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CIRCULAR

EU MRV Regulation: Verification of Emissions Report

As time approaches for the completion of the first reporting period DromonClass wishes to advise MRV Companies on the procedure to be followed for the successful verification of the annual emissions report.

Notice to: Ship Owners/ Managers/ Operators/ Surveyors/ Verifiers
C18038 | 09 August 2018

Background Information

As per Article 8 of the EU MRV Regulation from 1 January 2018, MRV Companies shall, based on the Monitoring Plan assessed in accordance with Article 13(1) of the EU MRV Regulation, monitor CO₂ emissions for each ship on a per-voyage and an annual basis by applying the appropriate method for determining CO₂ emissions and by calculating CO₂ emissions. For further information on what shall be monitor on a per-voyage and annual basis please read our publication [here](#).

From 2019, by 30th April of each year, **the MRV company responsible for the ship on 31st December** of the reporting period shall submit a satisfactorily verified Emissions Report to the EU Commission using THETIS MRV database. In parallel, MRV verifiers are to indicate that the Emission Report has been considered satisfactory so the conditions for issuing a Document of Compliance have been fulfilled.

From 2019, by 30th June of each year, ships having carried out activities falling under the EU MRV Regulation during the precedent calendar year (reporting period X) shall carry on board a valid Document of Compliance, issued in accordance with the THETIS MRV database, when calling at EEA ports.

To meet the above-mentioned deadline, **DromonClass will commence the procedure for the verification of Emissions Report in September 2018**. Therefore, the Emission Report of each ship along with supporting information mentioned in the following section for the period between 01/01/2018-01/09/2019 should be submitted to DromonClass.

With this Circular we wish to inform MRV Companies on the procedure to be followed to successfully verify the Emissions Report of each ship.

Submission of documents

Before the start of the verification of the Emissions Report, you shall provide DromonClass the supporting information outlined in the below table. This will assist in the strategic analysis required to be carried out prior the start of the verification.

No.	Document	Category*	Copies
1.	A list of voyages carried out by the ship in question during the reporting period according to Article 10 of EU MRV Regulation.	R	One (1)
2.	A copy of the emissions report from the previous year where appropriate, if the verifier did not carry out the verification for that report.	R	One (1)
3.	A copy of the monitoring plan or plans applied, including evidence of the conclusions from the assessment carried by an accredited verifier, where appropriate.	R	One (1)

*R=Required, A= Required if applicable for the company depending on the method of calculation

Once DromonClass has identified the specific section(s) or document(s) deemed relevant for verification, you shall also provide the following supporting information.

No.	Document	Category*	Copies
1.	Copies of the ship's official logbook and of the oil record book (if separate).	R	One (1)
2.	Copies of bunkering documents.	R	One (1)
3.	Copies of documents containing information on the number of passengers transported and the amount of cargo carried, distance travelled and time spent at sea for the ship's voyages during the reporting period.	R	One (1)

*R=Required, A= Required if applicable for the company depending on the method of calculation

Additionally, and if applicable based on the monitoring method applied, DromonClass may ask you to provide the following additional information.

No.	Document	Category*	Copies
1.	An overview of the IT landscape showing the data-flow for the relevant ship;	A	One (1)
2.	Evidence of the maintenance and accuracy/uncertainty of measurement equipment/flow meters (e.g. calibration certificates).	A	One (1)
3.	An extract of fuel consumption activity data from flow meters.	A	One (1)
4.	Copies of evidence of fuel tank meter readings.	A	One (1)
5.	An extract of activity data from direct emissions measurement systems.	A	One (1)
6.	Any other information relevant to the verification of the emissions report.	A	One (1)

*R=Required, A= Required if applicable for the company depending on the method of calculation

In the event of a change of MRV Company, the companies involved shall exercise due diligence to provide DromonClass with the above-mentioned supporting documents or information relating to the voyages performed under their respective responsibilities. You shall contact the previous MRV Company to collect the necessary supporting documents or information.

You shall retain the above-mentioned information for the periods set under the 1973 International Convention for the Prevention of Pollution from Ships (the MARPOL Convention) and the 1988 International Convention for the Safety of Life at Sea (the SOLAS Convention). Pending the issuance of the Document of Compliance in accordance with Article 17 of EU MRV Regulation, DromonClass may request any of the information referred to above.

