



REPUBLIC OF CYPRUS
SHIPPING DEPUTY MINISTRY
Office of the Permanent Secretary

Circular No 10/2024

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To all Registered owners, Registered bareboat charterers
Managers and Representatives of ships flying the Cyprus Flag

To all Owners, Managers, Representatives and
Agents in Cyprus of Ships, irrespective of flag they are flying, calling at Cyprus ports

Subject: EU's "Fit for 55" legislative package aiming to address maritime transport's climate impact

I wish to refer to the above subject matter and inform you as follows:

I. Regulation (EU) 2023/957 of the European Parliament and of the Council of 10 May 2023 amending Regulation (EU) 2015/757¹

1 In accordance with the new provisions of Regulation (EU) 2023/957, by 1 April 2024 companies shall, for each of their ships falling within the scope of amended Regulation (EU) 2015/757 (MRV Regulation), submit to the administering authority responsible² a monitoring plan that has been assessed as being in conformity with MRV Regulation by the verifier and that reflects the inclusion of CH₄ and N₂O emissions within the scope of the MRV Regulation (Article 6(6) of the MRV Regulation).

1.1 For ships falling within the scope of MRV Regulation for the first time after 1 January 2024, companies shall submit a monitoring plan in conformity with the requirements of the MRV Regulation to the administering authority responsible without

¹ Regulation (EU) 2023/957 of the European Parliament and of the Council of 10 May 2023 amending Regulation (EU) 2015/757 in order 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.

² "Administering authority responsible" means the administering authority in respect of a shipping company referred to in Article 3gf of Directive 2003/87/EC.



undue delay and no later than three months after each ship's first call in a port under the jurisdiction of an EU Member State (Article 6(7) of the MRV Regulation).

II. Regulation (EU) 2023/1805 of the European Parliament and of the Council of 13 September 2023³ (FuelEU Regulation)

2 FuelEU Regulation lays down uniform rules imposing:

- (i) a limit on the greenhouse gas (GHG) intensity of energy used on board by a ship arriving at, staying within or departing from ports under the jurisdiction of a Member State; and
- (ii) an obligation to use on-shore power supply (OPS) or zero-emission technology in ports under the jurisdiction of a Member State.

2.1 Its objective in doing so is to increase consistent use of renewable and low-carbon fuels and substitute sources of energy in maritime transport across the Union, in line with the objective of reaching Union-wide climate neutrality at the latest by 2050, while ensuring the smooth operation of maritime transport, creating regulatory certainty for the uptake of renewable and low-carbon fuels and sustainable technologies.

2.2 FuelEU Regulation applies to all ships of above 5 000 gross tonnage that serve the purpose of transporting passengers or cargo for commercial purposes, regardless of their flag, in respect of:

- (i) the energy used during their stay within a port of call under the jurisdiction of a Member State;
- (ii) the entirety of the energy used on voyages from a port of call under the jurisdiction of a Member State to a port of call under the jurisdiction of a Member State;
- (iii) notwithstanding point (ii), one half of the energy used on voyages arriving at or departing from a port of call located in an outermost region under the jurisdiction of a Member State; and
- (iv) one half of the energy used on voyages arriving at or departing from a port of call under the jurisdiction of a Member State, where the previous or the next port of call is under the jurisdiction of a third country.

2.3 By 31 August 2024, companies shall submit to the verifiers a monitoring plan for each of their ships indicating the method chosen from among methods set out in Annex I of the FuelEU Regulation (Article 8(1) of the FuelEU Regulation).

2.4 For ships falling under the scope of FuelEU Regulation for the first time after 31 August 2024, companies shall submit a monitoring plan to the verifier without undue delay and no later than two months after each ship's first call at a port under the jurisdiction of a Member State (Article 8(2) of the FuelEU Regulation).

³ Regulation (EU) 2023/1805 of the European Parliament and of the Council of 13 September 2023 on the use of renewable and low-carbon fuels in maritime transport, and amending Directive 2009/16/EC.

2.5 FuelEU Regulation also imposes a number of other obligations on companies, verifiers and administering States⁴ as listed below with the timeline as applicable for the first time:

- (i) As of 1 January 2025, companies shall monitor and record, for each ship arriving at or departing from a port of call, and for each voyage referred to in Article 2(1), the amount, type and emission factor of energy used on board by ships and other relevant information.
- (ii) By 31 January of 2026, companies shall provide to the verifier a ship-specific report (the 'FuelEU report') containing all the required information and the monitoring data and documentation for the reporting period of 2025.
- (iii) Before 1 May of 2026, the verifier shall record in the FuelEU database the verified compliance balances of the ship for GHG intensity. If the compliance balance for GHG intensity is deficit the ship shall be liable for FuelEU penalty.
- (iv) By 30 June 2026, the verifier shall issue a FuelEU document of compliance for the ship concerned, provided that the ship does not have a compliance deficit.
- (v) Where FuelEU penalties are due, the competent authority of the administering State shall, by 30 June 2026, issue a FuelEU document of compliance for the ship concerned, provided that an amount equal to the FuelEU penalties has been paid.
- (vi) By 30 June of 2026, ships calling at a port under the jurisdiction of a Member State, arriving at, staying within or departing from a port under the jurisdiction of a Member State, or which have carried out voyages during the 2025, shall hold a valid FuelEU document of compliance.

