CARBON INTENSITY INDICATOR RATINGS AND LEGAL STATUS OF A NON-COMPLIANT VESSEL

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ABSTRACT

Ocean-going vessels were given an A–E operational efficiency rating when the Carbon Intensity Indicator ("CII") under MARPOL Annex VI went into effect in 2023. However, a low grade was not directly penalized beyond the need for a corrective action plan. This article argues that CII reveals a structural mismatch between private charter-party law, which gives the charterer operational control, and public international law, which places compliance responsibility on the flag state and the vessel's "Company." It also looks at the legal ramifications that occur when a charterer's employment orders—on speed, routing, or fuel choice—drive a vessel into a D or E rating. The article illustrates how this misalignment is currently managed—and mismanaged—through contract in the absence of regulatory teeth, drawing on the doctrine of employment orders established in The Hill Harmony, the implied indemnity recognized in The Island Archon and The Kos, and the emerging BIMCO CII clauses. It concludes that a risk that the IMO regime itself refused to assign must be resolved by courts, arbitrators, and standard-form drafters while the IMO's blocked Net-Zero Framework is being adopted.

I. INTRODUCTION

The Carbon Intensity Indicator ("CII"), which was added to MARPOL Annex VI by Resolution MEPC.328(76) and graded from A to E under the operational carbon intensity rating guidelines adopted as Resolution MEPC.354(78), has been the only required carbon performance metric for international shipping since January 1, 2023.[1] The Net-Zero Framework, which includes a Global Fuel Standard and a carbon pricing and reward system, was approved in principle at MEPC 83 in April 2025. However, its formal adoption was postponed for a year at the second Extraordinary session of the Marine Environment Protection Committee in October 2025 following a contentious 57–49 procedural vote, and it was postponed once more at MEPC 84 in April–May 2026. CII is the governing regime until that Framework is accepted, which is now expected to happen no sooner than late 2026 and is unlikely to come into effect before 2028.[2]

The argument made in this article is that the current draft of CII creates a gap between accountability and control. The flag state and, via the ISM Code, the "Company" possessing the vessel's Document of Compliance—typically the owner or manager—are held legally responsible for a vessel's carbon performance under the IMO regime. However, under a time charter, the charterer has contractual control over the operational decisions that affect a vessel's Attained CII, such as speed, routing, idling time, and fuel selection. The system assigns control to one party and accountability to another, but it doesn't specify what happens when the two diverge. The analysis is limited to time and voyage charterparties that are subject to London arbitration and English law, which reflects the predominant choice of law and forum in this market. It then moves on to the flag state, port state, and charterer positions before focusing on the contractual mechanisms, primarily the BIMCO CII clauses, through which the industry has started, unevenly, to close the gap.

III. THE CII REGULATORY ARCHITECTURE

The 2021 revisions, adopted as Resolution MEPC.328(76), added the CII regime to MARPOL Annex VI. It became functional on January 1, 2023, and went into effect on November 1,

[1] [1] MARPOL Annex VI, reg 28; IMO, Resolution MEPC.328(76) (2021); IMO, Resolution MEPC.354(78), Guidelines on the Operational Carbon Intensity Rating of Ships (CII Rating) (2022).
[2] IMO, "IMO net-zero shipping talks to resume in 2026" (Press Briefing, 17 October 2025); Global Maritime Forum, "A guide to the IMO's Net-Zero Framework" (April 2026).

2022.[3]According to specific recommendations adopted as Resolution MEPC.354(78), ships of 5,000 gross tons or more on international trips are required by Regulation 28 of Annex VI Chapter 4 to generate an annual Attained carbon intensity figure and measure it against a Required threshold.[4] The Annual Efficiency Ratio, or grams of CO2 per unit of cargo capacity per nautical mile, is obtained from required fuel consumption reporting and is used to calculate the Attained CII.[5] The 2019 baseline is subtracted from the Required CII by an annual tightening "Z-factor," which is set at 5% for 2023 and 11% for 2026, increasing further toward 2030.[6] A vessel's grade may decrease without any change in its own operation because the rating bands themselves get smaller every year. The rating alone does not result in a fine, suspension of the certificate, or jail. Only one E rating or three consecutive D ratings trigger the only required reaction, which is a remedial action plan folded into SEEMP Part III and subject to flag state or recognized organization approval. The regime doesn't apply any more restrictions below that point.[7] The best way to understand this is to compare it to CII's sister measure, EEXI, which establishes a strict threshold linked to the International Energy Efficiency Certificate; a vessel that doesn't comply just doesn't get the certificate.[8] The lack of a similar gate in CII is not coincidental. The existence of legitimate statutory documentation has long been regarded by English courts as directly affecting seaworthiness; in The Eurasian Dream, a finding of unseaworthiness was influenced by inadequate certification.[9] In theory, a CII rating cannot enter a seaworthiness inquiry in the same manner as an EEXI/IEEC defect because it lacks a certificate.

