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CIRCULAR

EU MRV Regulation & BREXIT updates

The European Commission has released updates concerning the BREXIT and the EU MRV Regulation

Notice to: Ship Owners/ Managers/ Operators | Surveyors/Auditors/Verifiers

C20032 | 22 July 2020

Since 1 February 2020, the United Kingdom has withdrawn from the European Union and has become a "third country".¹ The Withdrawal Agreement² provides for a transition period ending on 31 December 2020. Until that date, EU law in its entirety applies to and in the United Kingdom.³

During the transition period, the EU and the United Kingdom will negotiate an agreement on a new partnership, providing notably for a free trade area. However, it is not certain whether such an agreement will be concluded and will enter into force at the end of the transition period. In any event, such an agreement would create a relationship which in terms of market access conditions will be very different from the United Kingdom's participation in the internal market,⁴ in the EU Customs Union, and in the VAT and excise duty area.

Therefore, all interested parties, and especially economic operators, are reminded of the legal situation after the end of the transition period.

After the end of the transition period, documents of compliance are issued, like any other verification activities pursuant to Regulation (EU) No 2015/757, only by verifiers accredited by a national accreditation body of an EU Member State. Verifiers currently accredited by the United Kingdom Accreditation Service (UKAS) will need to seek accreditation from a national accreditation body of an EU Member State if they wish to continue their activities under Regulation (EU) 2015/757.

¹ A third country is a country not member of the EU.

² Agreement on the withdrawal of the United Kingdom of Great Britain and Northern Ireland from the European Union and the European Atomic Energy Community, OJ L 29, 31.1.2020, p. 7 ("Withdrawal Agreement").

³ Subject to certain exceptions provided for in Article 127 of the Withdrawal Agreement, none of which is relevant in the context of this notice.

⁴ In particular, a free trade agreement does not provide for internal market concepts (in the area of goods and services) such as mutual recognition, the "country of origin principle", and harmonisation. Nor does a free trade agreement remove customs formalities and controls, including those concerning the origin of goods and their input, as well as prohibitions and restrictions for imports and exports.

After the end of the transition period, Regulation (EU) 2015/757 on the Monitoring, Reporting and Verification of Carbon Dioxide (CO2) Emissions from Maritime Transport will no longer apply to the United Kingdom. This has in particular the following consequences:

1. Scope of The Monitoring and Reporting Obligations

According to Article 4(1) of Regulation (EU) 2015/757, companies are to monitor and report, for each of their ships – regardless of their flag - CO2 emissions and other relevant parameters, for any voyage between a Member State's port and for any voyage to or from the port of a Member State.

After the end of the transition period, CO2 emissions

- of ships within ports under the jurisdiction of the United Kingdom; or
- from voyages from a port of the United Kingdom to the port of a third country, and vice-versa, do not fall under these monitoring and reporting requirements.

2. Monitoring Plans and Emission Reports; Accreditation of Verifiers

According to Article 6(1) and Article 11(1) of Regulation (EU) 2015/757, the monitoring plans setting out, inter alia, the monitoring method for each ship, as well as the annual emission reports must have been verified by accredited verifiers. According to Articles 13 and 17 of Regulation (EU) 2015/757, the accredited verifier must assess the conformity of the monitoring plan and of the emission report related to all voyages of a ship falling in the scope of this Regulation (see above) with this Regulation. The same accredited verifier issues, based on the verification report, a document of compliance which must be carried on board of the ship concerned.

According to Article 16 of Regulation (EU) 2015/757, only verifiers that are accredited by a national accreditation body of an EU Member State in line with Regulation (EC) No 765/2008⁵ may carry out verification activities under Regulation 2015/757.

UKAS will cease to be a national accreditation body within the meaning and for the purposes of Regulation (EC) No 765/2008 at the end of the transition period.⁶ Accordingly, **its accreditation certificates will no longer be valid or recognised in the EU after the end of the transition period.**

As a consequence, after the end of the transition period, verifiers accredited by the United Kingdom Accreditation Service can no longer carry out any verification activities, including the issuance of documents of compliance, pursuant to Regulation (EU) 2015/757.7 8

The Commission's website on reducing greenhouse gas emissions from the shipping sector provides general information in this regard. These pages will be updated with further information, where necessary.

Dromon Accreditation by ESYD

DromonClass has been accredited among the first verification bodies in 2017. Our Organization possess an accreditation by the Hellenic Accreditation System (ESYD) against the ISO 14065 standard to provide worldwide services related to Regulation (EU) 2015/757 on the monitoring, reporting and verification of carbon dioxide emissions from maritime transport.

Act now

ShipOwners/ Managers/ Operators should take into consideration the consequences set out in this Circular to avoid any complexities that may raise on abord their fleet.

Source: European Commission

⁵ Regulation (EC) No 765/2008 of the European Parliament and of the Council of 9 July 2008 setting out the requirements for accreditation and market surveillance relating to the marketing of products, OJ L 218, 13.8.2008, p. 30.

⁶ See also Section A.3 of the "Notice to stakeholders – withdrawal of the United Kingdom and EU rules in the field of industrial products" (REV2, 13 March 2020), published here: https://ec.europa.eu/info/european-union-and-united-kingdom-forging-new-partnership/futurepartnership/getting-ready-end-transition-period_en.

⁷ Documents of compliance issued in 2020 by verifiers accredited by the United Kingdom Accreditation Service, covering the reporting period in 2019, remain valid until 30 June 2021 (Cf. Article 17(3) and 18 of Regulation (EU) 2015/757).

⁸ Pursuant to Article 34(2) of Regulation (EU) 2016/2072, where the legal entity requesting accreditation is not established in a Member State, it may address its request to the national accreditation body of any Member State that provides accreditation within the meaning of Article 16 of Regulation (EU) 2015/757.