

European Union Greenhouse Gas Emissions Trading System for

Maritime Transport

Regulations, 2024

Overview

The Climate Action Authority is Malta's key institution for advancing the country's commitments to mitigating climate change and fostering sustainable practices, operating under the framework of the Climate Action Act (Cap. 643). The Authority has introduced a new Legal Notice (316-2024) under the EU Emissions Trading System (EU ETS) to reduce emissions from the shipping sector aligning with EU climate targets.

Scope

- Applies to shipping companies registered in Malta or those with significant port activity in Malta.
- Covers CO₂ emissions initially, extending to methane (CH₄) and nitrous oxide (N₂O) from **January 1, 2026**.



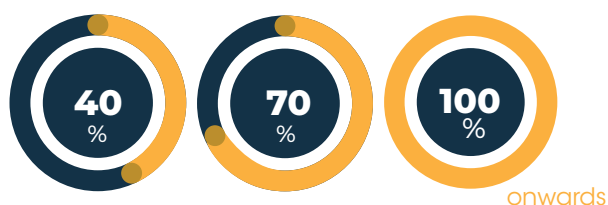
Allowances and Compliance:

Unallocated allowances: are auctioned by Malta's Debt Management Office

Annual Surrender Obligation:

By **September 30** each year, shipping companies must surrender allowances covering the previous year's emissions.

Phased Compliance for emissions:



Monitoring, Reporting, and Verification (MRV):

Shipping companies must monitor emissions as per Regulation (EU) 2015/757.

Verified reports of aggregated emissions data must be submitted annually by **March 31, starting 2025.**

MTDerogations and Exceptions:

Exemptions apply to specific voyages (e.g., passenger ships between isolated islands, certain public service obligations) until **December 31, 2030.**

Ice-class ships (IA or IA Super) benefit from a **5%** reduction in allowance surrender requirements.

Administrative Penalties:

Fines range from **€1,000 to €50,000**, increasing with emission levels.

Daily fines apply for delayed reporting or non-compliance.

Failing to surrender sufficient allowances results in penalties of **€100** per excess tonne of CO₂ equivalent.

Public Transparency:

Emission reports are made publicly accessible under the Freedom of Access to Information on the Environment Regulations.

Confidential business information is safeguarded.

Revenue Allocation:

Proceeds from allowance auctions contribute to Malta's Consolidated Fund for climate initiatives.

Dispute Resolution:

Appeals against decisions by the Authority can be submitted to the Administrative Review Tribunal within **20 days.**

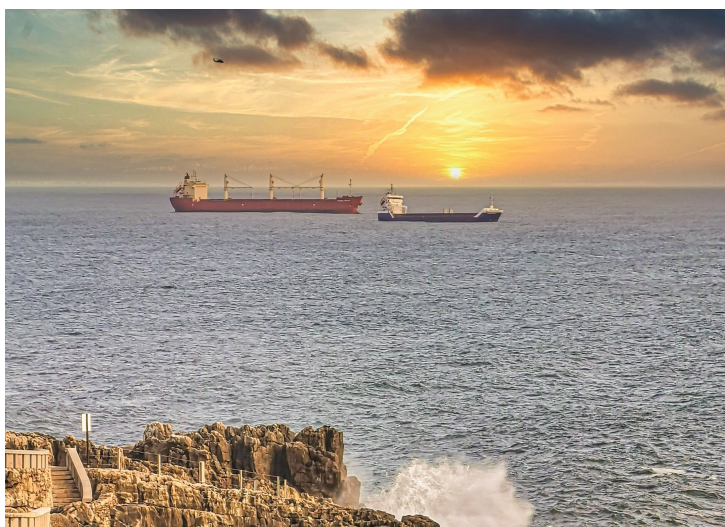
Things to keep in mind

For Shipping Companies

- Prepare for stricter monitoring and allowance surrender obligations.
- Leverage available derogations to optimize compliance costs.

For the Public

- Enhanced transparency in emissions reporting and climate funding allocations.



For more information, contact the Climate Action Authority on
+356 2385 0500
or visit
www.climateaction.gov.mt
for a copy of the **Legal Notice 316-2024**.



Next Steps for Stakeholders:



1. Attribution via THETIS-MRV



2. Opening a MOHA



3. Monitor, Report & Verify



4. Surrendering of Allowances