The way the courts handle management-system deficiencies is equally instructive. In The Star Sea, for example, the House of Lords evaluated a ship's safety management paperwork deficiencies using a due diligence standard rather than instantly declaring the ship unseaworthy.[10]Rather of functioning as a compliance gate, the CII corrective action plan, which is integrated into the SEEMP in the same manner as the ISM Code's safety management system, sits under that same due-diligence register. Additionally, the House of Lords limited

[3] MARPOL Annex VI; IMO, Resolution MEPC.328(76) (2021).
[4] MARPOL Annex VI, reg 28; IMO, Resolution MEPC.354(78) (2022 CII Rating Guidelines, G2).
[5] MARPOL Annex VI, reg 27; MEPC.354(78), paras 2–4.
[6] MEPC.354(78), Annex (reduction factor table); IMO, Resolution MEPC.377(80) (2023 GHG Strategy).
[7] MARPOL Annex VI, reg 28(5)–(6); IMO, Resolution MEPC.346(78) (SEEMP Guidelines).
[8] MARPOL Annex VI, regs 23–25
[9] *Papera Traders Co Ltd v Hyundai Merchant Marine Co Ltd (The Eurasian Dream)* [2002] 1 Lloyd's Rep 719 (Comm Ct).
[10] *Manifest Shipping Co Ltd v Uni-Polaris Shipping Co Ltd (The Star Sea)* [2001] 1 Lloyd's Rep 389 (HL).

recognized organizations' supervisory authority to In contrast to EEXI, the Nicholas H implies that flag states and their ROs have relatively little influence over a metric that was never intended to be certified at all.[11] Since the analogy is inevitably derived from doctrine based on nearby certification and management regimes, it should be noted as such rather than given as established authority since no tribunal has yet directly addressed CII. In essence, the IMO has left the market and contracts to handle the fallout from a low rating; this is where charterparty conflicts currently occur.

III. FLAG-STATE RESPONSIBILITY

A free-floating "vessel" is not subject to CII obligations under MARPOL Annex VI; instead, it operates through the regulatory chain of the flag state and ultimately rests on the "Company" as defined by the ISM Code, which is the owner or any other organization that has taken on responsibility for the ship's operation and that actually possesses the Document of Compliance.[12] SEEMP Part III, into which any CII corrective action plan must be incorporated, is not a charterer-level document but rather a company-level document that requires clearance from flag states or recognized organizations ("RO").[13] Therefore, regardless of who is in charge of the vessel's daily employment, the regulatory chain ends with the owner or manager. In accordance with MARPOL Annex VI and the larger IMO instrument framework, flag nations frequently assign survey and certification tasks to ROs.[14] How the House of Lords handles the responsibilities of a RO in By example, the Nicholas H is instructive: classification societies and ROs were found to have no general duty of care to cargo interests, with their role limited to the technical evaluation for which they are retained rather than an unrestricted assurance of a vessel's overall suitability.[15] When applied to CII, this demonstrates that a RO's authority to approve a corrective action plan is limited and procedural; it does not include monitoring or rectifying the operational choices that initially resulted in the rating. When the regulatory trigger is satisfied, a

flag state may need SEEMP documentation, fuel consumption reporting under Regulation 27,

[11] *Marc Rich & Co AG v Bishop Rock Marine Co Ltd (The Nicholas H)* [1996] 1 Lloyd's Rep 383 (HL).
[12] International Safety Management (ISM) Code, para 1.1.2 (definition of "Company");MARPOL Annex VI, reg 2 (definitions, read with the ISM Code by cross-reference in IMO guidance)
[13] IMO, Resolution MEPC.346(78) (2022 SEEMP Guidelines), paras on Part III and the corrective action plan.
[14] MARPOL Annex VI, reg 5 (survey); IMO, Resolution A.739(18), as amended, Guidelines for the Authorization of Organizations Acting on Behalf of the Administration (RO Code provisions).
[15] *Marc Rich & Co AG v Bishop Rock Marine Co Ltd (The Nicholas H)* [1996] 1 Lloyd's Rep 383 (HL).

and CAP approval.[16] It lacks a means to force the underlying operational decisions that produce the Attained CII, such as speed, routing, and idle. The argument is supported by The Star Sea, where the House of Lords limited scrutiny of a ship's safety management flaws to a due diligence standard rather than treating systemic or documentary failure as automatically attributable to the shipowner's overall operational conduct; [17] the same reasoning restricts flag state oversight of CII to the documentary layer, leaving the operational layer untouched.

