

# EU MRV Regulation and IMO Data Collection System – Client Information Note



## Overview

This Client Information Note explains the main stages of our process for Regulation (EU) 2015/757 on the monitoring, reporting and verification of carbon dioxide emissions from maritime transport (EU MRV Regulation) and for Regulation 22A of MARPOL Annex VI IMO Data Collection System, Monitoring Plan conformity assessment, SEEMP assessment and annual verification.

Both verifications can be performed together or separately up to the client's decision. However, clients will benefit from doing verification together as the same source data is used. Benefits include: reduced administrative burden, no disruption of working caused by two separate audits, overall duration optimised.

## MRV Regulation scope

The MRV Regulation applies to obligated ship operators and covers the compliance years from 2018. The verification process normally includes two main stages before the Verification Report and document of compliance can be finalised and issued to our client, the Commission and Flag State.

These two main stages are:

- Monitoring Plan assessment of conformity – comprising assessment that each ship's Monitoring Plan conforms with requirements
- Verification of data and information – comprising Document Review, Compliance Review, Strategic Analysis, Risk Assessment, and Verification Planning; and then Verification – comprising Data Verification, Compliance Conclusion and Reporting.

At each stage our verifiers will be open and helpful, and will follow a practical approach. In this way, we can add value to the verification process.

Before each stage we will discuss and agree with you the dates, how long the stage will last, team members and where the verification will take place, as well as any health and safety, security and administrative issues. Monitoring Plan assessment may be done remotely, but to gain a better understanding of your systems and if your Monitoring Plans have common elements it may be more efficient to spend a short amount of time reviewing these at your office. This approach may also be considered for Verification.

## MRV Monitoring Plan assessment

### Purpose

We carry out this stage to assess conformity of every ship Monitoring Plan to requirements defined in the MRV Regulation, including for example:

- ship details
- company details
- CO2 emission sources
- procedures, systems and responsibilities
- monitoring methodology for voyages and fuel consumption
- emission factors

### Carrying out the Monitoring Plan assessment

The duration of this stage depends on the complexity of your organisation, fleet size, and data and information management. For remote activities, your organisation will be required to provide at least the information defined within an Evidence Pack Requirements document provided at the contracting stage. If we agree that the process may be more efficient with a short visit to your head office, we will start with an opening meeting, at which the Verifier will explain the verification approach to your management team and be introduced to the company. The Verifier will also agree a plan for the visit with you.



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We will review the key information provided, to establish:

- the nature, scale and complexity of your organisation and fleet, commonalities in systems and data, and the defined scope and boundaries of the compliance assessment activity
- what systems are in place to provide confidence in your organisation's data and information management used in preparing the Monitoring Plans, and
- assess your Monitoring Plans for conformity.

## Verification of MRV data and information

### Initial review stage

#### Purpose

We carry out this stage to find out whether the scope, objectives, criteria and any additional specific requirements, as defined within the contract, are appropriate to your organisation, fleet, systems and the verification activity.

We confirm this by reviewing the key information provided, including:

- whether there have been any changes to Monitoring Plans
- the nature, scale and complexity of your organisation and fleet
- what systems are in place to provide confidence in your organisation's data and information management used in preparing the Emissions Report
- the effectiveness of the systems in place for managing data collection and collation, calculation and/or measurement, monitoring and reporting methodologies
- conformity with the requirements of the EU MRV Regulation, as reflected in your Emissions Report and Monitoring Plan methodology.

Also in this stage, we will identify the source and magnitude of any potential errors, omissions, non-conformities and / or misstatements of data and information in your system that may impact on our Verification Report and Document of Compliance and that will require corrective action before the Verification stage. These will be recorded in a detailed Initial Review Report, together with a Verification Plan for you to prepare for the next stage.

### Carrying out the initial review stage

The duration of this stage depends on the complexity of your organisation, size of fleet, and data and information management. Verification may be done remotely, but if you have a number of ships and have common data management processes it may be more efficient to spend a short amount of time reviewing these at your office as a starting point.

To do it remotely, your organisation will be required to provide at least the information defined within an Evidence Pack Requirements document provided at the contracting stage. If carried out on-site, we will start with an opening meeting, at which the Verifier will explain the verification approach to your management team and be introduced to the company. The Verifier will also agree a plan for the visit with you.

The Verifier will then:

- review your data and information management documentation and the proposed verification scope
- undertake an initial review of conformance to the requirements of the MRV Regulation
- produce a focused report which describes both positive findings and those issues requiring your attention before the verification stage
- produce a detailed plan for the Verification stage.

The visit ends with a closing meeting to present the findings, report and verification plan, and to agree the next stage of the verification process.

Documentation, data and data management systems reviewed at this stage will be referred to again at the Verification stage. However, you should continue to amend these as a result of your internal improvement activities. At each stage we will need to know the changes between the latest issue and the originals.

### Verification stage

In this stage, the Verifier will focus on the implementation of your systems and verify the data and supporting information in the Emissions Report. The Verification stage will confirm as appropriate for each applicable ship:

- selection and management of relevant data and information
- processes for collecting, calculating, collating, and reporting data and information
- systems and processes that ensure the accuracy of the data and information
- design and maintenance of the data and information system
- systems and processes that support the data and information system
- results of previous verifications (if available and relevant)
- conformance with the verification criteria.

