



REPUBLIC OF CYPRUS
MINISTRY OF TRANSPORT,
COMMUNICATIONS AND WORKS



DEPARTMENT
OF MERCHANT SHIPPING
LEMESOS

Circular No. 15/2017

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To all Registered owners, 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 a Cyprus port or anchorage

*c/o Cyprus Shipping Chamber
c/o Cyprus Union of Shipowners
c/o Cyprus Shipping Association*

Subject: General requirements for ships and obligations of shipowners in respect of the application of Regulation (EU) No 757/2015 on the Monitoring, Reporting and Verification of carbon dioxide emissions from maritime transport

1. Introduction

This Circular is to inform both shipowners, managers and representatives of Cyprus flag ships calling EU ports and of ships irrespective of flag they are flying, which call at Cyprus ports on their obligations in respect to the application and practical implementation of *Regulation (EU) No. 757/2015 on the monitoring, reporting and verification of carbon dioxide emissions from maritime transport*¹ (hereinafter “the Regulation”), which entered into force on 01 July 2015.

2. Scope of application

The Regulation lays down rules for the accurate monitoring, reporting and verification of carbon dioxide (CO₂) emissions and of other relevant information from ships arriving at, within or departing from ports under the jurisdiction of a Member State, in order to promote the reduction of CO₂ emissions from maritime transport in a cost effective manner.

The Regulation applies to ships above 5 000 gross tonnage in respect of CO₂ emissions released during their voyages from their last port of call to a port of call under the jurisdiction of a Member State and from a port of call under the jurisdiction of a Member State to their next port of call, as well as within ports of call under the jurisdiction of a Member State.

¹ Regulation (EU) No 757/2015 on the Monitoring, Reporting and Verification of carbon dioxide emissions from maritime transport, and amending Directive 2009/16/EC.



For the scope of the Regulation:

- I. **'Port of call'** means the port where a ship stops to load or unload cargo or to embark or disembark passengers.
- II. **'Voyage'** means any movement of a ship that originates from or terminates in a port of call and that serves the purpose of transporting passengers or cargo for commercial purposes.

The Regulation does not establish monitoring, reporting and verification requirements for ship movements and activities not serving the purpose of transporting cargo or passengers for commercial purposes, such as:

- I. Dredging – Prospection and extraction of material from the seabed or subsoil.
- II. Ice-breaking
- III. Pipe laying – Carrying, laying, and repairing of cables/pipelines for underwater telecommunications, electric power transmission, or other purposes.
- IV. Offshore installation activities – Providing support to offshore installations, such as drilling rigs, natural gas and oil platforms, offshore wind farms, and in particular:
 - a. carriage and positioning of anchors for drilling rigs,
 - b. providing towage, salvage or other marine assistance/services to offshore installations,
 - c. carriage of supplies and equipment to/ from offshore installations and ships;
 - d. safety or rescue services provided to offshore installations,
 - e. diving support,
 - f. storing oil or gas without processing it,
 - g. installation and decommissioning of subsea structures and offshore installations.

Furthermore a limited number of categories of ships are excluded, as listed below:

- a) warships,
- b) naval auxiliaries,
- c) fish-catching or fish-processing ships,
- d) ships not propelled by mechanical means, and government ships used for non-commercial purposes.

The Regulation also excludes any stops for the sole purposes of:

- I. Refueling.
- II. Obtaining supplies.
- III. Relieving the crew.
- IV. Going into dry-dock or making repairs to the ship and/or its equipment.
- V. Stops in port because the ship is in need of assistance or in distress.
- VI. Stops for the sole purpose of taking shelter from adverse weather or rendered necessary by search and rescue activities.

Ship to ship transfers carried out outside ports are covered by the Regulation as part of a voyage calculated from the last **port of call** to the next **port of call**. Variations of cargo arising from "ship to ship transfers" outside ports during a **voyage** should be taken into account. In those cases a weighted average for cargo carried should be calculated and applied to the entire voyage.

3. Application date(s)

The Regulation is in force since 1st July 2015, with the following application dates.

By 31 August 2017, companies shall submit to the verifiers a monitoring plan for each of their ships indicating the method chosen to monitor and report CO₂ emissions and other relevant information. For ships falling under the scope of this Regulation for the first time after 31 August 2017, the company shall submit a monitoring plan to the verifier without undue delay and no later than two months after each ship's first call in a port under the jurisdiction of a Member State.

From 1 January 2018, based on the monitoring plan assessed and approved by a verifier, companies shall monitor CO₂ emissions for each ship on a per-voyage and an annual basis by applying the appropriate method for determining CO₂ emissions.

