

# Customer Advisory

## Transition to one Fossil Fuel Fee (FFF) for contracts with over 3 months' validity

31 May 2024

Dear Customer,

We are pleased to announce the introduction of the Fossil Fuel Fee (FFF). We are making this change as a part of simplifying your logistical moves by streamlining the costs of the different fuel types (mandated by regulations) into a single surcharge, the Fossil Fuel Fee.

### What does this mean for your billing?

Currently, there are two types of surcharges connected to fuel for cargo on Ocean: the Bunker Adjustment Factor (BAF) and Low Sulphur Surcharge (LSS). These surcharges relate to the type of fuel that is in use and are in line with regulations related to the individual type of fuel.

The FFF surcharge calculation methodology will be phased in to replace, the BAF and LSS.

### How is the FFF determined?

The FFF will be reviewed and updated quarterly, using scalable methodology, and will simplify the invoicing structure. Below we have created a chart that explains in further detail the changes:

	CURRENT (BAF & LSS)	FUTURE (FFF)
<i>Bunker surcharge to <b>recover 0.5% Sulphur fuel cost?</b></i>	BAF is charged with quarterly review and updates.	Single surcharge, named the <b>Fossil fuel fee (FFF)</b> , charged with quarterly review and updates.
<i>Bunker surcharge to <b>recover 0.1% Sulphur fuel cost?</b></i>	LSS is charged with quarterly review and updates.	
<i>Bunker surcharge to <b>recover any new fuel type mandated by regulations?</b></i>	If regulations are introduced mandating the use of new fuel type, we would have to pass the cost to customer in the form of a new surcharge/s, adding to the complexity.	

### When will this change take place?

Our goal is to bring ease and connectivity to your logistics. We believe that the simplification to one surcharge related to fuel on ocean will offer multiple benefits.

The FFF Tariff will be available from Q3 2024. In other words, it will be effective from 1 July 2024.

Starting from this date, all new contractual quotes over 3 months' validity will be quoted with FFF.

Pre-existing contracts with BAF and LSS will continue as is until the time of renewal. After this, they will transition to FFF. Therefore, we will continue to publish BAF and LSS tariff rates. This is to avoid any unexpected impact to these pre-existing contracts.

For more information, please visit the [FFF page on Maersk.com](#), where you can also find the Methodology and Terms & Conditions.

For any questions and clarifications, please reach out to your Maersk Sales representative.

Sincerely,

A. P. Moller – Maersk