

**Brief**  
**On**  
**Summary of developments**  
**In the EU and the EU Fit for 55 policy package**  
**January-March 2025**

## EU ETS

### Background

On 1 January 2024, the EU extended the coverage of its ETS to incorporate the maritime sector, as part of the broader EU ETS reform that came into force in June 2023.

### Summary of developments

DG CLIMA published three reports, which were presented to Member States and stakeholders during European Sustainable Shipping Forum (ESSF) meeting on ETS/MRV.

- **ETS Monitoring & Carbon Leakage (Jan–Sept 2024):**  
No evidence of carbon leakage from shipping's inclusion in the EU ETS. Positive compliance noted. Stakeholders call for continued monitoring. Next report due end-2026. DG MOVE is conducting a parallel study on competitiveness risks (ref: C-14187).
- **MRV Extension to Smaller Vessels:**  
Study evaluates possible inclusion of vessels 400–4999 GT. These account for 9% of 2023 MRV CO<sub>2</sub> emissions but face higher admin costs (7x vs larger vessels). Findings will inform the 2026 ETS Directive review.
- **6th Annual MRV Emissions Report:**  
Covers CO<sub>2</sub> emissions from maritime transport based on MRV data from 2018–2023.

They can be found on [DG CLIMA website under 'Documentation'](#).

## FUEL EU MARITIME

### Background

FuelEU Maritime Regulation apply from 1 January 2025 and promotes the use of renewable and low-carbon fuels in maritime transport for ships above 5000 GT, intra-EU traffic + 50% international, EU ports (same as for ETS).

### Summary of Developments

#### **Report on Marine Fuels Certification Procedures**

- The “Report on Marine Fuels Certification Procedures to Support Implementation of FuelEU Maritime” has been published on the European Commission's DG MOVE website
- This best-practice document is intended primarily for companies involved in the supply and use of marine fuels, particularly shipping companies relying on renewable and low-carbon fuels to meet FuelEU Maritime and EU ETS requirements

#### **Publication of the implementing act on procedures for the accreditation of verifiers**

- The delegated act on procedures for the accreditation of verifiers under FuelEU Maritime was published in the Official Journal. The text is available [here](#).

### **Publication of exemptions in Croatia & Cyprus**

- Further exemptions under FuelEU Maritime were published in the Official Journal of the EU. They cover a list of voyages related to small islands and public service obligations in Croatia and Cyprus. This follows the publications in the Official Journal of the EU of the derogations for small islands, outermost regions, public service contracts and obligations in Denmark, France, Greece, Italy, Malta, Portugal and Spain

### **Draft guidance document on FuelEU Calculations**

- The ESSF workstream on calculations has drafted the guidance document on FuelEU Calculations and has been shared with our EU Regulations WG.

### **Key Updates on FuelEU Maritime shared with EU Regulations WG.**

- Our WG has been updated with regards to the below developments :
  1. Fuel Certification Guidance Document
  2. Calculation Workstream
  3. Onshore Power Supply (OPS) Workstream
  4. OCCS Workstream
  5. ETS / FuelEU Review
  6. Fuel Allocation in International Voyages
  7. Zero-Emission Technologies
  8. Inconsistency in RFNBO Multiplier Application
  9. Publication of the Implementing Act on Procedures for the Accreditation of Verifiers
  10. Upcoming Secondary Legislation
  11. Exemptions for Small Islands and Public Service Contracts

More information in our circulars:

- *Ref 0410-F/TC > (EU REGULATION) > (FUEL EU MARITIME) Report on Marine Fuels Certification Procedures*

### **Next steps**

- An official guidance document is currently being developed by a consultant and is expected to be published in autumn 2025.

### **Upcoming secondary legislation**

The Commission is preparing several delegated and implementing acts:

- Implementing act on communication on Onshore Power Supply (OPS),
- Implementing act on the criteria for the acceptance of zero-emission technologies, and
- Implementing act on the FuelEU Database.

