

EU Emissions Trading System (EU ETS) for maritime transport

Introduction

As part of the European Union (EU) Green Deal, the European Directive No. 2023/959 of May 10, 2023 amended the European Directive No. 2003/87/EC (known as the “ETS Directive”), to include the maritime transport within the EU's Emission Trading System (ETS). The European Directive No. 2023/959 also amended the Regulation No. 2015/757 concerning the monitoring, reporting and verification of greenhouse gas emissions from maritime transport (known as the “MRV regulation”), which serves as the support for this inclusion.

Created in 2005, the European carbon market is a cap-and-trade system aiming at regulating the quantity of greenhouse gas emissions from some industrial sectors (stationary installations, airlines). The inclusion of maritime transport in this market, from January 1, 2024, aims to cap maritime transport emissions within the framework of the overall cap of the ETS. In other words, it will result in a pricing of greenhouse gas emissions from ships aimed at encouraging the improvement of their energy efficiency and the deployment of low-carbon propulsions' solutions, by notably reducing the price difference between fossil fuels and sustainable energy sources used by ships.

This webpage aims to provide practical information and legal references for the management of maritime transport within the EU ETS, in order to provide a broad vision on the subject. It is therefore deliberately summarized to better facilitate comprehension. Only the texts published in the Official Journal of the European Union are official. This webpage is regularly updated to take into account regulatory developments and share answers to questions that may be frequently asked.

Useful contacts

The French Environmental Transition of Shipping Unit (STEN1) of the French Directorate General of Maritime Affairs, Fisheries and Aquaculture (DGAMPA) is the point of contact for shipping companies for which France is the administering authority. The French administration can be contacted by email to the address ets-fueleu.admin@mer.gouv.fr.

- For more information on the carbon market and its operation, see the dedicated site of the French Directorate General for Energy and Climate (DGEC) (in French): <https://www.ecologie.gouv.fr/marches-du-carbone>.
- The Caisse des Dépôts et Consignations, national administrator of the Union Registry for the management of greenhouse gas emission quotas and credits, provides information on their website <https://politiques-sociales.caissedesdepots.fr/SERINGAS/home-syringas> (in French). This administrator can be contacted by email via the address registerges-maritime-fr@caissedesdepots.fr.
- The European Commission and the European Maritime Safety Agency also update information on the following websites (in English): https://climate.ec.europa.eu/eu-action/transport/reducing-emissions-shipping-sector/faq-maritime-transport-eu-emissions-trading-system-ets_en ; <https://emsa.europa.eu/reducing-emissions/faq-extension-ets.html>.

Summary

- (1) Legal Sources
- (2) Next steps for shipping companies
- (3) Scope of maritime ETS
- (4) Declaration of emissions via the MRV system
- (5) Specificities of governance
- (6) Sanctions for non-compliance with ETS rules

Main Content

(1) Legal Sources

Part 1 – Integration of The Maritime Transport into The Emissions Trading System

Directive 2003/87/EC of the Parliament and of the Council establishing a system for greenhouse gas emissions trading in the Union and amending Council Directive 96/61/EC

Commission Implementing Regulation (EU) 2023/2297 of 26 October 2023 identifying neighboring container transshipment ports in accordance with Directive 2003/87/EC of the European Parliament and of the Council

Commission Implementing Regulation (EU) 2023/2599 of 22 November 2023 establishing rules for the application of Directive 2003/87/EC of the European Parliament and of the Council as regards the administration of shipping companies by the responsible authorities of a shipping company

Part 2 – Emissions Monitoring, Reporting and Verification

Regulation (EU) 2015/757 of the European Parliament and of the Council of 29 April 2015 on the monitoring, reporting and verification of carbon dioxide emissions from the maritime transport sector and amending Directive 2009/16/EC

Commission Implementing Regulation (EU) 2023/2449 of 6 November 2023 laying down detailed rules for the application of Regulation (EU) 2015/757 of the European Parliament and of the Council as regards the models to be used for monitoring plans, emissions declarations, partial emissions declarations, compliance documents and company level declarations, and repealing Commission Implementing Regulation (EU) 2016/1927

Commission Delegated Regulation (EU) 2023/2776 of 12 October 2023 amending Regulation (EU) 2015/757 of the European Parliament and of the Council as regards rules for monitoring greenhouse gas emissions from maritime transport and any other useful information

