

Wrapping up

9 July 2018

Gunnar Steck, Enquidity and Hiroshi Hashimoto, IEEJ

Legal aspects

- Destination restriction and profit sharing - violation?
 - In some jurisdictions yes, in others not sure
 - Questions on applicability of individual jurisdiction's law
 - Difference between FOB and DES
- Other practices in LNG SPAs
- The model diversion clause - instrumental

Commercial and practical aspects

- Needs and benefits of flexible LNG cargoes and diversions
- How diversion costs and risks should be shared - and PSM
- Difference between existing and new LNG sources
- Contract negotiation - impact on other terms and conditions
 - Value of flexibility and package deals
- Contract renegotiation - when discussions can begin
- Views on the Model Clause: awareness
- Successful regional (and global) cooperation

Next steps on flexibility

- What (the competition) authorities should do?
- How industry players (sellers, buyers, traders) can react?
- Does the industry need more contractual standardization?

Remaining questions to previous sessions

The way forward on Japan EU LNG initiatives