## **CORPORATE SUSTAINABILITY REPORTING DIRECTIVE AND THE CORPORATE SUSTAINABILITY DUE DILIGENCE DIRECTIVE**

### **Background**

The Directive aims to enhance the protection of the environment and human rights in the EU and globally. The Directive will set obligations for large companies regarding actual and potential adverse impacts on human rights and the environment, with respect to their activities in their value chains.

### **Summary of Developments**

- On March 26, the Council of the EU agreed to the Commission's proposal to postpone the application dates of the Corporate Sustainability Reporting Directive (CSRD) and the Corporate Sustainability Due Diligence Directive (CSDDD).

### **Key Changes:**

- CSRD Postponement: A two-year delay for large companies that have not yet started reporting, as well as listed SMEs.
- CSDDD Postponement: A one-year delay for the transposition deadline and the first phase of application (covering the largest companies).

#### Next steps

- There will be no sector-specific reporting standards, and the Commission plans to revise the European Sustainability Reporting Standards (ESRS) through a delegated act. This revision aims to reduce the number of mandatory ESRS and provide clearer guidance on the materiality principle.

More information in our circulars:

- *Ref 0401 -F/TC >(EU REGULATION) Corporate Sustainability Directive*

### **CLEAN INDUSTRIAL DEAL**

#### Background

The European Commission has published its Communication on the Clean Industrial Deal (CID)—a strategic initiative aimed at aligning industrial competitiveness with the green transition. It targets energy-intensive industries and the clean-tech sector, while placing shipping among its five priority sectors through a dedicated Sustainable Transport Investment Plan (STIP).

Key Measures Relevant to Shipping:

1. Sustainable Transport Investment Plan (Q3 2025):  
Focused support for renewable and low-carbon fuels in shipping and aviation.
2. Hydrogen Mechanism (Q2 2025):  
Launched under the European Hydrogen Bank to link maritime and aviation off-takers with suppliers; encourages Member States to deploy grants and auction mechanisms.
3. Clean Tech Manufacturing Target:  
EU aims to domestically produce 40% of key clean tech components (per the Net-Zero Industry Act).
4. Clean Industrial State Aid Framework (CISAF – Q2 2025):  
New framework offering targeted support for industrial decarbonisation—complementary to existing state aid rules.
5. Energy Taxation Directive:  
CID urges Member States to conclude negotiations to help lower energy prices.
6. Carbon Accounting Simplification (Q4 2025):  
Commission to identify priority areas for harmonised carbon accounting methodologies.
7. Circular Economy Act (2026):  
Includes an upcoming Action Plan on steel and metals—potential implications for ship recycling.
8. Raw Materials & Trade Partnerships:  
Emphasis on diversifying supply chains and securing raw material access.
9. Union for Skills (Q1 2025):  
Proposal to support workforce upskilling across key green sectors.

Financing:

While no new funding mechanism is introduced, a new Industrial Decarbonisation Bank will mobilise up to €100 billion from the Innovation Fund, ETS revenues, and InvestEU. A €1 billion pilot auction will support industrial decarbonisation and electrification.

The CID was released alongside communications on Affordable Energy, CBAM simplification, and the first Omnibus legislative package. The expected proposal to amend the European Climate Law (to enshrine the 2040 90% GHG reduction target) has been postponed.