IV. PORT STATE CONTROL

Port state control of Annex VI compliance, including CII-related documentation, is exercised principally through the regional Memoranda of Understanding — the Paris MOU and Tokyo MOU being the most significant for the trades in which CII operates.[18] Inspectors operate against harmonised deficiency codes and concentrated inspection campaigns that, since 2023, have begun to incorporate Annex VI energy-efficiency documentation, including SEEMP Part III and evidence of an approved corrective action plan where one is triggered.[19] The crucial aspect is that a D or E rating by itself is not a defect that can ground detention, which is in line with the architecture outlined in Section II. The lack of necessary documents, such as an unapproved or absent SEEMP Part III or the failure to create a remedial action plan after the regulatory trigger (one E year or three consecutive D years) has been satisfied, is detainable.[20] This is similar to the overall framework of PSC intervention under the Hague-Visby/Hamburg-adjacent seaworthiness jurisprudence, where English courts have consistently separated a vessel's substantive operational performance from systemic or documentary non-compliance (going to due diligence). In The Eurasian Dream, flaws related to crew competency and documentation were considered to have an impact on seaworthiness, whereas pure operational underperformance would not in the absence of such documentary failure.[21] The same distinction applies to CII: according to the current text of Annex VI, a vessel with a low rating

[16] MARPOL Annex VI, reg 27 (data collection and reporting); reg 28(5)–(6) (corrective action plan trigger and approval).
[17] *Manifest Shipping Co Ltd v Uni-Polaris Shipping Co Ltd (The Star Sea)* [2001] 1 Lloyd's Rep 389 (HL).
[18] Paris MOU on Port State Control (1982, as amended); Tokyo MOU on Port State Control in the Asia-Pacific Region (1993, as amended).
[19] Paris MOU, Annual Report and Concentrated Inspection Campaign documentation (post-2023 cycles, addressing Annex VI energy efficiency items); IMO, Resolution MEPC.346(78) (SEEMP Guidelines).
[20] MARPOL Annex VI, reg 28(5)–(6) (corrective action plan trigger); Paris MOU, Procedures for Port State Control, deficiency code categories applicable to Annex VI documentation.
[21] *Papera Traders Co Ltd v Hyundai Merchant Marine Co Ltd (The Eurasian Dream)* [2002] 1 Lloyd's Rep 719 (Comm Ct).

but adequate documentation is not detainable based only on the rating. Although the substantive detention threshold has not changed, the Z-factor's increase to 11% against the 2019 baseline for 2026—dubbed in industry commentary as the regime entering "Phase 2"—increases the percentage of the fleet likely to register D or E ratings, which in turn increases the volume of corrective action plans falling for PSC scrutiny.[22] While the legal standard for detention is not changing, the practical burden on PSC regimes is. Like flag states, port states are limited to monitoring the CII documentary procedure rather than the rating itself. The closest analogy is provided by the Star Sea due diligence framework once more: a systemic or documentary failure may result in liability or detention, but the rating itself does not, on its own, constitute the kind of default that PSC inspection regimes are intended to detect.[23] As a result, the legal ramifications of a low rating remain completely outside the purview of public enforcement, confirming that any true repercussions must be found in the owner-charterer contract.

