

ABS REGULATORY NEWS

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AMENDMENTS TO EU MRV REGULATION 2015/757

This Regulatory News provides guidance on the new [Regulation \(EU\) 2023/957](#) amending [Regulation \(EU\) 2015/757](#) in order to provide for the inclusion of maritime transport activities in the EU Emissions Trading System (EU ETS) and the monitoring, reporting and verification of additional greenhouse gases and emissions from additional ship types.

BACKGROUND

Back in 2015, Regulation (EU) 2015/757 on monitoring, reporting and verification of carbon dioxide emissions from maritime transport was adopted by the European Parliament and the Council aiming to monitor, report and verify carbon dioxide (CO₂) emissions from maritime transport within the European Union (EU) and ports in the European Economic Area (EEA).

The EU MRV Regulation required all ships over 5,000 gross tonnage, calling EU/EEA ports, regardless of the flag they fly or the country of ownership, to monitor their emissions starting January 1, 2018. The EU MRV Regulation considers CO₂ emissions from ships at sea and berth or moving within a port. EU MRV voyages are considered those where at least one port of call is an EU/EEA port and the ship performs commercial activities such as loading/unloading cargo or embarking/disembarking passengers.

In 2021, the European Commission adopted a series of legislative proposals known as the “Fit for 55” package, which aims to reduce its net greenhouse gas (GHG) emissions by at least 55 percent by 2030 compared to 1990. A robust monitoring, reporting and verification system is a prerequisite to ensure the effectiveness of any market-based measure, efficiency standard, or other relevant measure.

Considering [Directive \(EU\) 2023/959](#) extending from January 1, 2024 the established EU Emissions Trading System (EU ETS) to maritime transport, the Commission shall adopt by October 1, 2023 delegated acts to amend Articles 6, 7 and 10 of Regulation (EU) 2015/757 as regards the rules contained in those Articles for monitoring plans, to take into account the inclusion of methane CH₄ and nitrous oxide N₂O emissions, as well as the inclusion of greenhouse gas emissions from offshore ships, within the scope of the EU MRV Regulation.

KEY NOTES

Applicable Vessel Types:

- Ships above 5,000 GT with commercial operation in EU/EEA ports.
- Offshore ships above 400 GT from January 1, 2025.
- General cargo ships between 400 ≤ GT ≤ 5,000, from January 1, 2025.

Greenhouse Gas (GHG):

Ships will be required to monitor methane CH₄ and nitrous oxide N₂O apart from the carbon dioxide CO₂.

Verified as satisfactory

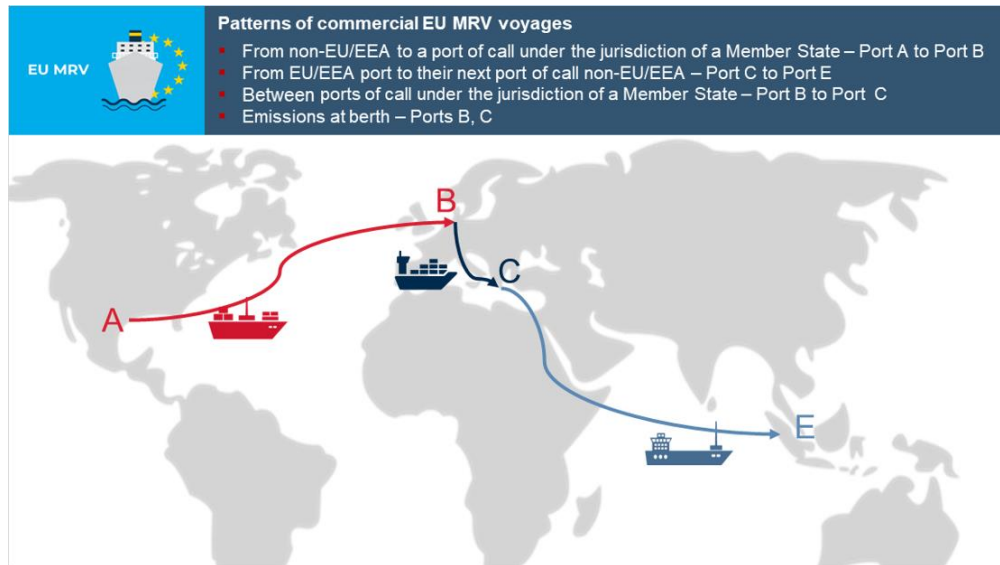
Deadline of verified emission reports submission changes from end of April to 31 March.