### Summary of Developments

#### **Clean Industrial Deal (CID)**

- The European Commission has published its Communication on the Clean Industrial Deal (CID)—a strategic initiative. The text is available [here](#)

#### **Clean Industry State Aid Framework (CISAF)**

- The European Commission has published the draft Clean Industry State Aid Framework (CISAF) is a new initiative under the Clean Industrial Deal aimed at supporting industrial decarbonisation in the EU. It complements, but does not change, existing EU State Aid Guidelines. Key Features:
  - Purpose: Provides targeted, simplified state aid rules to enable faster approval and deployment of public funds for clean industry projects.
  - Eligible Sectors: Includes shipping-related projects such as:
    - Production of low- and zero-carbon fuels (e.g. renewable hydrogen, RFNBOs)
    - Carbon Capture, Utilisation and Storage (CCUS)
    - Manufacturing of clean energy equipment

More details are available here : [The Clean Industrial Deal: A joint roadmap for competitiveness and decarbonisation](#)

#### **First Omnibus Package – April 2025**

- The European Commission has published the first Omnibus package, alongside the Clean Industrial Deal Communication and the Action Plan on Affordable Energy.  
Purpose:
  - The Omnibus package aims to simplify EU rules and reduce regulatory burdens, especially for SMEs and small-mid-caps.
  - Key Areas Covered:
    - Sustainable Finance Reporting (CSRD)
    - Corporate Sustainability Due Diligence (CSDDD)
    - EU Taxonomy
    - Carbon Border Adjustment Mechanism (CBAM)
  - Main Proposals:
    - COM(2025)81 – Directive amending reporting requirements (Omnibus I)
    - COM(2025)80 – Postpones certain CSRD and CSDDD reporting obligations
    - Draft Delegated Act – Amends Taxonomy Delegated Acts
- The initiative supports simplification, phasing-in of obligations, and reducing compliance complexity across key sustainability frameworks.

### Next steps

- A Sustainable Transport Investment Plan (STIP) will be presented in Q3 2025, focusing on short term measures to support specific renewable and low-carbon fuels for shipping and aviation
- Support for skills development is also mentioned as an enabler, with a proposal for a Union for Skills foreseen in Q1 2025.

## **UK ETS**

### Background

The UK Emissions Trading Scheme (UK ETS) is set to commence in January 2026. Similar to the EU ETS, it will primarily apply to domestic voyages. The scheme is similar to the EU ETS and would cover only domestic voyages, with two exceptions. Emissions at berth for any vessels calling in the UK will be

covered even if the voyages are not domestic. Emissions of offshore vessels will also be covered. Shipowners will therefore need to have a UK MRV system in place to pay for their emissions.

However, there is an important exception also affecting bulk carriers' vessels calling at UK ports:

- Emissions at berth for any vessels calling in the UK will be covered even if the voyages are not domestic.

To comply, international ship operators with vessels of 5,000 GT or above calling at UK ports will be required to establish:

- UK MRV (Monitoring, Reporting & Verification) systems
- Compliance plans
- Maritime Operator Holding Accounts (MOHA)

#### Summary of Developments

- INTERCARGO has co-signed a letter together with other International Industry Organisations and the UK Chamber of Shipping that was submitted to the UK Government.

#### Next Steps

The UK officials are reviewing the consultation replies that have received.

More information in our circulars:

- *Ref: 0122-F/TC >(REGIONAL REQUIREMENTS) UK ETS: Consultation on the extension to the maritime sector*

## **EU SHIP RECYCLING REGULATION**

#### Background

The EU Ship Recycling Regulation was adopted in 2013 to provide a regulatory framework for the recycling of large sea-going vessels sailing under an EU Member State flag.

The Regulation includes:

- Requirements for ships and recycling facilities;
- Limits and prohibitions on the installation and use of hazardous materials on ships (i.e. asbestos);
- The European List of compliant ship recycling facilities located in the EU and the rest of the world.

The Regulation achieves its aim with three specific objectives:

1. ensuring that EU-flagged ships are dismantled in safe and environmentally sound facilities,
2. ensuring the proper management of hazardous materials on ships, and facilitating the ratification of the International Maritime Organisation's 2009 Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships (the Honk Kong Convention).