Verification plan

DromonClass will submit a verification plan commensurate with the information obtained and the risks identified during the risk assessment. The verification plan includes information on additional tests and samples to be taken. As part of the verification programme the verification plan includes:

- information on site visit(s) including a description of what activities will be performed onsite and what activities off-site, as well as information on the systems and processes to be checked and interviews to be performed;
- the way DromonClass plans to check the completeness of data and information.

You shall submit to DromonClass a signed copy of the verification plan as acknowledgement. In case you do not accept the submitted verification plan, evidence must be shown on the reasons why the submitted verification plan is not accepted.

It is important to note that if the actual verification shows that the verification plan is not sufficient and additional risks are identified, the verification plan and the verification activities need to be adapted or expanded. DromonClass will inform you in due time and submit a revised verification plan, if needed.

Verification Activities

DromonClass will verify the data reported in the Emissions Report through: detailed testing, including by tracing them back to the primary data source; cross-checking them with external data sources, including ship-tracking data; performing reconciliations; checking thresholds as regards appropriate data; and carrying out recalculations.

As part of the data verification, DromonClass will check:

- the completeness of emission sources as described in the monitoring plan;
- the completeness of data, including those on voyages reported as falling under EU MRV Regulation;
- the consistency between reported aggregated data and data from relevant documentation or primary sources;
- the consistency between aggregated fuel consumption and data on fuel purchased or otherwise supplied to the ship in question, if applicable;
- the reliability and accuracy of the data.

During the process analysis DromonClass assesses the likely material impact that misstatements and non-conformities identified have on reported data (in relation to the overall declared emissions in the report subject to verification). You will then require correcting them where possible (or justify where deemed not possible).

For verifying fuel consumption and CO₂ emissions data in the Emissions Report, the materiality level is 5% of the respective total reported for each item in the reporting period. For the purpose of verifying other relevant information in the emissions report, on cargo carried, transport work, distance travelled, and time spent at sea, the materiality level is 5% of the respective total reported for each item in the reporting period.

Site visits

DromonClass will carry out site visits for gaining sufficient understanding of the MRV Company and the ship's monitoring and reporting system as described in the monitoring plan. DromonClass will determine the location or locations for the site visit based on the results of the risk assessment and after taking into consideration the place where the critical mass of relevant data is stored, including electronic or hard copies of documents of which the originals are kept on the ship, and the place where data-flow activities are carried out.

DromonClass will also determine the activities to be performed and the time needed for the site visit. You will be informed through the verification plan.

Based on the outcome of a site visit to an onshore location, where it concludes that an on-board verification is needed to reduce the risk of material misstatements in the Emissions Report, DromonClass may decide to visit the ship.

You shall make all necessary arrangements for the conduct of the site visit including provisions for examining documentation and access to all relevant processes, areas, records and personnel.

If DromonClass waives a site visit you will be informed about this decision in advance. Specific conditions apply for waiving a site visit.

Nonconformities

Where DromonClass identifies misstatements or non-conformities during the verification of the emissions report, you shall be informed thereof without undue delay and request relevant corrections within a reasonable deadline.

In case you do not correct the misstatements or non-conformities, DromonClass will ask you to explain the main causes of the misstatements or non-conformities.

DromonClass will determine whether the uncorrected misstatements, individually or together with other misstatements, have an impact on the total reported emissions or other relevant information and whether that impact leads to material misstatements.

Recommendations for improvement

DromonClass will communicate to you recommendations for improvement in relation to un-corrected misstatements and non-conformities not leading to material misstatements.

DromonClass may communicate other recommendations for improvement that finds relevant, in the light of the outcome of the verification activities.

Independent review of the emissions report

DromonClass is performing an independent review ensuring that the Emissions Report has been verified in accordance with the requirements of the EU MRV Regulation and that due professional care and judgment has been exercised.

The independent GHG Emissions Verifier is independent to the verification team and will be assigned by the GHG Emissions Technical Manager.

Upon confirmation that all verification activities have been completed and conclude whether the Emissions Report are in conformity with the EU MRV Regulation, DromonClass will issue a Document of Compliance through THETIS-MRV.

Act now

MRV Companies are encouraged to contact DromonClass to commence the procedure of verification of Emissions Report from 1 September 2018. DromonClass will verify data and conduct site visits to provide feedback in advance on the reported data.

The Emission Report of each ship along with supporting information mentioned in the following section for the period between 01/01/2018-01/09/2019 should be submitted to DromonClass.

For further information about the EU MRV Regulation and guidelines, please visit our designated website [here](#).

For further assistance, please contact DromonClass Head Office at mrv@dromon.com