V. THE CHARTERER PROBLEM

The established division between "employment" and "navigation" issues in a time charter serves as the foundation. The master is required to adhere to employment directives, which cover the ship's commercial orientation and route selection. Navigation, as it is properly termed, is still the master's sole responsibility, and deviating from them does not violate the charter.[24] The distinction between the two was ambiguous for the majority of the 20th century, especially when it came to route selection. In Whistler International Ltd v. Kawasaki Kisen Kaisha Ltd (The Hill Harmony), the House of Lords cleared up this ambiguity by ruling that the choice of route across the Pacific was a matter of employment, not navigation, and that the master's decision to deviate from the charterer's routing instructions—taken for reasons the arbitrators determined had no rational navigational justification—constituted a breach of charter.[25] The House of Lords made it clear that, subject only to legitimate safety concerns, charterers may specify the precise route to be taken in addition to directing a vessel to travel from point A to point B. Although the doctrinal path is quite obvious, no tribunal has ever had the opportunity to apply The Hill Harmony to a CII-driven instruction. The main tools a

[22] Esenyel Partners, "2026 Maritime Regulations: EEXI and CII Compliance Guide" (March 2026); MEPC.354(78), Annex (reduction factor schedule).
[23] *Manifest Shipping Co Ltd v Uni-Polaris Shipping Co Ltd (The Star Sea)* [2001] 1 Lloyd's Rep 389 (HL).
[24] *Larrinaga & Co Ltd v The King* (1945) 78 Ll L Rep 167 (HL).
[25] *Whistler International Ltd v Kawasaki Kisen Kaisha Ltd (The Hill Harmony)* [2001] 1 Lloyd's Rep 147 (HL).

charterer can use to raise a vessel's Attained CII are speed, routing, and port call timing, all of which come neatly within "employment" as defined by Hill Harmony. Because CII compliance, as defined in Section II, is not a safety problem capable of triggering the narrow navigational override the House of Lords preserved, a master cannot legitimately reject a charterer's speed or routing order on the grounds that compliance may harm the vessel's CII rating.[26] The Court of Appeal's previous reasoning in Time Charter – Charterers' Orders to Proceed by a Specified Route, which held that an owner's duty to comply with employment orders and to prosecute the voyage with utmost dispatch leaves no room for the owner to unilaterally substitute its own commercial or environmental judgment for the charterer's, absent overriding circumstances, supports this conclusion.[27] The important implication is that, under an unaltered time charter, a charterer's legitimate command to slow steam aggressively, divert, or idle at anchor is not, by itself, a breach of charter by either party, even if the result is a slide from a B to a D or E rating. English law recognizes an implicit right of indemnity when the owner experiences loss as a result of the master's compliance with a valid employment order. The Island Archon affirmed that this indemnity covers the typical repercussions of following commands that the charterer was legally permitted to issue as well as situations in which the charterer was not precisely permitted to issue an order.[28] In The Kos, the Supreme Court upheld the scope of this principle, ruling that the shipowner was entitled to compensation for damages resulting from following the charterer's orders, with the exception of situations in which the owner had explicitly or implicitly accepted the pertinent risk under the terms of the charter.[29] The doctrinal architecture is unforgiving of owners on one crucial point: the indemnity has consistently been limited to losses flowing in a direct, unbroken causal chain from compliance with the order and has been refused where the loss is better described as an ordinary incident of trading risk the owner is assumed to have assumed at the outset of the charter. It is unclear whether a CII-related loss, such as diminished charterability, the cost of a corrective action plan, or reputational harm from a low rating. Regardless of the charterer's order, the Aquacharm rejected indemnity for the typical cost of lightening goods to cross the Panama Canal, viewing it as an expense of regular navigation that the owner incurred;[30] A

[26] ibid

[27] *Kawasaki Kisen Kaisha Ltd v Whistler International Ltd* [1999] 2 Lloyd's Rep 209 (CA).

[28] *The Island Archon* [1995] 1 Lloyd's Rep 1 (CA).

[29] *ENE Kos 1 Ltd v Petroleo Brasileiro SA (The Kos)* [2012] UKSC 17.

[30] *Total Transport Corp v Arcadia Petroleum Ltd (The Eurus)*, cf *Action Navigation Inc v Bottiglieri di Navigazione SpA (The Kitsa)* [2005] EWHC 177 (Comm) on causation in indemnity claims; *The Aquacharm* [1982] 1 Lloyd's Rep 7 (CA).

charterer opposing a CII-related indemnity claim would probably use assumption-of-risk reasoning similar to that used in The Greek Fighter, arguing that an owner who fixes a vessel without a bespoke CII clause has implicitly accepted the rating risk inherent in ordinary trading.[31] The Nogar Marin refused indemnity in cases where an intervening act broke the chain of causation between the order and the loss.[32]