The SRR contains provisions that go beyond the Honk Kong Convention, including a requirement for owners of EU-flagged ships to ensure their ships are only recycled in facilities listed by the Commission as complying with the SRR requirements on protecting the environment and human health

#### Summary of Developments

The European Commission presented its evaluation of the EU Ship Recycling Regulation (SRR) to Member States and stakeholders, concluding that the Regulation has largely achieved its objectives— notably through the creation of the European List of authorised ship recycling facilities, which has raised environmental and social standards and become a global benchmark.

Members can find the [report](#) and the [accompanying document](#).

Key Points:

- Re-flagging undermines SRR effectiveness and was repeatedly flagged by the Commission.
- No immediate revision of the SRR is planned; focus is on monitoring the impact of the Hong Kong Convention (HKC), entering into force on 26 June 2025.
- A gap analysis between the SRR and HKC is included in the evaluation (Annex X), though it does not propose improvements.
- Clarification on waste definitions was requested by Member States.

#### Analysis of Commission evaluation of EU Ship Recycling Regulation

The European Commission's evaluation of the EU Ship Recycling Regulation (SRR) concludes that the Regulation has largely met its objectives, notably by:

- Establishing a European List of authorised recycling facilities,
- Improving environmental and social standards, and
- Serving as a benchmark globally.

#### Key Challenges Identified:

- Re-flagging to non-EU flags before scrapping remains a major loophole, undermining the Regulation's effectiveness.
  - In 2023, less than 7% of recycled ships flew EU flags, despite the EU fleet making up 13% of the global fleet.
- Hazardous Materials Inventories (IHMs) are often missing or of poor quality.
- Economic impact on shipowners was minimal due to widespread circumvention.
- EU recycling facilities still face competitive disadvantages.

#### Legal and Policy Concerns:

- Confusion persists over overlapping rules in the SRR and Waste Shipment Regulation.
- Legal inconsistencies between the Hong Kong and Basel Conventions need international resolution.
- The Commission will monitor HKC implementation after it enters into force on 26 June 2025.

The full report is available [here](#) and annexes [here](#)

#### Next Steps

- Prevent circumvention by:
  - Developing a financial incentive (e.g. ship recycling licence for all ships calling at EU ports),
  - Shifting to the concept of a ship's beneficial owner.
- A new impact assessment study is underway to explore these options.
- Improvement areas include:
  - Fairer conditions for EU facilities,
  - Stronger waste management and pollution control standards,
  - Adoption of cleaner recycling technologies.

#### **OTHER**

##### **16TH PACKAGE OF SANCTIONS AGAINST RUSSIA**

The 16th sanctions package, adopted by the Council, includes key shipping-related measures through amendments to Regulation 833/2014. The updated vessel and individual listings are available on the official EU sanctions website.

##### **EUROPEAN COMMISSION'S COMPETITIVENESS COMPASS**

### Background

The *Competitiveness Compass* sets out the EU's strategy to enhance economic resilience, drive green and digital transitions, and attract investment.

### Summary of Developments

The document is structured around three main pillars and seven horizontal enablers, outlining key flagship actions for 2025 and beyond.

### Next Steps

While maritime is not always directly referenced, the Competitiveness Compass supports future policy and investment opportunities for the sector, particularly in decarbonisation, port strategy, digitalisation, and clean energy integration.

### **EMSA STUDY REPORTS AND GUIDANCE FOR SAFE BUNKERING OF BIOFUELS**

The European Maritime Safety Agency (EMSA) has published reports and guidance developed under its *Study on Safe Bunkering of Biofuels* (EMSA OP/11/2023), now available on its website.

#### Key Points

- The study, conducted by DNV, delivers a Guidance Document with checklists for various bunkering phases and configurations.
- It addresses the lack of standardised procedures for marine biofuel bunkering.
- Focuses on the physical and chemical properties and bunkering practices for key biofuels: bio-methanol, FT-diesel, DME, HVO, and FAME.
- Identifies risks and outlines appropriate safety measures to support safer and more efficient operations.

The report is available [here](#)