Change of Management

Where there is a change of company, the previous company shall submit no later than three months after the change, a verified report, limited to the period corresponding under its responsibility.

APPLICATION

EU MRV Regulation applies to ships of 5,000 gross tonnage and above in respect of the GHG emissions released during their voyages for transporting for commercial purposes cargo or passengers from the last port of call to a port of call under the jurisdiction of a member State and from a port of call under the jurisdiction of a member State to their next port of call, as well as between ports of call under the jurisdiction of a member State.



KEY AMENDMENTS

Summary of Amendments to the EU MRV Regulation 2015/757

	Regulation (EU) 2015/757	Regulation (EU) 2023/957
Consideration of Emissions	Monitoring, reporting and verification of carbon dioxide CO ₂ emissions from maritime transport	The term 'CO ₂ ' is now replaced by the term 'greenhouse gas'
Vessel or Company level	Per vessel	Per vessel and at a Company level
Scope of emissions	Carbon dioxide CO ₂	Adding Methane CH ₄ and Nitrous oxide N ₂ O from January 1, 2024
Application	Ships* above 5,000 GT calling EU/ EEA ports for commercial reasons	From 1 January 2025, Application also to offshore ships above 400 GT and general cargo ships between 400 ≤ GT ≤ 5,000
Verified as satisfactory deadline submission	30 April YYYY	31 March YYYY
Ships falling first time under EU MRV	Companies shall submit a monitoring plan no later than two (2) months after each ship's first call in a port under the jurisdiction of a member State	Companies shall submit a monitoring plan no later than three (3) months after each ship's first call in a port under the jurisdiction of a member State
Change of Company	Where there is a change of company, the new company shall ensure that each ship under its responsibility complies with the requirements of this Regulation in relation to the entire reporting period during which it takes responsibility for the ship concerned	Where there is a change of company, the previous company shall submit to the administering authority ¹ responsible, to the authorities of the flag States concerned for ships flying the flag of a member State, to the new company and to the Commission, as close as practicable to the day of the completion of the change and no later than three months thereafter, a verified report, but limited to the period corresponding to the activities carried out under its responsibility

* Excluding Warships, Naval auxiliaries, Fish catching or processing ships, Wooden ships of a primitive build, Ships not propelled by mechanical means, Government ships used for non-commercial purposes.

¹ "Administering authority in respect of a shipping company" means the authority responsible for administering the EU ETS in respect of a shipping company in accordance with Article 3gf of the EU Emissions Trading System Regulation.

Scope of Emissions

- While Regulation (EU) 2015/757 encountered only the CO₂, now the term CO₂ is replaced by greenhouse gas and necessary grammatical changes are made, highlighting the need to achieve the EU target of net greenhouse gas emissions.