Commission Delegated Regulation (EU) 2023/2849 of 12 October 2023 supplementing Regulation (EU) 2015/757 of the European Parliament and of the Council as regards rules for the reporting and submission of aggregated emissions data at company level

Part 3 – Union Registry

Commission Regulation 2019/1122 of 12 March 2019 supplementing Directive 2003/87/EC of the European Parliament and of the Council as regards the operation of the Union Registry

(2) Next Steps for Shipping Companies

1. **Step 1:** to understand the new requirements and adapt your contract(s).
2. **Step 2:** to determine the list of vessels for which you will be responsible for ETS/MRV obligations (and therefore for paying carbon quotas on the covered voyages). By default, the ETS/MRV manager of any ship is the owner (registered owner), unless he chooses to delegate management to an ISM company by mandate. In such circumstances, it is necessary to provide a mandate signed by the owner and the ISM company.
3. **Step 3:** to determine which administering authority (Member State) is responsible for your company, according to the criteria set out in the ETS directive and the list published by the European Commission.
4. **Step 4:** to transmit to the administering authority the list of vessels for which you assume ETS/MRV responsibilities (with signed mandates in the event of delegation)
5. **Step 5:** to update the monitoring plans of the vessels concerned and submit them to the verifier to assess its compliance with the amended MRV Regulation (Regulation (EU) 2015/757).
 - Then submit to the administering authority by March 31, 2024 the monitoring plans assessed by the verifier as being in compliance with the MRV regulation.
6. **Step 6:** in February 2024, to open an account in the Union Register, managed in France by the Caisse des Dépôts et Consignations
 - Shipping companies can already open trading accounts to start buying allowances.
 - Shipping companies will have to open a taxable person account (MOHA) from February 2024.
7. **Step 7:** during the year 2024, collect data relating to greenhouse gas emissions from subject vessels.
8. **Step 8:** By March 31, 2024, submit verified ship emissions reports (MRV system for 2023 emissions).
9. **Step 9:** Before March 31, 2025, transmit to the administering authority the emissions reports and the company level report (aggregated data), assessed as compliant by a verifier.
10. **Step 10:** before September 30, 2025, ensure that you have sufficient carbon allowances in your MOHA account for compliance with emissions for the year 2024.

Information to be provided by the shipping company assuming responsibility for the EU ETS obligations to the French administration, regarded as administering authority

Following Directive 2003/87/EC, as amended by Directive (EU) 2023/959 of the European Parliament and of the Council, and Commission Implementing Regulation (EU) 2023/2599 of 22 November 2023, laying down rules for the application of Directive 2003/87/EC as regards the administration of shipping companies by administering authorities in respect of a shipping company, Shipping Companies responsible for the EU ETS obligations must share information on the ship(s) for which they assume responsibility with their administering authority.

This present document introduces the forms serving as a basis for providing the information needed by the French administering authority (DGAMPA).

In the context of ETS and MRV, the entity responsible for compliance in respect of the emissions of a given ship can be either the shipowner (i.e. the registered owner) or the ISM Company of that ship. The registered owner and the ISM Company have to decide who is the most appropriate entity to take on responsibilities for complying with the ETS and MRV obligations. In the absence of an explicit decision by the registered owner and the ISM Company, the registered owner will be considered, by default, responsible for compliance with ETS and MRV obligations. Thus, information to be provided to DGAMPA differ according to those two cases:

1. If the **shipowner** decides to assume responsibility for ETS and MRV obligations, the shipowner must provide DGAMPA with a document listing the ship(s) for which the registered owner assumes responsibility, including the information requested by Article 2 of Implementing Regulation (EU) 2023/2599. To that purpose, for shipowners administered by France, [Form 1](#) can be used.

An updated document must be sent to DGAMPA whenever a change occurs in the list of ships falling within the scope of the ETS obligations ([Form 1bis](#)).

2. If the **ISM Company** agrees to assume responsibility for ETS and MRV obligations in respect of one or several ships, the ISM Company must provide DGAMPA with a document clearly indicating that it has been duly mandated by the shipowner to comply with the ETS obligations for these ships, in the conditions set out in Article 1 of Implementing Regulation (EU) 2023/2599. To that purpose, for ISM companies administered by France, [Form 2](#) can be used.