From 2019, by 30 April of each year, companies shall submit to the Commission and to the authorities of the flag States concerned, an emissions report concerning the CO₂ emissions and other relevant information for the entire reporting period for each ship under their responsibility, which has been verified as satisfactory by a verifier.

By the 30th of June of the year following the end of a reporting period, ships arriving at, within or departing from a port under the jurisdiction of an EU/EEA Member State, and which have carried out voyages during that reporting period, shall carry on board a valid document of compliance.

4. Verifier

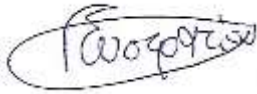
A verifier is a legal entity carrying out verification activities which is accredited by a national accreditation body of a Member State. The verifier is responsible for assessing the conformity of the documents submitted by a company, with the requirements of the Regulation. After verification of the submitted documents, the verifier issues a document of compliance specific to a ship, which confirms that a particular ship has complied with the requirements of the Regulation for a specific reporting period.

Verifiers must be independent from the companies or the operator of the ship for which they carry verification activities. Therefore, neither the verifier nor any part of the same legal entity should be a company or ship operator, the owner of a company, or be owned by them. Furthermore the verifier must not have any relations with the company that could affect its independence and impartiality.

Information relevant to the Regulation can be found in ANNEX A of this Circular.

Companies are encouraged to visit the European Commission's website dedicated to MRV Regulation using the link https://ec.europa.eu/clima/policies/transport/shipping_en and in particular the links:

- 1) https://ec.europa.eu/clima/policies/transport/shipping_en#tab-0-3 where information for the Regulation can be found in the form of frequently asked questions (FAQs).
- 2) https://ec.europa.eu/clima/policies/transport/shipping_en#tab-0-1 where Guidelines / best practices are available.



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Acting Director

- cc: - **Permanent Secretary, Ministry of Transport, Communications and Works**
- Permanent Secretary, Ministry of Foreign Affairs
 - Permanent Secretary, Ministry of Agriculture, Rural Development and Environment
 - Maritime Offices of the Department of Merchant Shipping abroad
 - Diplomatic Missions and Honorary Consular Officers of the Republic
 - Director, Department of Environment
 - Acting General Manager, Cyprus Ports Authority
 - Recognized Organizations
 - Cyprus Shipping Chamber
 - Cyprus Union of Shipowners
 - Cyprus Shipping Association
 - Cyprus Bar Association

ANNEX A

1) Legal Instruments

Regulation (EU) No 2015/757 on the Monitoring, Reporting and Verification of carbon dioxide emissions from maritime transport.

(<http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32015R0757&from=EN>)

Commission Delegated Regulation (EU) 2016/2071 22 September 2016 amending Regulation (EU) 2015/757 of the European Parliament and of the Council as regards the methods for monitoring carbon dioxide emissions and the rules for monitoring other relevant information.

(<http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32016R2071&from=EN>)

Commission Delegated Regulation (EU) 2016/2072 of 22 September 2016 on the verification activities and accreditation of verifiers pursuant to Regulation (EU) 2015/757.

(<http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32016R2072&from=EN>)

Commission Implementing Regulation (EU) 2016/1927 of 4 November 2016 on templates for monitoring plans, emissions reports and documents of compliance pursuant to Regulation (EU) 2015/757.

(<http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32016R1928&from=EN>)

Commission Implementing Regulation (EU) 2016/1928 of 4 November 2016 on determination of cargo carried for categories of ships other than passenger, ro-ro and container ships pursuant to Regulation (EU) 2015/757.

(<http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32016R1927&from=EN>)

2) Monitoring Plan

Companies shall prepare monitoring plans using a template corresponding to the model in Annex I of the Implementing Regulation (EU) 2016/1927. Information concerning all mandatory items, as identified in the monitoring plan model, has to be included, regardless of the way this information is structured. Companies can decide how to organize the information to reflect their monitoring systems and procedures.

Additionally, a number of voluntary fields that might be relevant for a limited number of ship categories, are identified in the monitoring plan model in Annex I of Regulation 2016/1927. These voluntary fields concern for example:

- the ice class of the ship and procedures, responsibilities, formulae and data sources for determining and recording the distance travelled and the time spent at sea when navigating through ice, if applicable and
- other procedures relevant to monitoring of fuel consumed and CO₂ emitted such as the procedures for determining and recording the fuel consumption for dynamic positioning, or the average density of cargo transported.

Information on procedures and other elements included under the voluntary fields on the monitoring plan is also part of the assessment by the verifier.

The monitoring plan shall consist of a complete and transparent documentation of the monitoring method for the ship concerned. The elements to be contained within a monitoring plan are described in section 2 Article 6 of the Regulation.

