

MEMBER ALERT



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THE EUROPEAN UNION (EU) EMISSIONS TRADING SYSTEM (ETS): MONITORING, REPORTING AND VERIFICATION (MRV) REQUIREMENTS

As of January 1, 2024, the EU ETS monitoring, reporting and verification (MRV) requirements are due to take effect for cargo and passenger ships of 5,000 GT or more that are calling at, or departing from, ports in the European Economic Area (EEA). As of January 1, 2025, the requirements will be expanded to apply to cargo ships and offshore ships of 400 GT and above.

The EU EST MRV requirements target emissions of carbon dioxide (CO₂), methane (CH₄) and nitrous oxide (N₂O). One hundred per cent (100%) of emissions on voyages and port calls within the EU/EEA and fifty per cent (50%) of emissions on voyages into, or out of, the EU/EEA are subject to the EU ETS requirements.

These requirements are relevant to companies that have assumed the shipowner's responsibility for the ship as set forth in the International Safety Management (ISM) Code as the holder of the Document of Compliance (DoC) and are the parties responsible for reporting emissions. Companies will be required to hold sufficient EU Allowance (EUA) credits for vessels under their control and surrender the allowance credits to the administering authorities annually beginning in September 2025.

What is the administering authority?

The responsible administering authority is the authority in the EU or EEA Member State to whom the company is obliged to surrender the allowances corresponding to the emissions to be reported from the preceding calendar year. For companies registered within the EU/EEA, it is the Member State where the company is registered. For companies registered outside the EU/EEA, it is the Member State with the largest number of port calls during the prior two-year period. For vessels that have not traded within the EU/EEA within the last two years, the Member State will be that of the first port of call within the EU/EEA.

Monitoring requirements

The following deadlines apply to emissions monitoring:

- By **December 31, 2023 or the earliest possible date by March 31, 2024**. Companies should submit their emission monitoring plans (MPs) for each ship through the European Maritime Safety Administration's (EMSA's) web-based platform for reporting, [THETIS-MRV](#). The THETIS-MRV is accessible to shipowners or ship operators, the verifying bodies (primarily the vessel's classification society), relevant ships' flag States and relevant EEA Member State authorities.

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- By **April 1, 2024**. For each ship, companies must submit to their responsible administering authority an MP that has been assessed by the verifying body.
- By **June 6, 2025**. The responsible administering authority shall approve the MP based upon the results of the assessment of the verifying body.

Ships having not been subject to current MRV requirements, are required to submit an MP to their administering authority within three months of the first call to an EU/EEA port. The MP shall be approved by the administering authority within four months thereafter.

Reporting requirements

The following relevant deadlines apply to emissions reporting:

- **January 1, 2024**. Companies shall monitor and report emissions for cargo and passenger ships of 5,000 GT or more in accordance with their MP.
- **January 1, 2025**. Companies shall additionally monitor and report emissions for cargo ships and offshore ships of 400 GT or above.
- Annually from **March 31, 2025**. For each ship, the company shall submit an emissions report for the entire monitoring period of the prior year which has been satisfactorily verified by the verifying body to the responsible administering authority, flag States and the European Commission. The EU ETS reporting period is a calendar year from January 1 through December 31.

For ships already subject to report for the 2023 monitoring period, the deadline for submission of the emissions report is **April 30, 2024**.

- Annually from **March 31, 2025**. Companies shall submit to their responsible administering authority an aggregated company level verified emissions report. The reports are to be submitted annually by March 31, but it is recommended to submit the company level report a month in advance of the annual deadline.

Your Managers recommend that Members take note of this information and be guided accordingly.