Monitoring Plan

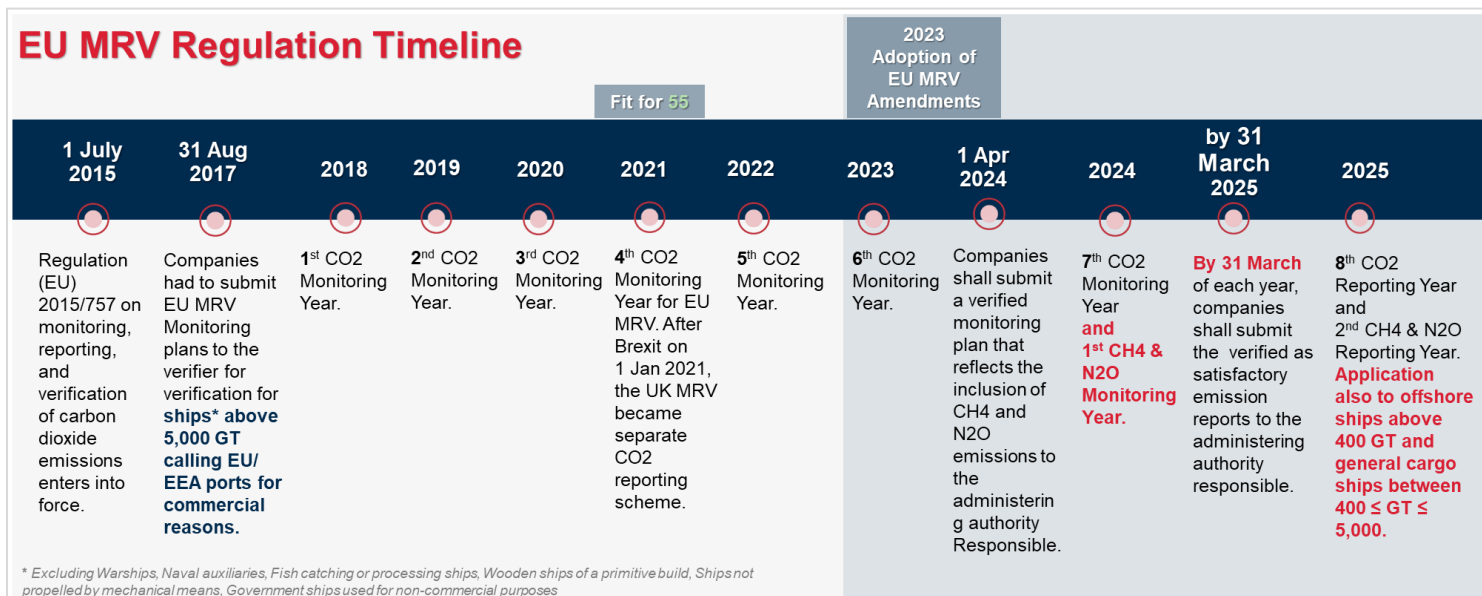
- By April 1, 2024**, companies shall, for each of their ships submit to the administering authority responsible a verified monitoring plan that reflects the inclusion of CH₄ and N₂O emissions within the scope of the EU MRV Regulation. The methods for monitoring CH₄ and N₂O emissions shall be based on the same principles as the methods for monitoring CO₂ emissions.

Reporting

- From January 1, 2024**, the amendments for the inclusion of methane (CH₄) and nitrous oxide (N₂O) emissions will apply in the EU MRV Regulation and will be included in the EU ETS from 2026.
- By March 31** of each year, starting from 2025, companies shall, for each ship under their responsibility, submit to the administering authorities of the flag States concerned for ships flying the flag of a member State and to the Commission an emissions report for the entire reporting period of the previous year, which has been verified as satisfactory by a verifier.
- For voyages starting and ending in two different years, the definition of "reporting period" has been amended. Specifically, the reporting period for such voyages now refers to the timeframe from January 1st to December 31st of the year in question. Any data pertaining to these voyages shall be accounted for under the appropriate year.

Company-Level Reporting

- Companies shall report the aggregated emissions data at the company level and submit such data to the administering authority responsible along with their verified monitoring plans.
- In addition to ship-level emission report verification, the company-level data should be verified. When performing verification at a company level, the verifier shall assess the completeness of the reported data and the consistency of those reported data with the information provided by the company, including its verified emissions reports.
- By March 31** of each year, starting from 2025, companies shall submit to the administering authority responsible for the aggregated emissions data at the **company level**. The administering authority responsible may require companies to submit the verified aggregated emissions data at the company level by a date earlier than March 31, but not earlier than February 28.