The Verifier will do this by reviewing actions taken to address any findings raised at the Initial Review stage and by following the verification plan to completion. The Verifier will work with company representatives who can act as guides and witness findings during the verification.



Where relevant, the Verifier will hold regular review meetings to discuss any findings raised. Appropriate company representatives should be present to confirm that you accept these findings. Please see below in the 'Grading' section how we define findings. We finalise the grade of any findings at the end of the Verification stage which ends with a closing meeting to present a summary of the findings and a Verification Report to your company.

If no material misstatements or material nonconformities are reported, a positive Verification Report and Document of Compliance can be prepared, subject to an independent technical review by authorised personnel. However, if material misstatement or material nonconformities are reported, a Document of Compliance cannot be issued and action to be taken will be discussed and agreed with you, and a follow-up arranged.

Once the final Verification Report and Document of Compliance are issued we shall inform the Commission and the authority of the flag State of the issuance of the Document of Compliance.

### MRV findings gradings

**Material Misstatement:** means a misstatement that, in the opinion of the verifier, individually or when taken together with other misstatements, exceeds the materiality level or could otherwise have an impact on the total reported emissions or other relevant information. If such a finding is left outstanding at the end of the verification, then the misstatement must be corrected or a positive Verification Report and Document of Compliance will not be possible.

**Misstatement:** means an omission, misrepresentation or error in the reported data, apart from the uncertainty permissible pursuant to Regulation (EU) 2015/757 and taking into consideration the guidelines developed by the Commission on these matters.



If such a finding is outstanding at the end of the verification, a positive Verification Report and Document of Compliance will be possible. Where identified, they should be corrected.

**Non-conformity:** means:

(a) for the purpose of assessing a monitoring plan, that the plan does not fulfil requirements under Articles 6 and 7 of Regulation (EU) 2015/757 and Implementing Regulation (EU) 2016/1927;

(b) for the purpose of verifying an emissions report, that the CO<sub>2</sub> emissions and other relevant information are not reported in line with the monitoring methodology described in a monitoring plan that an accredited verifier has assessed as satisfactory.

Non-conformities identified during the assessment of Monitoring Plan requirements must be addressed accordingly.

If such a finding is outstanding at the end of the verification, a positive Verification Report and Document of Compliance will be possible. Where identified, they should be corrected.

If we identify any isolated issues that you should address to avoid us raising a graded finding at a subsequent visit, we will record them in the relevant part of the Verification Report.

Suggestions for improvement that could be made to a conforming system that would improve the efficiency of the processes undertaken will be recorded in either:

- the Executive Summary, for strategic improvement, or
- the body of the report, for improvement that relates to a particular area.

## Regulation 22A MARPOL Annex VI scope

IMO DCS applies to ships 5,000 Gt and above and covers the compliance years from 2019. The verification process includes two stages.

These two main stages are:

- SEEMP (Ship Energy Efficiency Management Plan ) Part II assessment – comprising assessment that each ships SEEMP Part II conforms with requirements of the regulation and issue a statement of fact on behalf of the Flag
- Verification of data and information – comprising Document Review, Verification and Statement of Compliance production issued on behalf of Flag

At each stage our verifiers will be open and helpful, and will follow a practical approach. In this way, we can ensure the process is efficient and meets your requirements.

Our verifiers will show flexibility to do both stages remotely, on board ship (with MARPOL Annex VI survey) or in the office. If you require verification of data for EU MRV & IMO DCS, we can deliver both together during the site visit for EU MRV.

## SEEMP Part II assessment

### Purpose

SEEMP Part II is the Fuel Oil Consumption Data Collection Plan. This needs to be checked to ensure that it meets the requirements of the regulation including for example:

- ship details
- company details
- CO<sub>2</sub> emission sources
- procedures, systems and responsibilities
- monitoring methodology for fuel consumption

### Carrying out the SEEMP Part II assessment

SEEMP Part II assessment can be carried out on-board as part of the MARPOL Annex VI survey, remotely by submitting plans to your local LR office or on site as part of audits for other schemes.

We will review the key information provided to ensure your SEEMP Part II meets the requirements of the regulation and issue a statement to this nature.

## Verification of IMO DCS data

Verification may be done remotely, either as part of the MARPOL Annex VI survey or by submitting your data to your local LR office or on site as part of the EU MRV verification site visit.

Your organisation will be required to provide the information defined in Resolution MEPC.292 (71).

For each applicable ship, the Verifier will then:

- Confirm consistency of reported data and calculated data
- Completeness of data
- Reliability and accuracy of data

If any discrepancy is found this will be communicated timely for correction. On completion of satisfactory verification, the Statement of Compliance will be issued on behalf of the Flag.

## Confidentiality

As defined by our contract, we will not pass on any of the data or information we gather about your organisation (including the contents of your Emissions Reports) to any other person or organisation without your permission (except as required by the accreditation bodies, or Regulation (EU) 2015/757).

This confidentiality will be maintained during the term of and following any termination of our Agreement, with the exception of information which was in our possession before disclosure by your organisation, information which is in the public domain or that which is made available to us from an independent source.

To find out more about how we can help you to increase performance and reduce risk, please visit our website

[www.lrqa.com](http://www.lrqa.com)

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