With respect to the submission of the monitoring plan, no specific legal requirements are in place concerning how the companies are to submit monitoring plans to accredited verifiers. It is therefore recommended that the interested parties agree on these issues bilaterally.

The monitoring plans can be prepared in any language that has been agreed by the company and the verifier, however it **must be ensured that an English translation of the assessed monitoring plan is available**.

For ships that visit for the first time EU ports after the deadline for submitting monitoring plans (31 August 2017), a monitoring plan to an accredited verifier without delay, and no later than two months after the ship's first call at an EU port must be submitted.

Ships that do not carry out voyages related to the Regulation during a reporting period will not be required by Member States' authorities to have a Document of Compliance on board showing compliance for that specific reporting period.

Modification of the Monitoring Plan

Companies are responsible for checking regularly (at least once every year), in order to ensure that the monitoring plan reflects the nature and functioning of the ship and whether the monitoring methodology can be improved.

Modifications to the monitoring plan can only be carried out in circumstances set in section 2 Article 7 of the Regulation and described below:

- (a) Change of company
- (b) New CO₂ emissions occur due to new emission sources or due to the use of new fuels not yet contained in the monitoring plan
- (c) Change in availability of data, due to the use of new types of measuring equipment, new sampling methods or analysis methods, or for other reasons, may affect the accuracy of the determination of CO₂ emissions
- (d) Data resulting from the monitoring method applied has been found to be incorrect
- (e) Any part of the monitoring plan is identified as not being in conformity with the requirements of this Regulation and the company is required to revise it

It is the company's responsibility to inform the selected verifier without delay of any modifications or proposal for modifications to the monitoring plan.

Verification of the Monitoring Plan

The verifier will assess the conformity of the monitoring plan with the requirements of the Regulation. Where the verifier's assessment identifies non-conformities with those requirements, the company concerned shall revise its monitoring plan accordingly and submit the revised plan for a final assessment by the verifier before the reporting period starts. The company shall agree with the verifier on the timeframe necessary to introduce

those revisions. That timeframe must not extend beyond the beginning of the reporting period.

3) Monitoring of CO₂ emissions and other relevant information

The companies can select and apply one of the monitoring methods for fuel consumption calculation, as set in Annex I of the Regulation and shown below:

- Bunker Fuel Delivery Note (BDN) and periodic stocktakes of fuel tanks;
- Bunker fuel tank monitoring on board;
- Flow meters for applicable combustion processes;
- Direct CO₂ emissions measurements.

The monitoring method selected must be consistently applied and must be defined in the monitoring plan.

Any combination of the abovementioned methods, once assessed by the verifier, may be used if it enhances the overall accuracy of the measurement.

From 1 January 2018, companies shall, based on the monitoring plan assessed by the verifier, monitor CO₂ emissions for each ship on a per-voyage or an annual basis by applying the appropriate method for determining CO₂ as described above.

Monitoring on a per Voyage basis or on an annual basis

After verification of the monitoring plan and when the first monitoring period starts, the companies must begin monitoring the parameters set out in section 2 Article 9 of the Regulation. These parameters must be monitored on a per voyage basis.

Exclusion from a per voyage basis monitoring can only be applied for a specific ship when:

- a) All of the ship's voyages during the reporting period either start from or end at a port under the jurisdiction of a Member State and
- b) The ship, according to its schedule, performs more than 300 voyages during the reporting period

Both conditions need to be fulfilled at the beginning of the reporting period. When this conditions apply, then monitoring of the parameters set in section 2 Article 10 of the Regulation can take place.

No other exception than the abovementioned can be given for carrying out monitoring on an annual basis.

In practical terms, it implies that providing data to the verifier on 'per voyage' monitoring is not compulsory to the extent that other documents and data (such as BDNs) could be used to calculate the ship's aggregated data.

Companies have to document their procedures to calculate aggregated data in the monitoring plan according to the table C.1 of the template in Annex I of the Implementing Regulation 2016/1927.

4) Reporting

From 2019, by 30 April of each year, companies shall submit to the Commission and to the Administration, an emissions report concerning the CO₂ emissions and other relevant information for the entire reporting period for each ship under their responsibility, which has been verified as satisfactory by a verifier. The information to be included in the emissions report are set in section 4 Article 11 of the Regulation.

Format of the emissions report

For the purposes of submitting the emissions report, companies shall use the electronic version of the template available in the Thetis MRV automated Union information system operated by the European Maritime Safety Agency. EMSA is currently developing the new module, namely THETIS-MRV, which is expected to be operational in August 2017.