Extension of the Application

- **From January 1, 2025**, the EU MRV Regulation is extended to apply also to offshore ships above 400 GT and general cargo ships between $400 \leq GT \leq 5,000$.
- For **offshore ships**, the definition of "port of call" has been expanded to include ports where the crew is relieved. This means that for offshore ships, a "port of call" now refers to a port where a ship stops to load or unload cargo, embark or disembark passengers, or relieve the crew.
- For ships falling within the scope of this Regulation for the first time after January 1, 2024, companies shall submit a monitoring plan in conformity with the requirements of this Regulation to the administering authority responsible without undue delay and no later than three (3) months after each ship's first call in a port under the jurisdiction of a member State.



Change of Company

- Where there is a **Change of Company**, the previous company shall submit to the administering authority responsible, to the authorities of the flag States concerned for ships flying the flag of a member State, to the new company and to the Commission, as close as practicable to the day of the completion of the change and no later than three months thereafter, a verified report but limited to the period corresponding to the activities carried out under its responsibility.

Risks of Non-Compliant Vessels

- In the case of a ship that has failed to comply with the monitoring and reporting obligations for two or more consecutive reporting periods, and where other enforcement measures have failed to ensure compliance the competent authority of the member State of the port of entry may, after giving the opportunity to the company concerned to submit its observations, issue an **expulsion order**, which shall be notified to the Commission, the European Maritime Safety Agency (EMSA), the other member States and the flag State concerned.
- Where such a ship flies the flag of a member State and enters or is found in one of its ports, the member State concerned shall, after giving the opportunity to the company concerned to submit its observations, **detain** the ship until the company fulfils its monitoring and reporting obligations.

Future Amendments and Ongoing Developments

- Ongoing work is being done on developing further amendments to Regulation (EU) 2015/757. According to the European Commission, these are expected to be issued by October 2023 and include amendments to:
 - Annex I and II of Regulation (EU) 2015/757, setting the rules for companies on how to monitor and calculate emissions, both under MRV and ETS scope.
 - Implementing Regulation (EU) 2016/1927, which will include new templates for monitoring plans, emissions reports and documents of compliance. For example, the new template for the emissions reports, among other updates, will expand the scope of the fuel type consumed to include alternative fuels such as methanol, ethanol, bio-H₂, e-diesel, e-LNG, etc.
 - A new delegated act that will outline the rules for reporting and submitting aggregated emissions data at the company level.
 - A new implementing act on the rules relating to the administration of shipping companies by administering 4 authorities in respect of a shipping company, pursuant to Article 3 of [Directive 2003/87/EC](#).
- Before December 31, 2024, the Commission will assess whether additional ship types, between 400 GT and 5,000 GT, should be included in Regulation (EU) 2015/757.

ACTIONS FOR COMPLIANCE

1. Develop or revise the EU MRV Monitoring Plan to include the CH₄ and N₂O emissions. It is recommended to submit the plan for verification by the end of 2023 to ensure enough time for the assessment by April 1, 2024, should be in place. From 2025, offshore ships above 400 GT and general cargo ships between 400 ≤ GT ≤ 5,000 should have an EU MRV verified plan.
2. From January 1, 2024, monitor and report CO₂, CH₄ and N₂O emissions and activity data.
3. From 2025, develop an Emissions Report per ship and submit it for verification as soon as possible to the beginning of the year to ensure that the verification process will be successfully completed by March 31 and submit it to the relevant authorities.
4. From 2025, submit to the administering authority responsible for the aggregated emissions data at the company level by March 31.
5. Carry onboard a valid Document of Compliance (DoC).

REFERENCES

The updated EU MRV Regulation and ETS Directive have now been published in the official journal of the European Union.

Document	Title
REGULATION (EU) 2023/957	Amending Regulation (EU) 2015/757 to provide for the inclusion of maritime transport activities in the EU Emissions Trading System and for the monitoring, reporting and verification of emissions of additional greenhouse gases and emissions from additional ship types (L 130/105 of 10 May 2023)
DIRECTIVE (EU) 2023/959	Amending Directive 2003/87/EC establishing a system for greenhouse gas emission allowance trading within the Union and Decision (EU) 2015/1814 concerning the establishment and operation of a market stability reserve for the Union greenhouse gas emission trading system (L 130/134 of 10 May 2023)

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