An updated document must be sent without delay to DGAMPA whenever a change occurs in the mandate (form 2 can also be used for that).

In the absence of such a document, the registered owner is considered the entity responsible for compliance with ETS and MRV obligations, by default.

Any document, information or request to DGAMPA as the French administering authority for MRV and ETS must be sent to the following email address: ets-fueleu.admin@mer.gouv.fr

(3) Scope of the maritime ETS

Regardless of their flag, the geographical scope of emissions from ships subject to the ETS includes 100% of emissions emitted during European voyages and inside EU ports, as well as 50% of emissions from voyages between an EU port and a port located outside the Union.

The ETS Directive and the Maritime MRV Regulation are relevant to the European Economic Area (EEA), which means that the new rules also apply to EEA countries (EU Member States, Iceland, Liechtenstein and Norway).

In order to reduce the risks of evasive port calls by container ships outside of the EU, some neighboring transshipment ports will not be counted as ports of call, thus reducing the risk of loss of competitiveness for the European transshipment ports. The list is available in the annex to Commission Implementing Regulation (EU) 2023/2297 of 26 October 2023 and includes the ports of Tangier and Port Saïd.

The types and sizes of vessels subject to the ETS Regulation may change over time. Initially, from 2024, only cargo and passenger ships with a gross tonnage greater than 5,000 (UMS) will be included. Offshore ships of gross tonnage greater than 5000 (UMS) will be included in the MRV (the European system for compulsory reporting of ship emissions data, enforced since 2018) from 2025, then in the ETS system from 2027. Offshore service vessels between 400 and 5000 UMS as well as general cargo ships will be included in the MRV from 2025. The inclusion in the MRV of other categories of ships, between 400 and 5000 (UMS), will be examined from 2024. The possible inclusion in the ETS of ships, between 400 and 5000 (UMS), will be examined before December 31, 2026. Military, fishing and recreational Ships are excluded.

In addition to carbon dioxide (CO₂ – already included in the MRV), emissions of methane (CH₄) and nitrous oxide (N₂O) will be included in the MRV from 2024 and in the ETS from 2026.

The revised directive also provides for a phase-in approach concerning the surrender of allowances. Companies will have to return only 40% of the quotas corresponding to their 2024 emissions, 70% of their 2025 emissions, and 100% of emissions from 2026. This phase-in approach will allow shipowners to gradually adapt in regard to adapt financially.

Finally, few exemptions from the obligation to surrender allowances are provided for by the revised directive, until December 31, 2030 only. In particular for voyages between a port in an outermost region (OR) and its mainland territory, and 5% of emissions from IA or IA Super “ice class” ships.

Table – Geographical scope of application of the ETS by type of travel

| DEPART/ARRIVEE | ARRIVEE/DEPART | Application de l'ETS |
|-----------------|-------------------------------|---|
| Mainland France | French OR | Exemption until 12/31/2030 (100% of emissions from 2031) |
| French OR | French OR | Exemption until 12/31/2030 (100% of emissions from 2031) |
| Mainland France | Other EU member state | 50% of emissions |
| French OR | Other EU member state | 50% of emissions |
| French OR | OR of another EU member state | 50% of emissions |
| Mainland France | Third Country | 50% of emissions |
| French OR | Third Country | 50% of emissions |
| OCT | Mainland France or French OR | 50% of emissions |
| OCT | Other EU member state | 50% of emissions |
| OCT | Third Country | Not applicable |
| Third Country | Third Country | Not applicable |

FAQs.

- Are GHG emissions emitted when the ship is at berth subject to ETS?

Allowance surrender requirements apply for 100% of emissions from ships berthed in a port of call under the jurisdiction of an EU Member State. GHG emissions emitted at berth by container ships in one of the two neighboring container transshipment ports must be counted and included in the voyage in question.

- Is there a special regime planned for ships at berth?

There is no special regime for berthed ships, which benefit from a very low or zero volume of emissions during the time at berth.

- What is the definition of their port of call? Is bunkering considered a port of call?

A “port of call” is defined as the port where a ship stops to load or unload cargo or to embark or disembark passengers, or the port where an offshore ship stops to relieve the crew.