3 Pursuant to the provisions of the Merchant Shipping (Implementation of European Union Decisions and Regulations on Certain Matters of Maritime Transport) Law of 2023 (Law 81(I)/2023⁵) and relevant Order P.I. 46/2024⁶, the competent authority responsible for the implementation of the MRV and FuelEU Regulations is the Shipping Deputy Ministry.

For further information and requests pursuant to matters related with the implementation of the MRV and FuelEU Regulations, you may contact the Shipping Deputy Ministry at environment@dms.gov.cy.

⁴ The 'administering State' in respect of a company is the Member State determined by applying Article 3gf(1) of Directive 2003/87/EC

⁵ Circular No. 20/2023 of 20.9.2023 is of relevance.

⁶ The Order issued under section 23 of Law 81(I)/2023 and currently in force is Order P.I. 46/2024 issued on 16/2/2024 which substitutes Order P.I. 274/2023 to include the FuelEU Regulation.

III. Commission Implementing Decision (EU) 2024/411 of 30 January 2024⁷

4 The European Commission has recently adopted **Implementing Decision (EU) 2024/411 which establishes, in an Annex, the list of shipping companies** referred to in Article 3gf(2), point (a), of Directive 2003/87/EC as amended. The Annex to Implementing Decision (EU) 2024/411 *inter alia* lists the shipping companies for which the Republic of Cyprus is the administering authority⁸. Furthermore, Commission Implementing Regulation (EU) 2023/2599 lays down rules as regards the administration of shipping companies by administering authorities in respect of a shipping company.

4.1 It is noted that from the adoption of Implementing Decision (EU) 2024/411 each shipping company listed in the Annex of the abovementioned Decision has the obligation to establish a Maritime Operator Holding Account within 40 working days.

4.2 It is further noted that if a shipping company, as defined by Directive 2003/87/EC, is not listed in Implementing Decision (EU) 2024/411 Annex, it is considered a new shipping company. Such a shipping company has the obligation to establish a Maritime Operator Holding Account within 65 working days of the first port call falling within the scope of the ETS Directive.

4.3 The Department of Environment of the Ministry of Agriculture, Rural Development and Environment is the Competent Authority in Cyprus for the implementation of Directive 2003/87/EC as amended and of Implementing Decision (EU) 2024/411.

4.4 It is recalled that Directive 2003/87/EC was recently amended by Directive (EU) 2023/959 to include maritime transport emissions within the system for greenhouse gas emission allowance trading within the Union (the 'EU ETS').⁹

4.5 For the establishment of the list of shipping companies, the European Maritime Safety Agency developed an algorithm to be used to attribute each shipping company to a Member State, in accordance with the rules laid down in Directive 2003/87/EC as amended and Implementing Regulation (EU) 2023/2599. The algorithm has been applied on 20 November 2023, based on the information that was available on that date in Thetis MRV and in the Union maritime information and exchange system established by Directive 2002/59/EC as amended ('SafeSeaNet').

4.6 For further information and requests pursuant to matters related with the 'EU ETS' you may contact the Department of Environment at ffilippou@environment.moa.gov.cy and cpapastavrou@environment.moa.gov.cy.



Dr. Stelios D. Himonas
Permanent Secretary

⁷ Commission Implementing Decision (EU) 2024/411 of 30 January 2024 on the list of shipping companies specifying the administering authority in respect of a shipping company in accordance with Directive 2003/87/EC of the European Parliament and of the Council

⁸ Directive 2003/87/EC as amended, provides for one Member State to be responsible for each shipping company. Pursuant to Directive 2003/87/EC, the Member State responsible for administering a shipping company is referred to as the 'administering authority in respect of a shipping company'.

⁹ Directive (EU) 2023/959 of the European Parliament and of the Council of 10 May 2023 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.

- Cc:**
- Permanent Secretary, Ministry of Agriculture, Rural Development and Environment
 - Director, Department of Environment
 - Maritime Offices of the Shipping Deputy Ministry abroad
 - Cyprus Bar Association
 - Cyprus Shipping Chamber
 - Cyprus Union of Shipowners
 - Cyprus Shipping Association

