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Expansion of the UK Emissions Trading Scheme (UK ETS) to Maritime Activities

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Notification to: Ship Owners/ Managers/ Operators/ Verifiers

Introduction

The United Kingdom Emissions Trading Scheme (UK ETS) has been extended to cover maritime activities from **1 July 2026**, introducing new greenhouse gas emissions monitoring, reporting, verification and emissions allowance surrender obligations for maritime operators.

The extension forms part of the UK's decarbonisation framework and establishes a company-level compliance system for ships performing activities within the geographical and operational scope of the scheme.

The maritime extension is introduced through the **Greenhouse Gas Emissions Trading Scheme (Amendment) Order 2026 (SI 2026/392)**, which amends the existing UK ETS framework by incorporating maritime activities.

Shipowners and managers should assess the applicability of the scheme to their fleets and ensure that the necessary arrangements for monitoring, reporting and verification are established.

Applicability and Scope

From 1 July 2026, the UK ETS applies to cargo and passenger ships of 5,000 gross tonnage (GT) and above performing regulated maritime activities.

The inclusion of offshore ships of 5,000 GT and above is deferred until 1 January 2027.

The scheme covers the following activities:

- Voyages between UK ports of call: Voyages between two different UK ports of call, as well as voyages commencing and ending at the same UK port of call, provided there is no intervening port of call outside the UK.
- In-port activities: Emissions generated during time spent at berth, including hotelling, and movements within a UK port of call.

It is important to note that in-port emissions are subject to the scheme even when the ship is engaged in an international voyage. Consequently, a ship arriving at a UK port from a non-UK port, or departing from a UK port towards a non-UK destination, must account for its emissions arising from relevant in-port activities.

Voyages between UK ports that include an intervening stop outside the UK are generally outside the definition of a UK domestic voyage. However, stops exclusively for purposes such as refuelling, taking supplies, repairs or sheltering from adverse weather do not necessarily interrupt a voyage.

Certain activities and ship categories are excluded from the scheme, including military and other specified government activities, fish-catching and fish-processing vessels, ships operating Scottish ferry services, and ships below 5,000 GT. Offshore ships remain excluded until 31 December 2026.

A specific surrender deduction also applies to voyages between Northern Ireland and Great Britain. Although the emissions from these voyages must be monitored and reported in full, a 50% deduction applies to the corresponding surrender obligation.

Transition from UK MRV to UK ETS Maritime

The introduction of the UK ETS Maritime Scheme is accompanied by the **repeal** of the previous UK Monitoring, Reporting and Verification (UK MRV) framework.

The former UK MRV requirements ceased to apply following the entry into force of the relevant legislative amendments in April 2026. Consequently, the UK MRV framework covers reporting obligations up to 2 April 2026, while the new UK ETS Maritime Scheme applies to regulated maritime activities commencing on 1 July 2026.

The period between 3 April and 30 June 2026 does not fall within either the former UK MRV reporting period or the new UK ETS Maritime monitoring period.

Shipowners and managers should therefore take into consideration the transition between the two frameworks and ensure that the relevant monitoring, reporting and verification arrangements are aligned with the applicable regulatory requirements.

In particular, existing UK MRV documentation and procedures should be retained as necessary to complete outstanding obligations under the former framework, while new monitoring arrangements must be established in accordance with the UK ETS Maritime requirements.

The transition does not remove the obligation to complete any outstanding verification and reporting activities arising from the former UK MRV framework.

Allocation of Responsibility – Maritime Operator

Responsibility for compliance with the UK ETS rests with the Maritime Operator.

The registered owner of a ship is considered the maritime operator by default. However, responsibility may be transferred to the International Safety Management (ISM) Company, provided that a legally binding written agreement has been concluded between the registered owner and the ISM Company, assigning the relevant UK ETS compliance obligations.

Where responsibility is delegated, the relevant declaration and information must be submitted through the Manage Your Emissions Trading Scheme (METS) platform.

