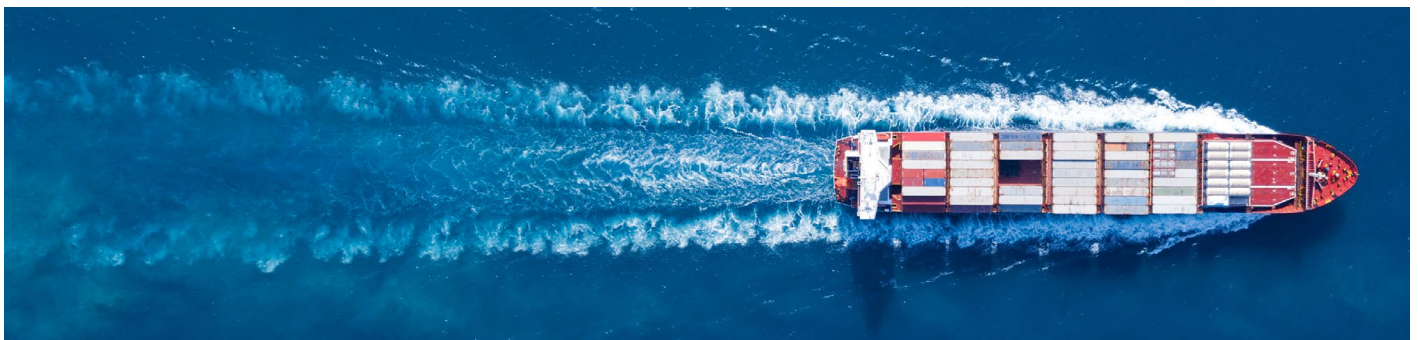


# EU MRV EXTENDED TO SHIPS FROM 400 GT – START PREPARING NOW

Relevant for ship owners and managers of vessels above 400 GT including offshore, shipyards, suppliers, design offices as well as flag states.

April 2024

From 1 January 2025, the amended EU MRV regulations will extend to general cargo vessels with a gross tonnage (GT) of 400 to 5000 and offshore vessels of 400 GT and above. The European Commission (EC) is currently discussing future guidance documents to support stakeholders in meeting MRV obligations in relation to offshore ship emissions. In this statutory news, DNV shares its expertise on EU MRV compliance and provides insights for the newly affected companies.



The overall purpose of EU MRV emissions collection and reporting is to assess the environmental impact of maritime transport and to serve as a basis for the EU ETS and Fuel EU Maritime regulations. Below follows an overview of the EU MRV regulations, the process and some lessons learned from DNV:

## The EU MRV - a summary

The EU MRV regulation establishes rules, whereby shipping companies report annually, and accredited independent verifiers verify, the reported amounts of carbon dioxide (CO<sub>2</sub>) emissions and other relevant information from ships calling at EEA ports.

CO<sub>2</sub> emissions are the largest component of greenhouse gas emissions from maritime transport, but methane (CH<sub>4</sub>) and nitrous oxide (N<sub>2</sub>O) emissions are also important contributors. Hence, in 2023, as part of the package of measures to reduce emissions from the maritime transport sector, the MRV regu-