The template of the emissions report will contain the information set out in Annex II of Commission's Implementing Regulation (EU) 2016/1927

Verification of Emissions Report

The verifier will assess the conformity of the emissions report with the requirements of the Regulation.

Where the verification assessment concludes, with reasonable assurance from the verifier, that the emissions report is free from material misstatements, the verifier will issue a verification report stating that the emissions report has been verified as satisfactory. The verification report will specify all issues relevant to the work carried out by the verifier.

In the event that the verification assessment concludes that the emissions report includes misstatements or non-conformities with the requirements of the Regulation, the verifier must inform the company accordingly. It is the company's responsibility to correct the misstatements or non-conformities enabling the verification process to be completed in time. The revised report must be submitted to the verifier along with any other information that were necessary to correct the non-conformities identified.

The verifier will then state in its verification report, correction or not of the misstatements or non-conformities identified during the verification assessment. If the misstatements or non-conformities indicated during verification assessment have not been corrected therefore leading to material misstatements, a verification report will be issued indicating noncompliance with the Regulation.

Responsibility of new management company

If a change of company occurs, then the new company must ensure that the ships under its responsibility comply with the Regulation for the entire reporting period during which the responsibility of the ships concerned was undertaken by the new company.

The collected data must be maintained in the company's records at least until the issuance of the DOC by the verifier.

5) Selection of Verifier

Companies are able to select any verifier that has been accredited by a National Accreditation Body of an EU Member State without prejudice to the accredited verifier's base.

If the accreditation of the verifier that was contracted by the company is suspended or withdrawn before the emissions report is verified and the Document of Compliance is issued to the ship concerned, the company must contract with another accredited verifier to have its emissions report (re)verified. If the new verifier's risk analysis allows this, this verifier may use information from the previous verifier.

The same approach will apply if the accreditation of the Verifier contracted to assess the monitoring plan is suspended or withdrawn before assessment of the monitoring plan is finalized.

Already issued acceptance confirmations for monitoring plans, verification reports and Documents of Compliance will normally not be affected, however this will depend on the nature of the noncompliance leading to decision to suspension or withdrawal.

It is recommended that company's engaging a verifier gets confirmation before engaging the verifier that, as far as the verifier is aware, there is no significant risk of the verifier's accreditation being suspended or withdrawn.

Any disputes arising between the company and the verifier communicated to the National Accreditation Body that have accredited the particular verifier, should also be communicated to this Administration.

6) Compliance

After the emissions report has been verified and found that fulfils the requirements of the Regulation, the verifier will issue, on the basis of the verification report, a Document Of Compliance (DOC) for the ship concerned. The information to be included in the DOC are stated in Chapter IV Article 17 of the Regulation

The Documents of compliance will be valid for a period of 18 months after the end of the reporting period.

The verifier must inform the Commission and the Administration of the issuance of any document of compliance.

By 30 June of the year following the end of a reporting period, ships arriving at, within or departing from a port under the jurisdiction of a Member State, and which have carried out voyages during that reporting period, must carry on board a valid document of compliance.

7) Publication of Information

By the 30th June of each year, the Commission will make publicly available the information on CO₂ emissions reported. The information to be made publicly available are set in Chapter IV Article 21 of the Regulation and will include data such as:

- a) The identity of the ship (name, IMO identification number and port of registry or home port);
- b) The annual CO₂ emissions;
- c) The annual total fuel consumption for voyages;

- d) The date of issue and the expiry date of the document of compliance;
- e) The identity of the verifier that assessed the emissions report;

Where, due to specific circumstances, disclosure of a category of aggregated data, which does not relate to CO₂ emissions, would exceptionally undermine the protection of commercial interests deserving protection as a legitimate economic interest overriding the public interest in disclosure pursuant to Regulation (EC) No 1367/2006 of the European Parliament and of the Council, the company should make a relevant request to the European Commission. For ships flying the Cyprus flag, such request must also be communicated to this Administration.

8) Control of compliance

All foreign flag ships that are calling at Cyprus ports and anchorages will be subject to Port State Control inspections with the aim to ensure compliance with the provisions of the Regulation.

Expulsion Order

In the case of ships that fail to comply with the monitoring and reporting requirements for two or more consecutive reporting periods and where other enforcement measures have failed to ensure compliance, the competent authority of the Member State of the port of entry may issue an expulsion order which shall be notified to the Commission, EMSA, the other Member States and the flag State concerned. As a result of the issuing of such an expulsion order, every Member State shall refuse entry of the ship concerned into any of its ports until the company fulfils its monitoring and reporting obligations in accordance with the Regulation. The fulfilment of those obligations shall be confirmed by the notification of a valid document of compliance to the competent national authority which issued the expulsion order.