Any changes to the delegation agreement that affect the allocation of responsibility must be notified to the regulator within 14 days.

Emissions Monitoring Plan (EMP)

Each maritime operator is required to establish and maintain an Emissions Monitoring Plan (EMP), covering the ships under its responsibility.

The EMP is submitted at company level through the METS platform and must include, among other information:

- Details of the maritime operator and its activities.
- The list of ships under the operator's responsibility.
- Applicable fuels and emission sources for each ship.
- Emissions factors and monitoring methodologies.
- Procedures for emissions monitoring, data collection, management and reporting.
- Relevant arrangements for delegated responsibility and emissions reduction claims, where applicable.

The EMP must be submitted to the competent regulator within 42 days of commencing the first regulated maritime activity.

The EMP is assessed and approved by the competent regulator and is not subject to verification by an independent verifier.

Any subsequent changes to the monitoring arrangements, fleet composition, fuels, emission sources or monitoring methods must be reflected in the EMP through the applicable variation procedure in METS.

Monitoring and Calculation of Emissions

Maritime operators are required to monitor greenhouse gas emissions arising from regulated maritime activities, covering:

- Carbon dioxide (CO_2);
- Methane (CH_4);
- Nitrous oxide (N_2O).

Emissions are calculated on a tank-to-wake basis and expressed in tonnes of CO_2 equivalent (CO_2e). The applicable global warming potential values for methane and nitrous oxide are 28 and 265, respectively, in accordance with IPCC Fifth Assessment Report (AR5) values.

The UK ETS provides for four monitoring methodologies:

- Method A: Bunker Delivery Notes (BDNs) and periodic stocktakes of fuel tanks.
- Method B: Monitoring of fuel tanks on board.
- Method C: Use of flow meters for applicable combustion processes.
- Method D: Direct measurement of greenhouse gas emissions.

The selected methodology must be consistently applied in accordance with the approved EMP. Operators must also establish appropriate data-flow and control procedures to ensure the accuracy, completeness and reliability of reported emissions.

Reporting and Verification Requirements

The UK ETS establishes an annual reporting and verification cycle at company level.

The first reporting period covers **1 July to 31 December 2026**. Subsequent reporting periods will follow the calendar year, from 1 January to 31 December.

For each scheme year, the maritime operator must prepare an Annual Emissions Report (AER), consolidating the emissions data from all ships under its responsibility.

The AER must be independently verified by a verification body accredited by the United Kingdom Accreditation Service (UKAS) for the relevant UK ETS maritime verification activities.

The verified AER, together with the corresponding verification report, must be submitted to the competent regulator through METS by **31 March of the following year**.

The verification process includes an assessment of the reported emissions, the monitoring arrangements, supporting documentation and the effectiveness of the operator's data management and control procedures.

Verification Site Visits

A site visit is an integral and mandatory element of the annual verification process under the UK ETS Maritime Scheme.

The verification body determines the location and scope of the site visit based on its risk analysis, taking into consideration the operator's monitoring arrangements, data-flow activities and internal control procedures.

The site visit is generally expected to take place at the location where the monitoring and control of relevant emissions data are managed. Depending on the organisation's arrangements, this may be the ISM Company's office or another relevant location.

A site visit does not necessarily require attendance on every ship or at every location where information is maintained. The extent of the visit is determined by the verifier based on the outcome of its risk assessment.

A virtual site visit may be conducted only where:

- The verifier has performed a risk analysis and determined that a virtual visit can provide reasonable assurance;
- The maritime operator has submitted an application to the competent regulator, including the verifier's supporting risk analysis, **by 28 February of the year following the relevant scheme year**; and
- The regulator has granted approval.

Therefore, physical site visits should normally be anticipated as part of the annual verification arrangements.

For the first reporting period, operators should plan their verification activities sufficiently early to allow completion of the site visit and verification process before the AER submission deadline of 31 March 2027.

