



ST. VINCENT AND THE GRENADINES

MARITIME ADMINISTRATION

CIRCULAR N° POL 033

AMENDMENTS EU MRV (MONITORING, REPORTING AND VERIFICATION) REGULATION AND EU ETS (EU EMISSIONS TRADING SYSTEM) DIRECTIVE

TO: SHIPOWNERS, SHIPS' OPERATORS AND MANAGERS,
MASTERS, SURVEYORS TO FLAG STATE
ADMINISTRATION AND RECOGNIZED ORGANIZATIONS

APPLICABLE TO: Ships of 400 GT and 5000 GT as applicable

EFFECTIVE AS FROM: 01ST January 2025

Date: 21st October 2024

General overview and application

The EU MRV applies to ships of 5,000 GT and above, regardless of their flag, conducting commercial voyages to or from ports in the European Economic Area (EEA). EEA includes EU plus Norway and Iceland.

It requires the per-voyage and yearly monitoring of CO₂ emissions to a central database and an annual public disclosure of the data in a verified annual ship emissions report, as well as the monitoring of other parameters, including the quantities of cargo carried, distance travelled and time spent at sea.

Starting from 1 January 2025, the amended EU MRV regulations will be extended to cover general cargo vessels with a gross tonnage of 400 to 5000 and offshore vessels of 400 GT and above.

The EU MRV regulation establishes rules for shipping companies to annually report CO₂ emissions and other relevant data from ships calling at EEA ports, which will be verified by accredited independent verifiers.

The threshold has been lowered to include smaller vessels, expanding the regulatory scope. These changes present new challenges and opportunities for the maritime industry regarding environmental accountability.

Ships exempt from the EU MRV regulation include warships, naval auxiliaries, fish-catching or processing ships, wooden ships of a primitive build, ships not propelled by mechanical means and government ships used for non-commercial purposes.

EU MRV Requirements:

1. **Monitoring Plan (MP):** Each vessel's Monitoring Plan must be verified by an accredited verifier and include the method chosen to monitor and report emissions.
2. **Emissions Report:** This includes information on fuel consumption, distance traveled, and cargo carried.
3. **Document of Compliance (DoC):** After the Emissions Report is verified, the shipping company must submit it to the European Commission by 31 March of the following year, with the DoC being available for download by 30 June via THETIS-MRV.

EU ETS

Since January 2024 the EU ETS has been extended to cover green house gas emissions from ships of 5 000 gross tonnage and above. Shipping companies have to purchase and surrender (use) EU ETS emission allowances for each tonne of reported greenhouse gas emissions. Failure to comply will result in penalties, including fines and port entry bans.

How the EU MRV and EU ETS work together

The EU MRV regulations form the foundation for the EU ETS, with emissions data serving as the basis for the allowances shipping companies must purchase. Even though the EU ETS currently applies to ships of 5000 GT and above, it is expected that general cargo and offshore vessels between 400 and 5000 GT will be included from 2027.

Key Changes effective from 1 January 2025:

- Inclusion of general cargo vessels and offshore vessels of 400 GT and above.
- Expansion to cover CH₄ and N₂O emissions.
- The deadline for submitting verified EU MRV Emissions Reports will be 31 March, instead of 30 April.
- Ships must submit their emissions data for verification earlier to comply with the new system.

Steps for Operators introducing EU MRV for the first time:

1. **Generate Your Monitoring Plan:** Prepare and keep it onboard for each vessel.
2. **Plan for Digital Reporting:** Transition to digital data collection and reporting for consistency and efficiency.
3. **Establish Robust Processes:** Ensure strong processes for monitoring and reporting throughout the year.
4. **Start Early:** Use the remaining time in 2024 to refine your processes in preparation for the new regulations.

Recommendation to operators of the vessels

This Administration strongly recommends that operators of the applicable vessels of 400 GT and above promptly address these requirements and select an accredited independent verifier to proceed with EU MRV verification.