Besides this, the following examples below are excluded from this definition and therefore do not constitute a “port of call”:

- stops for the sole purposes of refueling, obtaining supplies, relieving the crew of a ship other than an offshore ship,
- going into dry-dock or making repairs to the ship, its equipment, or both,
- stops in port because the ship is in need of assistance or in distress,

- ship-to-ship transfers carried out outside ports,
- stops for the sole purpose of taking shelter from adverse weather or stops rendered necessary by search and rescue activities,
- and stops of containerships in a neighboring container transshipment port.

- What is the status of UK-based ports of call?

The United Kingdom is a third country to the European Union. Travel to or from a UK port must therefore be considered an international voyage, for which 50% of the GHG emissions from any such voyage is counted.

- What are the rules for overseas travel?

The EU Law distinguishes the legal term “overseas” into two categories:

- the outermost regions (OR), for which EU law applies, notwithstanding the exemptions specified above;
- overseas countries and territories (OCTs), for which EU law does not apply directly.

The inclusion of maritime transport in the ETS applies to the 6 French ORs: Martinique, Guadeloupe, Saint-Martin, Guyana, Réunion, Mayotte. However, a provisional exemption is provided until December 31, 2030 for travel between the ORs and a port of this Member State’s mainland, between two ORs of the same Member State, between two ports of the same OR and finally for emissions from ships berthed in a port situated in an OR.

The inclusion of maritime transport in the ETS does not apply to the French OCTs: Saint-Pierre-et-Miquelon, Saint-Martin, Saint-Barthélemy, French Polynesia, New Caledonia, Wallis-and-Futuna. A voyage between an OCT and an EU port is therefore the equivalent of an international voyage from/to a third country, and emissions at berth in an OCT are not included.

- Does the ETS apply to the European Economic Area (EEA)?

The ETS Directive and the MRV Maritime Regulation are relevant texts to the European Economic Area (EEA), which means that the new rules are intended to also apply to EEA countries (EU Member States, Iceland, Liechtenstein and Norway).

- Does the ETS apply to Greenland and the Faroe Islands?

Greenland is an OCT of the European Union (see Annex II of the Treaty on the Functioning of the European Union – TFEU) and is therefore to be considered as a third state. EU law also does not apply to the Faroe Islands (article 355 TFEU), which is also considered a third state.

(4) Reporting of emissions through the MRV system

The declaration of ship emissions subject to ETS regulation will be done through the MRV system, in force since 2018.

The MRV Regulation (2015/757) has been amended to include new obligations linked to the ETS, notably the reporting of greenhouse gases other than CO₂, the inclusion in the scope of certain categories of ships, and the obligation to report aggregated company-wide emissions subject to the ETS.

a) The Monitoring Plan

Shipping companies are first required to have a verified and approved monitoring plan for each ship subject to the ETS Regulation. This plan defines the methods for collecting and reporting emissions data.

The regulatory framework of the monitoring plan is set out in section 2 of the amended MRV regulation. Commission Implementing Regulation (EU) 2023/2449 of 6 November 2023 provides, in its annexes, the templates to be used for shipping companies. Concretely, companies use the electronic version of the templates, available in the EU automated information system called "THETIS-MRV" and managed by the European Maritime Safety Agency (EMSA).

By March 31, 2024, shipping companies must send to their administering authority a monitoring plan assessed as compliant by a verifier for each vessel. If the ETS/MRV system applies to a ship after 1 January 2024, companies shall submit their verified monitoring plan to the responsible authority no later than three months after the ship's first call in an EU port. The administering authority must approve all monitoring plans before June 6, 2025.

Shipping companies should regularly and at least annually check that the ship's monitoring plan reflects the operational functioning of the ship and whether the monitoring methods may be improved. They must also modify the monitoring plan if: the vessel changes company; new emissions are produced from new sources or new fuels; there is a change in data availability. Shipping companies must also provide an amended monitoring plan when the data is incorrect or the monitoring plan does not comply with the MRV Regulation. Modified monitoring plans are subject to evaluation by a verifier and are then submitted to the administering authority for approval.

b) The emissions report per ship and the emissions report on aggregated data at company level