Surrender of Emissions Allowances

Following verification and submission of the AER, maritime operators are required to surrender UK ETS allowances corresponding to their emissions figure for surrender.

One allowance must be surrendered for each tonne of CO_2 equivalent (tCO_2e) included in the emissions figure for surrender.

The surrender obligation is calculated by deducting any applicable surrender deduction from the total reported maritime emissions.

The surrender of allowances is carried out through the operator's Maritime Operator Holding Account (MOHA) in the UK ETS Registry.

For the initial implementation period, the surrender deadline for both the 2026 and 2027 scheme years is **30 April 2028**.

For subsequent scheme years, allowances must be surrendered by 30 April of the year following the relevant reporting period.

Failure to surrender the required allowances by the applicable deadline may result in civil penalties, in addition to the obligation to surrender the outstanding allowances.

Act now

Shipowners and managers whose vessels may fall within the scope of the UK ETS and UK MRV are advised to:

1. Assess the applicability of the scheme to their fleet, taking into consideration ship type, gross tonnage, operational activities and geographical scope.
2. Establish the entity responsible for UK ETS compliance and, where applicable, formalise the delegation of responsibility to the ISM Company through a legally binding agreement.
3. Ensure that the maritime operator account is established in METS and that the required Emissions Monitoring Plan is submitted within the applicable timeframe.
4. Establish appropriate procedures for monitoring, collecting and recording emissions data, ensuring consistency with the approved EMP.
5. Appoint an appropriately accredited independent verification body and arrange the necessary verification activities in advance of the reporting deadline.
6. Ensure that the supporting documentation and records required for verification are maintained and readily available.
7. Establish the necessary arrangements for obtaining and surrendering UK ETS allowances within the applicable deadlines.
8. Ensure that any outstanding monitoring, reporting and verification obligations arising under the former UK MRV framework are completed, including the verification and submission of the relevant emissions reports within the applicable deadlines.
9. Retain Existing UK MRV monitoring plans, emissions reports, supporting records and verification documentation, as necessary to demonstrate compliance with the former framework and to address any outstanding regulatory obligations.
10. Review their existing monitoring and reporting arrangements, if previously subject to UK MRV, and identify the changes required to comply with the UK ETS Maritime framework. Existing procedures and monitoring arrangements should not automatically be assumed to satisfy the new UK ETS requirements.

Failure to complete the above actions within the prescribed timelines may result in regulatory non-compliance and associated enforcement measures.

DBS – Extension of Accreditation for UK ETS Maritime Verification

Dromon Bureau of Shipping is currently progressing with the extension of its existing accreditation scope with the United Kingdom Accreditation Service (UKAS) to include the verification of annual emissions reports under the UK Emissions Trading Scheme (UK ETS) Maritime framework.

This scope extension builds upon DBS's existing experience and accreditation in greenhouse gas emissions verification and validation activities, and aims to enable DBS to provide independent verification services to maritime operators in accordance with the applicable UK ETS regulatory and accreditation requirements.

The accreditation process is currently ongoing. Further information regarding the availability of DBS's UK ETS Maritime verification services will be communicated following the successful completion of the accreditation process and formal confirmation of the extended scope.

For further guidance, companies should consult:

- The Greenhouse Gas Emissions Trading Scheme (Amendment) Order 2026 (SI 2026/392). https://www.legislation.gov.uk/uksi/2026/392/made
- UK Government – Environment Agency, UK Emissions Trading Scheme for Maritime: How to Comply. https://www.gov.uk/guidance/uk-emissions-trading-scheme-for-maritime-how-to-comply
- UK Government – METS guidance and supporting regulatory publications:
  https://manage-emissions-reporting.service.gov.uk/landing
  https://www.gov.uk/government/publications/participating-in-the-uk-ets/participating-in-the-uk-ets#registry