The more difficult and genuinely open question is whether an owner can use the Company's own regulatory exposure under MARPOL Annex VI to oppose a CII-destroying instruction; that is, whether the flag-state-facing obligation covered in Section III creates an implied contractual right to deviate from an otherwise legal employment order, similar to the narrow safety override in Hill Harmony. Such a right is not supported by any of the current authorities: Hill Harmony limited the override to the safety of the ship, crew, or cargo and did not suggest that adherence to a different regulatory framework, as opposed to an immediate safety concern, would be adequate.[33]

VI. CONTRACTUAL SOLUTIONS: THE BIMCO CLAUSE

A doctrinal vacuum was found in Section V: an owner subject to CII repercussions under MARPOL Annex VI has an uncertain indemnity claim after the order has been complied with and no right to refuse a CII-destroying employment order absent express provision. By transforming the implied, disputed indemnity covered in The Island Archon and The Kos into an explicit, negotiated allocation of risk, BIMCO's response—the CII Operations Clause for Time Charter Parties 2022 and the CII Clause for Voyage Charter Parties 2023—was specifically created to replace this default position.[34] The primary compliance obligation under the BIMCO CII Operations Clause for Time Charter Parties 2022 is placed on the charterer, who must operate and employ the vessel in accordance with the MARPOL Carbon Intensity Regulations, including voyage planning and fuel selection. The charterer must not allow the Attained CII to exceed an "Agreed CII" fixed for each charter year, defaulting to a mid-point C rating absent express agreement.[35] The conflict between an owner's obligation to pursue the

[31] *The Nogar Marin* [1988] 1 Lloyd's Rep 412 (CA).
[32] *The Greek Fighter* [2006] EWHC 1729 (Comm).
[33] *The Hill Harmony* (n 2).
[34] BIMCO, *CII Operations Clause for Time Charter Parties 2022*; BIMCO, *CII Clause for Voyage Charter Parties 2023*; cf *The Island Archon* [1995] 1 Lloyd's Rep 1 (CA); *ENE Kos 1 Ltd v Petroleo Brasileiro SA (The Kos)* [2012] UKSC 17.
[35] BIMCO, *CII Operations Clause for Time Charter Parties 2022*, sub-cl (c), (d).

journey as quickly as possible and a charterer's right to direct employment is directly addressed by the clause, which expressly disapplies the ordinary speed and consumption warranties for CII purposes. This conflict is resolved by completely removing CII compliance from the warranty regime rather than allowing it to be litigated under the Whistler line of authority. Remarkably, the owner's complementary duty to operate the vessel in a way that minimizes fuel consumption is only due diligence, while the charterer's CII obligation is drafted as absolute. This asymmetry has drawn criticism from charterer interests and is reminiscent of the due diligence/strict liability distinction that is well-known from the seaworthiness context in The Star Sea.[36] Subclause (g) incorporates a cooperative monitoring mechanism: in the event that data indicates that the vessel's trajectory deviates from the Agreed CII, the charterer must provide an amended voyage plan upon request, the owner must provide advance notice, and the parties must engage in sincere negotiations to align performance.[37] In contrast, the BIMCO CII Clause for Voyage Charter Parties 2023 functions similarly to BIMCO's previous Slow Steaming Clause, allowing the owner or master to modify speed or RPM within predetermined parameters to aid in compliance while providing a charterer with indemnity against more burdensome liabilities arising under bills of lading issued in accordance with the charter.[38] The annual-assessment mismatch that challenges the time charter context is less severe because voyage charters are by nature shorter in duration, and the clause has garnered relatively less attention.[39] It also addresses a point raised in early commentary: a time charterer further down a chain of contracts may not be able to provide a CII-compliant slow-steaming order without violating its own duty to proceed with utmost—or all due—dispatch under the voyage charter or bill of lading if an equivalent right is not incorporated into the bill of lading chain.[40]

Even in cases where the BIMCO clauses are implemented, two issues still exist. First, the "successor charterer" issue: a charterer entering mid-year may be assigned a CII baseline already deteriorated by a predecessor's actions, and there is no clear method for allocating

