



EU ETS: Shipping companies now know who to deal with

Further to our previous articles on the EU's Emission Trading System (ETS), shipping companies have now been informed which Administering Authority they will have to deal with when surrendering their EU emission allowances (EUAs).

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On 31 January 2024, <u>a list was published</u> showing which shipping companies have been allocated to which Member State's Administering Authority within the EU ETS. Shipping companies can now find their allocated country by searching the list for their name or IMO identification number.

The list will be updated by the EU every two years.

Who's your state?

Shipping companies that are registered in an EU Member State are not shown on the list, because they are automatically allocated to the Member State in which they are registered. Companies that are not in an EU Member State have been allocated to the place where they had the most port calls in the previous four years.

For companies that are not presently on the list (because they are not in an EU Member State or did not carry out any voyage falling within the scope of the EU ETS over the previous four years), the administering authority will be the EU Member State where a ship of the shipping company has arrived or started its first voyage to (either a voyage to or from an EU Member State, or voyages within the EU).

40 day-deadline

All shipping companies must now open a Maritime Operator Holding Account (MOHA) with the Administering Authority in their allocated Member State. The MOHA will be used to hold, surrender and trade EUAs. The MOHA should be opened within 40 working days of the publication of the list.

Only one MOHA can be opened by each shipping company. The registered owners are the default "shipping company" under the Implementing Regulation, but if the responsibility has been transferred by way of a mandate, then the mandated company may open a MOHA. Please see our <u>earlier article</u> on how to transfer responsibility. We would recommend that any mandates be prepared soon so that the mandated company can submit the mandate to the relevant Administering Authority and open a MOHA within the required time.

For companies that are not on the list yet, the deadline to open a MOHA with the Administering Authority is 65 working days of the first call at an EU ETS port on a voyage falling within the scope of the EU ETS Directive.

How to open an account

In due course, a new and updated list after 2 years will presumably include companies who have been mandated as "shipping company" and new shipping companies according to where they opened a MOHA with the relevant Administering Authority.

Contact details for each Administering Authority in the EU can be found in the "contact points" expandable list in the following link: <u>Union Registry - European Commission (europa.eu)</u>.

The methods of applying to open a MOHA will vary, depending on the requirements of the allocated Administering Authority. For most of the Administering Authorities, it may be possible to open an account online at the relevant registry website with the requisite details (including the details of the Authorised Representative to be nominated), but some require shipping companies to email or get in contact with the Administering Authority.

We therefore suggest that shipping companies investigate and proceed with the MOHA application process as soon as possible.