Each year, companies must submit, in addition to the individual emissions reports for each ship, a report of the aggregated emissions at the company level. The data for year n must be verified by an accredited verifier before March 31 of year n+1. The first declarations will be verified in 2025. Thus, a shipping company must provide to its administering authority the verified report of aggregated emissions at company level for the first time on March 31, 2025. The emissions report on aggregated data at company level will be the one making it possible to set the number of emissions allowances that the shipping company must surrender to the European ETS Registry (see part 6 below on the "Union Registry"). All these operations are dematerialized within the THETIS-MRV system.

c) Rules and calculation methods for monitoring greenhouse gas emissions from maritime transport

The rules for monitoring greenhouse gas emissions from maritime transport can be found in the MRV Regulation and its annexes, which were amended by Commission Delegated Regulation (EU) 2023/2776 of October 12, 2023. These annexes specify the methods for calculating emissions, and introduce a partial life cycle approach for certain fuels.

The calculation of emissions from ships subject to the ETS is based on multiplying fuel consumption volumes by tank-to-wake (TtW) fuel emission factors. Greenhouse gases included are carbon dioxide, nitrous oxide and methane.

Annex I of the amended MRV Regulation provides default emission factors for most marine fuels. Default values for fugitive methane emissions are also indicated, based on the model of Regulation 2023/1805, known as the FuelEU Maritime regulation.

It is possible to deviate from the default emission factors, except for CO₂ emission factors for fossil fuels, provided that the actual values are certified by laboratory tests or direct emissions measurements. The international standards and certification references that are accepted for the demonstration of actual emission factors will be specified in the implementing act provided for in Article 10(6) of Regulation 2023/1805, known as the FuelEU Maritime Regulation.

Furthermore, the system provides for the possibility for certified sustainable biofuels certified according to the RED III directive to use an emission factor of 0, and for sustainable renewable fuels of non-biological origin (RFNBO) and fuels based on of sustainable recycled carbon to use a more favorable emission factor than the default emission factor, based on the methods to be specified in Implementing Regulation (EU) 2018/2066. Concerning the capture of emissions on board, it will be provided by a delegated act to be able to subtract the emissions captured on board from the ETS/MRV system.

Concerning data quality, section C of amended Annex I of the amended MRV regulation specifies the compliance obligations by the company concerning the implementation of several methodological tools:

- An assessment of the risks of errors along the data chain,
- An internal control system established by written procedures distinct from the monitoring plan (control activities listed on the next slide),
- Actions in the event of missing data or temporary inability to apply the monitoring plan.

Section C of Annex II of the amended MRV regulation specifies the information relating to the preparation of the emissions report on data aggregated at company level.

d) The Document of Compliance (DoC)

The Document of Compliance (DoC) is a ship-specific document issued by the verifier for each ship of a shipping company which confirms that this ship meets compliance with the MRV regulations for the previous reporting period.

By 30 June of the year following the reporting period, any ship undertaking a voyage to or from an EU port must have a valid compliance document on board.

e) The ETS/MRV system compliance cycle

Finally, the MRV system serves as the basis for the management of the maritime ETS. In fact, it is the verified data that will make it possible to set the number of emissions quotas that the shipping company must return. The first surrender will take place on September 30, 2025 for shipping companies subject to the ETS.

The diagram presented below presents a simplified version of the maritime ETS compliance cycle from the development of a monitoring plan to the surrender of emissions allowances within the European carbon market.

In practice, the procedures for declaring and verifying data in compliance with the MRV regulation are dematerialized within the IT tool THETIS-MRV, administered by the European Maritime Safety Agency (EMSA). It is currently being adapted to integrate the new ETS-related functionalities.

However, the procedures for managing the Union Registry (opening an account, managing the purchase and resale of emissions quotas and returning quotas) must be carried out directly via the

Registry website, managed for France by the “Caisse des dépôts” (see section 6 below on the “Union Registry”).

FAQs

- Is it possible to have two different entities or shipping companies for the application of the MRV regulation and the ETS directive respectively?

The entities responsible for compliance with the obligations of the MRV Regulation (2015/757) and the obligations of the revised ETS Directive (2003/87/EC) must be clearly identified at all times. To this end, and with a view to ensuring consistency in administration and execution, the MRV Regulation provides that the same entity must be responsible for the proper application of the two systems, which are complementary.