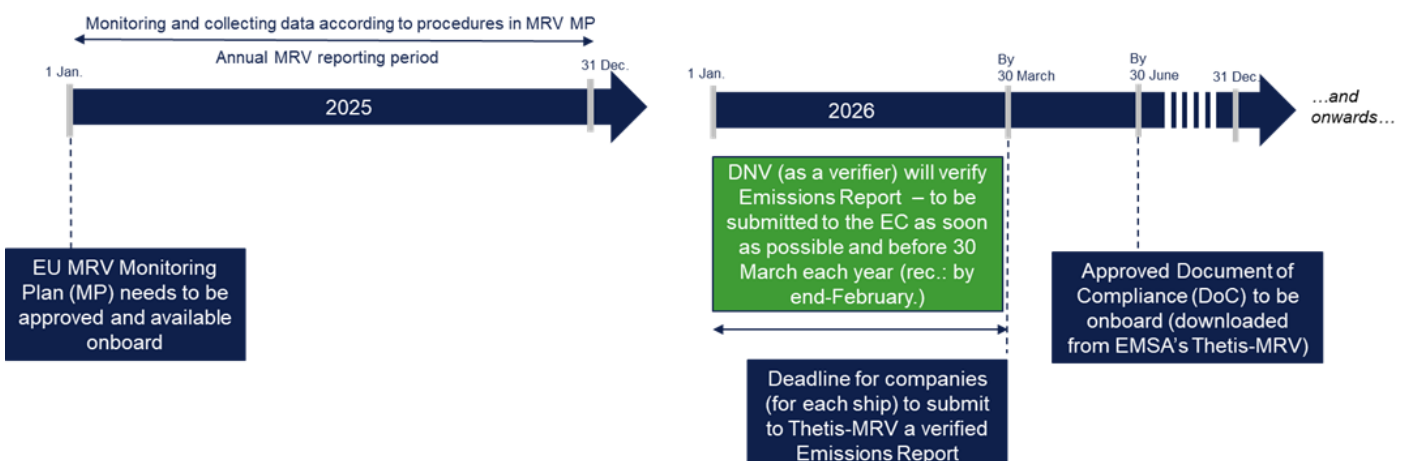
lation was amended, and after 1 January 2024, the scope of the MRV regulation has expanded to include CH<sub>4</sub> and N<sub>2</sub>O emissions from shipping.

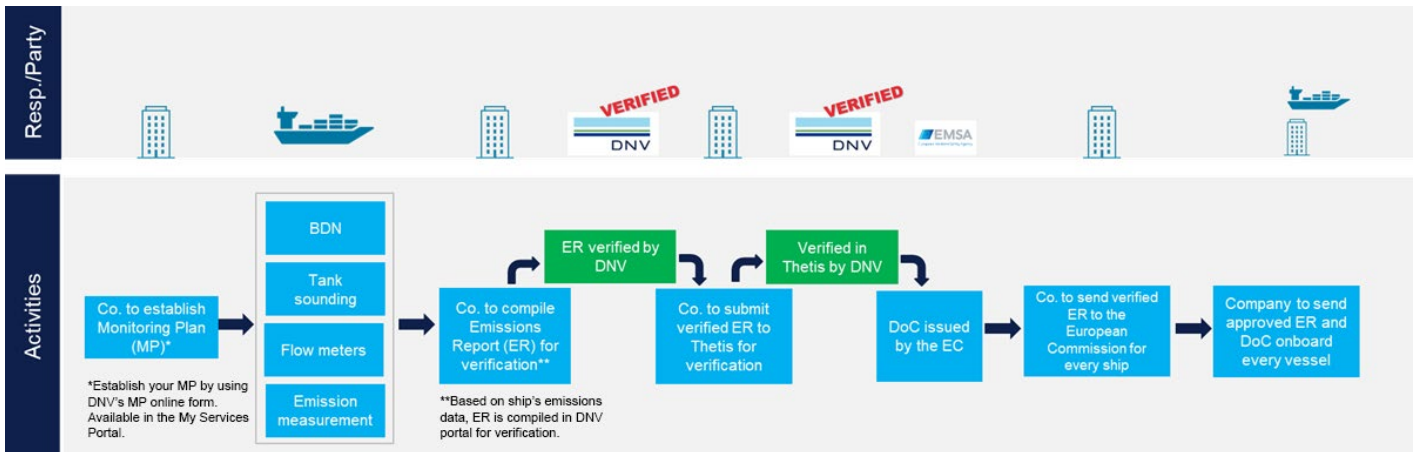
Furthermore, from 1 January 2025, the amended EU MRV regulations will also apply to general cargo ships between 400 and 5000 GT and offshore ships of 400 GT and above. What is an "offshore ship" will shortly be clarified by the EC.

## The EU MRV annual cycle

The following figure illustrates the important timelines applicable for the MRV (all ship types, not only 400 to 5000 GT).

