

Circular - Series R

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Regulation concerning amendments to the Regulations on environmental safety for ships and mobile offshore units due to amendments to the MRV Regulation

1. Introduction

The Norwegian Maritime Authority (NMA) has laid down amendments to the Regulations on environmental safety for ships and mobile offshore units (Environmental Safety Regulations), entering into force on 1 January 2024.

Regulation (EU) 2015/757 on the monitoring, reporting and verification of carbon dioxide emissions from maritime transport (MRV Regulation) was implemented in the Environmental Safety Regulations section 12a in 2017.

On 16 May 2023, the EU adopted Directive (EU) 2023/959 and Directive (EU) 2023/958, amending the Directive that establishes a system for greenhouse gas emission allowance trading within the union. Additionally, Regulation (EU) 2023/957 was adopted, amending the MRV Regulation. One of the key amendments involved the incorporation of the shipping sector into the EU Emissions Trading System (EU ETS) as of 1 January 2024. The amendments mean that the MRV Regulation will be linked to the EU ETS. As a consequence, amendments to the Norwegian legislation on the duty to surrender emission allowances have been adopted as of 1 January 2024. With these legislative amendments, the incorporating provision for the MRV Regulation is moved to the legislation on the duty to surrender emission allowances (Emission Allowance Regulations)¹, and an update of the Environmental Safety Regulations section 12a has also been necessary.

2. The consultation

The draft Emission Allowance Regulations and the Environmental Safety Regulations were circulated for review by the Norwegian Environment Agency and the Norwegian Maritime Authority² on 6 October 2023, with deadline for comments on 20 November 2023. There were no comments to the Environmental Safety Regulations, and there is no need to amend the circulated proposal.

3. Further details on the regulatory amendments

As mentioned, the reason for the amendments is the relocation of the incorporating provision for the MRV Regulation and appurtenant regulations from the Environmental Safety Regulations section 12a to the Emission Allowance Regulations section 2-1a.

The MRV Regulation imposes duties on the flag State and port State authorities in the EEA. Consequently, the NMA still needs a legal basis to enforce breaches of the duties specified in the MRV Regulation using the instruments of the Ship Safety and Security Act. These include detention, eviction, coercive fines and

¹ Regulations relating to greenhouse gas emission allowance trading and the duty to surrender emission allowances (only available in Norwegian) -Lovdata

² Proposed amendments to the Emission Allowance Regulations and the Environmental Safety Regulations - the Norwegian Environment Agency (miljodirektoratet.no)



violation fines, etc. The MRV Regulation is already implemented in the Regulations on port State control section 4. Hence, amendments have been laid down to the Environmental Safety Regulations section 12a, ensuring a full legal basis for the NMA to enforce the Regulation under the Ship Safety and Security Act.

The adopted provision specifies which ships the requirements related to monitoring, reporting and verification of carbon dioxide emissions are meant for. The provision sets out that the requirements stipulated in the amended MRV Regulation, implemented in the Emission Allowance Regulations section 2-1a, apply correspondingly under the Ship Safety and Security Act and the Environmental Safety Regulations.

The specific requirements of the amended MRV Regulation are described in the consultation paper³.

As of today, these requirements are applicable to cargo ships of 5000 gross tonnage and upwards carrying cargo or passengers to or from an EEA port. As of 1 January 2025, breakbulk ships of 400 gross tonnage and upwards carrying cargo to or from an EEA port and offshore vessels of 400 gross tonnage and upwards relieving crew in an EEA port will be included in the provision, as outlined in the first paragraph. The term "offshore ships" has not been defined in EU legislation, and more detailed guidance on this issue is expected from the EU Commission before including such ships in the MRV duties from 2025.

4. Administrative and financial implications

The amendments to the Environmental Safety Regulations section 12a will not have any consequences for the industry. Nevertheless, they are crucial to maintaining the NMA's legal basis for enforcing the MRV Regulation as a flag State authority.

The consequences of the amendments to the MRV Regulation and Directive 2003/87/EC are described in the consultation paper⁴.

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³ <u>https://hss.miljodirektoratet.no/api/1/publisert/hoering/vedlegg/26877</u>, chapter 2.2

⁴ <u>https://hss.miljodirektoratet.no/api/1/publisert/hoering/vedlegg/26877</u>, chapter 5.1