

Isle of Man Ship Registry Technical Advisory Notice

EU 'Fit for 55' – FuelEU Maritime Regulation

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1. Introduction

EU 'Fit for 55' is an EU target to reduce emissions 55% by 2030 when compared against 1990. As part of 'Fit for 55', a package of regulations aimed at the maritime sector have been introduced. This TAN provides operators with advice on the FuelEU Directive, a new directive developed to reduce the Greenhouse Gas Intensity of the maritime industry over time.

FuelEU will require ships to calculate their GHG emissions from a well-to-wake perspective and then reduce these emissions on an annual basis according to a linear reduction factor.

This TAN is to be taken as a brief summary of the requirements, it is strongly recommended that operators consult the further information at the end of this notice to familiarise themselves with the requirements in full. Key compliance dates for operators are detailed in Section 5 of this notice.

The directive is currently a provisional agreement, it is expected to be formally adopted during the EU parliament plenary vote in July. Once adopted, the EU council is expected to adopt parliament's position. Once formally approved, the Regulation will enter into force on the twentieth day following publication in the EU official journal. However, it will only apply as of 1 January 2025.

As a provisional agreement, the Ship Registry will update this notice should there be any significant changes to the requirements.

2. Application

FuelEU will apply to all Manx Ships >5000GT transporting cargo or passengers for commercial purposes when, travelling to, from, and at berth in, the EU. GHG intensity will be calculated based on energy used as follows:

- 100% of the energy used whilst at port in an EU State
- 100% of the energy used on voyages between EU States*
- 50% of the energy used on a voyage between an EU state and a country not part of the EU
- For container ships only – To avoid voyages intended to skirt the Regulations, stops in transshipment ports outside the EU or EEA that are less than 300 nautical miles from an EU or EEA port must consider 50% of the energy used for the voyage to that port in addition to the voyage between the transshipment port and EU. The EU will publish a list of considered ports no later than 31 December 2025.

**Only 50% of the energy used is to be considered on voyages departing from, or arriving to, a port of call located in an outermost region under the jurisdiction of a member state.*

From 1 January 2030, Passenger ships and container ships will be required to connect to an onshore power supply when at berth in a [Trans-European Transport Network Port](#). From 2035, this requirement applies to all ports where shore power is available. Use of zero-emission technology at berth is an accepted alternative to this requirement.



3. FuelEU

From 2025, the yearly average GHG intensity of energy used on board a ship must be reduced every 5 years in line with intensity targets set by EU, compared against a reference value of 91.16 gCO₂e/MJ (grams of carbon dioxide equivalent per Megajoule) that corresponds to the 2020 fleet average GHG intensity of energy used on board ships.

The GHG intensity of a vessel is calculated from a well-to-wake perspective and includes emissions related to the extraction, cultivation, production and transportation of the fuel.

The GHG intensity reduction targets compared against 2020 have been defined as follows:

- -2% from 2025
- -6% from 2030
- -14.5% from 2035
- -31% from 2040
- -62% from 2045
- -80% from 2050

The regulation defines emission factors for various fuel types and production methods that are to be used in the calculation of GHG intensity of a ship. For fossil fuels, CO₂ emissions must be calculated using these default factors for well-to-tank and tank-to-wake emissions. However, actual values certified through laboratory testing or emission measurement may be used to calculate tank-to-wake emissions of Methane (CH₄) and Nitrous Oxide (N₂O).

Biofuels, Renewable Fuels of Non-Biological Origin (RFNBO's) and Recycled Carbon Fuels (RCF's) can use certified actual values for both well-to-tank and tank-to-wake emissions. However, it should be noted that fuels that do not meet the GHG emissions-saving criteria under the EU's [Renewable Energy Directive](#) and biofuels from food/feed crops or non-sustainable sources are considered fossil fuels under the Regulation.

RFNBO's are synthetic fuels produced from electricity and carbon captured directly from air such as e-hydrogen and e-methanol. To encourage the use of these fuels, an additional reward factor has been provided for in the calculation of the GHG intensity of a ship that compensates for the higher purchase price of such fuels. If this reward factor does not encourage the use of RFNBO's as intended then the EU may mandate the use of such fuels (or equivalent) from 2034.

The company will be responsible for monitoring and reporting the data for the energy used on board each of its vessels at sea and at berth on an annual basis to an accredited verifier. It should be noted that this reporting scheme is distinct from the EU MRV scheme, although elements from the MRV scheme may be reused for the purpose of the FuelEU reporting scheme, this will be at the discretion of the Vessel's verifier.

The verifier will use this data to calculate the GHG intensity of fuel used for the year and Vessel's balance in comparison to the applicable limit for that year. If no deficit is identified, the verifier will issue the vessel with a FuelEU Document of Compliance. Ships entering an EEA port must carry a valid Document of Compliance.

Where a deficit is found compared to the annual reference value, the company may borrow an advance compliance surplus from the following reporting period, however, this will be subtracted from that reporting period at a rate of 1.1x the borrowed surplus. Any compliance surplus can be rolled over into the following reporting period. Once the FuelEU Compliance Document is issued then a surplus may no longer be banked or borrowed for the subsequent reporting period.



The compliance balance may be pooled for two or more ships, in these cases the FuelEU requirements will apply to the total GHG intensity of all ships in the pool. The pool is not limited to ships of the same company.

4. Enforcement

There will be financial penalties for each ship with a compliance deficit as well as each non-compliant zero emissions port call. A vessel with an active compliance deficit or non-compliant port calls for which the financial penalty has not been paid cannot be issued with a compliance document. Where a compliance document has failed to be presented for two or more consecutive reporting periods, the ship may be banned from the EU.

5. Compliance Dates

By 31 August 2024 - Companies must submit a monitoring plan to their verifier detailing their chosen method to monitor and report the amount, type and emission factor of the energy used on board by their ships, at sea and at berth. For any ships that fall under the scope of the Regulation for the first time after 31 August 2024, the monitoring plan must be submitted to the verifier no later than two months after each ships first call in an EU port within scope of the Regulation.

From 1 January 2025 – Companies must record the information detailed in their monitoring plan on an annual basis for each of their ships, as well as all information pertaining to arrival and departure for EEA ports, including time spent at berth and the connection to and use of on-shore power supplies for container and passenger ships.

By 31 January 2026 (and in each subsequent year) – The company must submit a ship-specific FuelEU report to their verifier containing the information detailed above for the previous reporting period.

By 31 March 2026 (and in each subsequent year) – The verifier will provide a report to the company on the yearly average GHG intensity of the energy used on-board by the ship, the ship's compliance balance and the number of any non-compliant port calls. The verifier will record the compliant FuelEU report and associated information in the FuelEU database.

By 30 April 2026 (and in each subsequent year) – The company must record the use of any advance compliance surplus, following approval by its verifier, in the FuelEU database.

By 30 June 2026 (and in each subsequent year) – The company must pay any remedial penalties relating to any compliance deficits recorded in the FuelEU database

By 30 June 2026 (and in each subsequent year) – Provided the ship does not have any outstanding penalties relating to compliance deficits, the verifier will issue the vessel a FuelEU Document of Compliance valid until 30 June in the subsequent year. Where remedial penalties are due, the competent authority of the administering State will issue the Document of Compliance providing the penalties have been paid.

6. Further Information

- [FuelEU](#) & [Directive](#)

Please note - The Isle of Man Ship Registry cannot give legal advice. Where this document provides guidance on the law it should not be regarded as definitive. The way the law applies to any particular case can vary according to circumstances - for example, from vessel to vessel. You should consider seeking independent legal advice if you are unsure of your own legal position.