- If a journey started in 2023 but ended in 2024, in which reporting year will emissions be subject to the ETS?

The reporting period runs from January 1 to December 31 of the calendar year, the part of the voyage that will take place in 2023 will be subject to reporting for the year 2023, while the part of the voyage in 2024 will be subject to the declaration for the year 2024 and the associated emissions will be subject to the ETS (with a return of emissions quotas planned for September 30, 2025).

(5) Actors and Governance

The ETS directive provides for allocating each company subject to the ETS to a Member State, designated as “administering authority”, according to the following distribution key (article 3gf of the amended ETS directive):

- for companies registered in Europe, the Member State in which the company is registered;
- for companies registered in a third country, the Member State with the highest estimated number of calls made by this company in the EU in the last four reporting years;
- or, when there has been no call in the two previous years, the Member State in which the company began its first voyage under the scope of the ETS.

The list of allocation of companies to the various administering authorities, currently being drafted by the European Commission, must be published in February 2024.

The administering authority will be the State in which the company must have its Union Registry’s holding account. This Member State will be responsible for supervising and supporting companies in their obligations, approving monitoring plans, possibly controlling their emissions declarations at second level (after the accredited verifier), initiating sanctions, if necessary, etc. The French Ministry of the sea, and by delegation the General Directorate of Maritime Affairs, Fisheries and Aquaculture (DGAMPA), will be the administering authority for the shipping companies assigned to France.

The Caisse des Dépôts et Consignations is the national administrator for France of the European carbon market register. It is responsible for opening accounts linked to the register, managing these accounts and returning carbon quotas and allowances.

The responsible entity is the shipping company for all the vessels for which it is responsible. It is defined by the directive as “the shipowner or any other organization or person, such as the manager or the

bareboat charterer, that has assumed the responsibility for the operation of the ship from the shipowner and that, on assuming such responsibility, has agreed to take over all the duties and responsibilities imposed by the International Management Code for the Safe Operation of Ships and for Pollution Prevention”. The detailed rules for applying this definition are specified in Commission Implementing Regulation (EU) 2023/2599 of 22 November 2023 establishing the rules for the purposes of applying Directive 2003/87/EC of the European Parliament and of the Council with regard to the administration of shipping companies by the authorities responsible for a shipping company. Further information on this subject can also be found in the answers to frequently asked questions (“FAQ”) below.

The shipping company may claim reimbursement of the cost incurred from the charterer when the latter is the one who purchases the fuel or determines the operations of the vessel. The shipping company remains ultimately responsible for the ETS compliance.

