential impact on vessel operations." Checklist Item 5:

- Update or insert BIMCO ETS Allowances Clause in bareboat charters
- Ensure charterers understand their allowance transfer obligations
- Monitor developments on biofuel clause for future adoption

Action 6: Evaluate Retrofit ROI with CII Covenant Impact



For vessels with marginal CII ratings (low D or E), operational measures alone may no longer be sufficient in 2026. Technical retrofits may be required.

Available Options:

Measure	Typical Impact	Approximate Cost
Hull cleaning & coating	5-15% efficiency gain	\$100,000-300,000
Propeller polishing/upgrade	3-8% efficiency gain	\$50,000-200,000
Energy-saving devices	4-12% efficiency gain	\$500,000-2,000,000
Wind-assisted propulsion	5-20% efficiency gain	\$1,000,000-4,000,000

Checklist Item 6:

- Identify vessels projected to receive C ratings or below in 2026
- Conduct ROI analysis for technical retrofits considering:
 - Fuel savings at current bunker prices
 - Reduced EU ETS compliance costs (EUR 80-85/tonne EUA price range)
 - Improved covenant headroom for financing
 - Prioritize retrofits with payback periods under 3-5 years

Action 7: Review Loan Agreements for CII-Linked Covenants

With 36 signatory banks representing approximately 75% of global ship finance under the Poseidon Principles, climate alignment is now a contractual term, not just a reporting obligation.

Key Questions for Your Loan Review:

1. Does your facility agreement contain CII warranties requiring minimum vessel ratings?
2. Are there margin ratchets that increase interest rates for D/E-rated vessels?
3. Does poor CII performance trigger cure periods or potential default?
4. Are retrofit financing conditions tied to achieving specified CII improvements?

Checklist Item 7:

- Obtain copies of all outstanding facility agreements
- Identify existing or potential CII-linked covenant triggers
- Assess whether current vessel performance meets covenant thresholds
- If gaps exist, initiate discussions with lenders before enforcement

Action 8: Assess Green Financing Opportunities

The transition to low-carbon operations is not only a risk—it is also an opportunity to access preferential financing. Recent Market Example:

On March 31, 2026, IINO Lines signed a loan agreement with Mizuho Bank under its Sustainable Shipping Impact Finance framework to finance a methanol-dual-fuel VLCC. The transaction uses a unique evaluation method developed with Nippon Kaiji Kyokai (ClassNK) to assess vessels based on CO₂ reduction performance, with only ships meeting specific thresholds qualifying for the financing. The framework links Key Performance Indicators (KPIs) to emissions reductions for both the specific vessel financed and IINO's wider fleet, with third-party validation provided by the Japan Credit Rating Agency (JCR). The financing supports IINO's publicly stated targets of a 20% emissions intensity reduction by 2030 and carbon neutrality by 2050. The methanol-dual-fuel VLCC is scheduled for delivery in 2027 onward. What This Means for You:

Banks are actively seeking to deploy green finance. If your fleet has a strong CII profile or is investing in alternative fuel capabilities, you should be approaching lenders rather than waiting to be approached. Checklist Item 8:

- Assess your fleet's eligibility for green/sustainability-linked loans
- Prepare emissions data and decarbonization roadmap for lender due diligence
- Engage with Poseidon Principles signatory banks for new financing or refinancing
- Note that third-party verification (e.g., from classification societies or rating agencies) may be required



Action 9: Prepare for Voluntary Carbon Market Integration

While still developing, the voluntary carbon market is increasingly relevant for shipping companies seeking to go beyond regulatory compliance.

What to Monitor:

- Verified emission reduction credits that can be used to offset residual emissions
- Book-and-claim systems allowing green fuel benefits to be claimed even when physical fuel is not available at the bunkering port
- Certification schemes (ISCC, RSB) for sustainable biofuels and e-fuels

Checklist Item 9:

- Establish relationships with reputable carbon credit providers
- Evaluate certification requirements for green fuel claims
- Monitor IMO and EU developments on voluntary carbon market recognition



Action 10: Establish a Decarbonization Governance Framework



Compliance with the 2026 regulatory landscape requires more than checklist items—it requires institutionalized processes. Essential Governance Elements:

1. Monthly CII monitoring with performance dashboards for each vessel
2. Quarterly charter party review to ensure new clauses are being incorporated
3. Semi-annual finance covenant assessment to identify potential breaches before they occur
4. Annual decarbonization strategy update aligned with IMO's evolving trajectory
5. Designated compliance officer responsible for EU ETS allowance surrender (due September for prior-year emissions)

Checklist Item 10:

- Appoint a decarbonization compliance lead within your organization
- Establish reporting cadence for CII, emissions, and covenant performance
- Ensure allowance surrender budget is allocated for September 2026 (for 2025 emissions at 70%) and September 2027 (for 2026 emissions at 100%)
- Conduct annual governance review and update

Conclusion: The Quarter That Defines the Year



The second quarter of 2026 is the period when shipowners must transition from understanding the new regulatory landscape to implementing operational and contractual responses. The ten actions above are supported by verifiable market developments from February to April 2026: Deutsche Bank adopted Poseidon Principles methodology for its shipping portfolio. IINO Lines secured green financing from Mizuho Bank for a methanol-dual-fuel VLCC. 23 major charterers, including Maersk, MSC, and Hapag-Lloyd, formally criticized BIMCO's CII clause as imbalanced. EUA prices are forecast to average EUR 80-85/tonne in 2026. The shipowners who complete this checklist by June 30, 2026 will enter the second half of the year with:

- Verified compliance status
- Protected access to capital
- Defensible charter party positions
- A clear pathway to green financing

Those who delay will face:

- Corrective action plan requirements
- Interest rate increases on existing debt
- Disputes with charterers over CII and ETS liability
- Progressive marginalization from mainstream shipping finance

The choice is clear. The actions are listed. The time to execute is now.

Endnotes & Resources

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About us

Amir Akeanos Strategies is a boutique legal and strategic consultancy dedicated to facilitating the maritime industry's transition to net-zero operations. Our practice is built on a dual foundation: deep expertise in global decarbonization law (IMO, EU, and national regulations) and an unwavering focus on the Persian Gulf region.

The Persian Gulf presents unique legal, operational, and environmental challenges, particularly as regional economies—including those under Vision 2030—diversify and expand their logistics capacity. We provide tailored legal counsel on the enforcement of environmental protection and conservation mandates, ensuring our clients not only comply with international and regional conservation efforts but also strategically position themselves for the next era of green maritime commerce.

We enable shipowners, operators, port authorities, and energy stakeholders in the Persian Gulf to transform regulatory obligations into competitive advantages, ensuring a thriving maritime economy alongside a protected ocean environment.

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