As noted on the figure, early submission of the Monitoring Plan (MP), see below, is strongly advised to prevent last-minute troubles with emissions data handling. Similarly, DNV recommends submission to the EC as soon as possible:





### How the EU MRV verification process works

The inclusion of ships smaller than 5000 GT, plus offshore vessels, will not result in any changes to the existing EU MRV verification process. But for new customers, the above figure explains in detail the main activities for compliance.

### How the EU MRV and EU ETS work together

The EU MRV and the EU ETS are now integrated, and emissions data from the existing EU MRV is the basis for the EU ETS. Even though the EU ETS is not yet mandatory for ships smaller than 5000 GT, general cargo and offshore ships of 400 to 5000 GT will most likely be included from 2027. The EU MRV MP is the basis for the EU ETS, in the following way:

Starting in 2025, the shipping company must submit verified aggregated emissions data at the company level to the administering authority by 31 March of each year. This data is to be based on the MRV Emissions Reports for the previous year. In practice, this means the ship's Emissions Report needs to be verified and submitted a month earlier, at the latest, than under the current MRV system.

From 2025, the deadline for a verified EU MRV Emissions Report submission to the EC will be 31 March, instead of 30 April. After successful verification of the fleet, MRV Emission Reports and the Company Emission Verification Report containing all the fleet's EU ETS scope emissions must be submitted to the administering authority by 31 March each year (however, DNV recommends submitting the MRV Emissions Reports for verification at least a month before the deadline).



### Do it right - based on DNV's lessons learned over the years from the EU MRV

Since the early days of the EU MRV in 2018, DNV has verified some 25,000 Emissions Reports, and these are some of the learnings from our work on the EU MRV (and related IMO DCS):

#### Plan for digital reporting

- Digital (as opposed to manual, ad-hoc) data collection and processing ensures consistency, quality, and continuous feedback - saving time and effort/costs.
- Digital reporting will also fulfil the requirements from other stakeholders, e.g. charterers and financial community, making your operations also more "future-proof" towards other future regulations.
- Establish solid processes for data collection, monitoring, and reporting.

#### Data quality with financial implications

- While the EU MRV started as a data collection compliance regulation only, the EU MRV has consequences far beyond data collection, and the financial consequences of incorrect reporting, etc. can be significant. Hence, data quality is essential:
  - Check the data quality during the year, and be ready before the year's end.
  - Don't let quality hick-ups stop you from meeting the deadline.
  - Improve every year on reporting data.

#### Start early

- DNV has stressed the importance of starting the process early, and for "new MRV customers", use the remaining time in 2024 to establish processes.
- Create your Monitoring Plan with DNV's MRV MP online form (available in the portal, MyServices).
- Upload your MRV emission data today to check the quality and ensure the correct reporting method before the deadline in January 2025. For new MRV customers, you will get access to the MRV reporting template, which will allow us to pre-verify your data quality free of charge for the remainder of 2024.
- Get DNV's expertise on regulatory and technical issues during the year.

### How to get started

This is how "new EU MRV customers" can get started:

- **Generate your Monitoring Plan**  
The template is available on our MyServices portal.
- **Start to report as soon as possible**  
Use the remaining time in 2024 to get the processes in place.
- **Try and fail, learn, and improve.**

### Recommendations

DNV recommends "new EU MRV customers" to follow the DNV lessons learned when starting their efforts for compliance:

- **Digital reporting**
- **Be conscious of data quality**  
Data quality errors can have financial consequences.
- **Start early**  
Do not wait until 31 December.

### References

Selected DNV resource on the EU MRV:

- [MRV - The Monitoring, Reporting and Verification \(MRV\) system for the EU and UK](#)
- [IMO DCS](#)
- [EU ETS - Emissions Trading System](#)
- Technical & Regulatory News, 21 Dec 2023: [Clarifications on the IMO DCS/CII and EU MRV/ETS, use of biofuel](#)
- Technical & Regulatory News, 17 Nov 2023: [Preparing for the EU ETS - next steps](#)

### Contact

#### For customers:

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