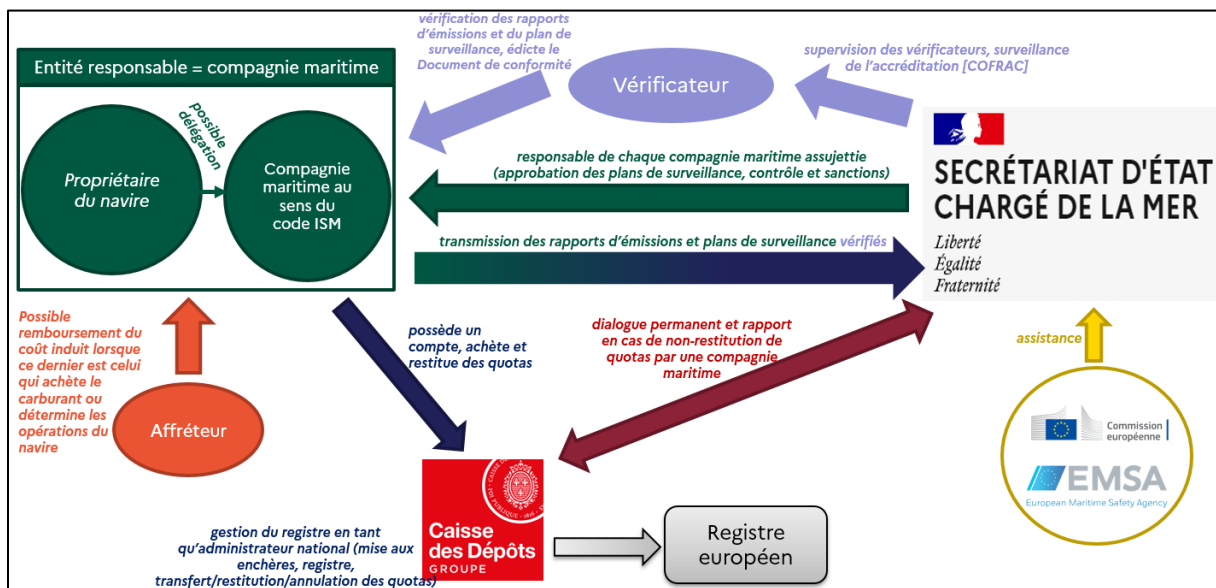


Diagram: Simplified organization of French ETS management for shipping companies

FAQs

- Who is responsible for compliance with the MRV regulation and the ETS directive?

By default, the registered owner of the vessel is the entity responsible for compliance with ETS/MRV obligations. If it decides to remain responsible for the management of its vessels, it must provide its administering authority with the list of these vessels in accordance with Article 2 of Commission Implementing Regulation (EU) 2023/2599 of 22 November 2023 establishing rules for the purposes of the application of Directive 2003/87/EC of the European Parliament and of the Council as regards the administration of shipping companies by the authorities responsible for a shipping company.

However, the shipowner can enter into an agreement with the ISM company delegating responsibility for compliance with ETS/MRV obligations. A document signed by both parties is mandatory to clearly show the existence of a delegation mandate from the shipowner to the ISM company. In its absence, the ship owner remains the responsible entity. The information to be included in this mandate can be found in Article 1 of the implementing regulations mentioned above. In this case, the competent administering authority will be that of the ISM company and not that of the registered owner.

- What is a registered owner?

The registered owner of the vessel is the owner listed on the vessel's registration certificate. Every registered owner has an IMO Unique Company and Registered Owner Identification Number. This information must appear in the THETIS-MRV system.

- Can a charterer be considered a “shipping company”?

A charterer may be considered a “shipping company” if it is also the ISM company of the vessel and a mandate signed by that charterer and the vessel owner clearly delegates responsibility for compliance with ETS/MRV obligations to that actor.

- Is it possible to have two different shipping companies for the application of the MRV regulation and the ETS directive respectively?

No. In order to ensure consistency in the administration and execution of these texts, which are complementary, the MRV regulation provides that, for a given vessel, one unique entity is responsible for both texts.

- May an ISM company be mandated to manage the compliance of several vessels belonging to different owners?

An ISM company can be mandated by different owners to ensure the management of their vessels for ETS/MRV obligations. It will therefore be the “shipping company” i.e. the entity responsible for compliance with the ETS system.

For example, two ship owners named “Alpha Company” and “Beta Company” own respectively one and two ships. Both decided to delegate the management of the ETS system to the same ISM company called “Oméga ISM”. Oméga ISM therefore becomes the shipping company responsible for the compliance of these three vessels.

- May a third party that is not considered a “shipping company” still play a role in the ETS compliance cycle?

A third-party entity may play a role in managing the ETS system, such as tracking and reporting data on behalf of the shipping company. As such, it can have access to the THETIS-MRV information system. However, the shipping company remains responsible for compliance.

- What information and documents shall be provided by any shipping company to its administering authority, if the latter is the registered owner of the ship?

The information to be provided by a registered owner can be found in Article 2 of Commission Implementing Regulation (EU) 2023/2599 of 22 November 2023 establishing the rules for the application of Directive 2003/87 /EC of the European Parliament and of the Council as regards the administration of shipping companies by the authorities responsible for a shipping company.

The registered owner must provide its administering authority with the list of vessels for which it is responsible for the ETS/MRV system. This list must contain the name and IMO vessel identifier number of each vessel.

The registered owner is responsible for immediately updating this list in the following cases:

- The registered owner becomes responsible for an additional vessel. The latter must therefore provide the name and IMO ship identifier number of this vessel.

- The registered owner loses responsibility for a vessel for which he was previously responsible – for example by deciding to delegate ETS management to an ISM company or if he transfers this vessel – the registered owner must provide the name and IMO ship identifier number as well as the name and unique company number of the new shipping company (new registered owner or ISM company).

- What information and documents shall be provided by any shipping company to its administering authority, if this is the ISM company?