[36] BIMCO, *CII Operations Clause for Time Charter Parties 2022*, sub-cl (c)–(f); cf *Manifest Shipping Co Ltd v Uni-Polaris Shipping Co Ltd (The Star Sea)* [2001] 1 Lloyd's Rep 389 (HL); Ship Law Log, "BIMCO CII Clause for Time Charters — The Dust Begins to Settle" (20 December 2022).
[37] BIMCO, *CII Operations Clause for Time Charter Parties 2022*, sub-cl (g).
[38] BIMCO, *CII Clause for Voyage Charter Parties 2023*, sub-cl (a)–(e); cf BIMCO, *Slow Steaming Clause for Voyage Charter Parties 2012* (predecessor model).
[39] Britannia P&I, "Carbon Intensity Indicator & Energy Efficiency Regulations" (guidance note, 2025).
[40] CJC, "CII — Does it Matter?" (2024).

historical blame because the Attained CII is evaluated annually rather than by charter term.[41] Second, and more importantly, there has been little market adoption of the BIMCO conditions, especially the Time Charter clause. Commentators have noted industry skepticism regarding whether CII's existing formula reflects anything that the market genuinely values enough to price into hire.[42] In the event that the clause is rejected, the parties maintain the doctrinal position outlined in Section V, which includes no contractual right of refusal and the implied indemnity of The Island Archon and The Kos, untested against CII facts

VII. COMPARATIVE NOTE

The toothlessness identified in Section II is not an oversight but a deliberate feature of CII's design as an operational labelling mechanism rather than a certification or pricing instrument. This becomes clearer by contrast with the European Union's parallel regime. FuelEU Maritime imposes a binding greenhouse gas intensity limit on energy used on board, with financial penalties levied directly against the "shipping company" for non-compliance — a hard economic consequence CII deliberately withholds.[43] Similar to this, the EU Emissions Trading System, which will apply to maritime transport starting in 2024, imposes a direct cost on confirmed emissions and requires the same shipping business to surrender allowances.[44] Similar to the flag-state-facing accountability structure discussed in Section III, both regimes define their regulated entity using the ISM Code "Company," but unlike CII, they impose immediate financial consequences on that entity instead of a corrective-action obligation that is only triggered after persistent underperformance.[45]

VIII. CONCLUSION AND RECOMMENDATIONS

According to this article, the current structure of the CII regime creates a responsibility-control gap: According to the employment instructions doctrine established in The Hill Harmony, the charterer retains legal responsibility over the operational decisions that determine a vessel's Attained CII, but MARPOL Annex VI places regulatory accountability on the flag state and

[41] *Singapore Academy of Law*, *SAL Practitioner* (2024), commentary on the BIMCO CII Operations Clause for Time Charter Parties.
[42] CJC, "CII — Does it Matter?" (2024); Britannia P&I (n 7).
[43] Regulation (EU) 2023/1805 on the use of renewable and low-carbon fuels in maritime transport (FuelEU Maritime), arts 4, 20, 23.
[44] Directive (EU) 2023/959 amending Directive 2003/87/EC as regards the inclusion of maritime transport in the EU Emissions Trading System; Regulation (EU) 2015/757 (MRV Regulation), as amended.
[45] FuelEU Maritime (n 1), art 3(d) (definition of "company"); Directive 2003/87/EC, art 3gf, as inserted by Directive (EU) 2023/959.

the ISM Code "Company." As Sections III and IV demonstrated, neither flag state nor port state oversight extends to that operational layer; instead, they are restricted to a documentary and procedural register that is consistent with the due diligence framework used in The Star Sea and the limited supervisory role acknowledged organizations were held to occupy in The Nicholas H. As a result, private contracts, which operate against an implied indemnification under The Island Archon and The Kos that are still untested with regard to CII facts particularly, are currently the only true mechanism capable of allocating CII risk. There are three suggestions that follow. In the absence of a clear assumption of risk by the owner at the time of fixing, arbitral tribunals and courts faced with a CII-related indemnity claim under an unamended charter should address the Aquacharm/Nogar Marin causation question by treating a CII-destroying employment order as falling within rather than outside the ordinary scope of the Island Archon indemnity when it is the proximate and foreseeable cause of quantifiable loss. Second, BIMCO and market organizations ought to reevaluate the 2022 Time Charter clause's absolute/due-diligence asymmetry, which has likely stifled the clause's own adoption and left owners without its protection more frequently than the regime's drafters intended. Third, and perhaps most importantly, the IMO should treat the Net-Zero Framework's adoption—which has been repeatedly postponed until 2025 and 2026—not just as a decarbonization milestone but also as the opportunity to address CII's fundamental design flaw by imposing a clear regulatory consequence on the entity that actually controls the rating measures. Until then, contracts will continue to fill the vacuum this article has exposed, unevenly and at the parties' own risk.