The information to be provided by an ISM company can be found in Article 1 of Commission Implementing Regulation (EU) 2023/2599 of 22 November 2023 establishing the rules for the application of Directive 2003/87 /EC of the European Parliament and of the Council as regards the administration of shipping companies by the authorities responsible for a shipping company.

The ISM company must provide its administering authority with a mandate signed by the registered owner and the ISM company, delegating management of the ETS/MRV system to this ISM company. This document must be written in the official language of a Member State of the Union or in English. This document must be an original; if this document is a copy, it must be certified. It must clearly indicate that the ISM company has been mandated by the registered owner to be responsible for the compliance of the vessels for the ETS/MRV.

This mandate contains at least the following information:

- ISM company information: name, IMO unique company identifier number, country of registration (as recorded in GISIS);
- Owner information (registered owner): unique IMO company identifier number, contact details of a contact point of the company that owns the ship;
- The effective date of the mandate;
- For each vessel: the name and IMO vessel identifier number.

- Is the allocation list of shipping companies and their responsible Member States published by the Commission exhaustive and definitive?

The list of shipping companies subject to the ETS which will be published by the Commission in February 2024 is not necessarily exhaustive. Shipping companies may not be included, in particular because they started their maritime activity in the Union on a date after February 2024, for example. Shipping companies subject to the ETS are all companies carrying out a transport activity defined in the ETS Directive and the MRV Regulation, whether or not they appear in the Commission's list. In this case, the distribution key laid down by the directive (article 3gf) applies.

If a shipping company is not included in the list published by the Commission and seeks to know what its administering authority will be under the ETS/MRV, it can contact the European Maritime Safety Agency (thetis@emsa.europa.eu).

The list of shipping companies subject to the ETS which will be published by the Commission in February 2024 is not final. The list is updated every two years. However, if the list mentions a shipping company and its responsible Member State, the latter retains this responsibility

regardless of subsequent modifications to the activities of the shipping company or its registration, until these modifications are taken into account in a updated list.

The THETIS-MRV system should make it possible to know in real time the administrative authority assigned to each company and each vessel, on the basis of the aforementioned list, the distribution key decreed by the directive and any mandates between registered owners and companies. ISM.

(6) The Union Registry for the management of greenhouse gas emission quotas and credits

The Union Registry serves to guarantee accurate accounting for all allowances issued under the EU emissions trading system (EU ETS). The registry keeps track of the ownership of allowances held in electronic accounts, just as a bank has a record of all its customers and their money.

The operating rules of the Union Registry for the management of greenhouse gas emission quotas and credits are set by Commission Delegated Regulation (EU) 2019/1122 of March 12, 2019 supplementing Directive 2003/87/EC of European Parliament and of the Council as regards the operation of the Union Registry.

In France, by decree n°2004-1412 of December 23, 2004, Caisse des Dépôts was mandated to administer the national register of greenhouse gas (GHG) emission quotas provided for by article L.229-16 of the environmental code.

The Union Registry is an information system similar to an online bank, allowing the monitoring and management of the restitution of carbon quotas within the European market.

A couple types of accounts exist: deposit accounts for regulated shipping companies (Maritime Operator Holding Account – MOHA) and Trading Accounts.

The Union Registry allows participants to record their verified emissions from the previous year before March 31, to exchange carbon allowance allocations throughout the year and finally to surrender before September 30th the number of carbon allowances of a covered shipping company - corresponding to the verified greenhouse gas emissions of the previous year-.

Any shipping company must open a MOHA:

- Within 40 working days following the publication of the list of allocation of shipping companies to their responsible Member State in February 2024, for the companies present on this list;
- Within 65 working days following the first port of call on a trip subject to ETS rules, for companies not listed on the allocation list published in February 2024.

In France, it is possible to open or a trading account or a MOHA account for a shipping company for which France is the responsible authority through the Caisse des Dépôts.

The terms and conditions for opening an account and the documents necessary for this can be found on the following website <https://politiques-sociales.caissedesdepots.fr/SERINGAS/accueil-seringas>.

Information on other national administrators of the Union Registry for shipping companies for which France is not the responsible authority is available on the website https://climate.ec.europa.eu/eu-action/eu-emissions-trading-system-eu-ets/union-registry_en#contact.