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APPLICATION:

Type of ships: **Ships of 5,000 GT and above, which falls into one or more of the categories in regulations 2.2.5, 2.2.7, 2.2.9, 2.2.11, 2.2.14 to 2.2.16, 2.2.22, and 2.2.26 to 2.2.29 of the revised MARPOL Annex VI**

Flag(s): **All flags**

**REVIEW AND VERIFICATION OF SEEMP PART III AND OF THE ATTAINED ANNUAL OPERATIONAL CII
AND DETERMINATION OF THE CII RATING**

The purpose of this Newsletter is to inform Companies on the requirements regarding the verification of compliance according to the requirements of Regulation 26.3 and Regulation 28 of Annex VI of MARPOL Convention (hereinafter referred to as: Annex VI) is requested.

0.0 References

MEPC.346(78) – 2022 GUIDELINES FOR THE DEVELOPMENT OF A SHIP ENERGY EFFICIENCY MANAGEMENT PLAN (SEEMP)

MEPC.347(78) – GUIDELINES FOR THE VERIFICATION AND COMPANY AUDITS BY THE ADMINISTRATION OF PART III OF THE SHIP ENERGY EFFICIENCY MANAGEMENT PLAN (SEEMP)

MEPC.348(78) – 2022 GUIDELINES FOR ADMINISTRATION VERIFICATION OF SHIP FUEL OIL CONSUMPTION DATA AND OPERATIONAL CARBON INTENSITY

MEPC.352(78) – 2022 GUIDELINES ON OPERATIONAL CARBON INTENSITY INDICATORS AND THE CALCULATION METHODS (CII GUIDELINES, G1)

MEPC.353(78) – 2022 GUIDELINES ON THE REFERENCE LINES FOR USE WITH OPERATIONAL CARBON INTENSITY INDICATORS (CII REFERENCE LINES GUIDELINES, G2)

MEPC.338(76) - 2021 GUIDELINES ON THE OPERATIONAL CARBON INTENSITY REDUCTION FACTORS RELATIVE TO REFERENCE LINES (CII REDUCTION FACTOR GUIDELINES, G3)

MEPC.354(78) – 2022 GUIDELINES ON THE OPERATIONAL CARBON INTENSITY RATING OF SHIPS (CII RATING GUIDELINES, G4)

MEPC.355(78) – 2022 INTERIM GUIDELINES ON CORRECTION FACTORS AND VOYAGE ADJUSTMENTS FOR CII CALCULATIONS (CII GUIDELINES, G5)

RULES FOR TECHNICAL SUPERVISION OF SEA-GOING SHIPS, Part 22 – POLLUTION PREVENTION, Section 9

1.1 Definitions

Definitions stated in Regulation 2 of Annex VI (MEPC.328(76)) should apply.

1.2 Application

Subject requirements apply to ships of 5,000 gross tonnage and above, falling into one or more of the categories in regulations 2.2.5, 2.2.7, 2.2.9, 2.2.11, 2.2.14 to 2.2.16, 2.2.22, and 2.2.26 to 2.2.29 of the revised MARPOL Annex VI (Resolution MEPC.328(76)).

1.3 Applicable requirements

1.3.1 Requirements of Annex VI, Regulation 26.3 are applicable to SEEMP Part III preparation, verification, and related company audits.

1.3.2 Requirements of Annex VI, Regulation 28 are applicable to the calculation of the attained annual operational CII, its reporting to the Administration or to any recognized organization, determination of the required annual operational CII, verification of the attained annual operational CII, and determination of the operational carbon intensity rating.

1.3.3 For ships rated as D for three consecutive years or rated as E, Regulation 28 requires a review of SEEMP Part III and the development of a plan of corrective actions.

1.3.4 Requirements of Annex VI, Regulation 5.4.6 are applicable to SEEMP Part III verification and issue of Confirmation of Compliance.

1.3.5 Requirements of Annex VI, Regulation 6.6 and 6.8 are applicable to verification of the attained annual operational CII, determination of the operational carbon intensity rating of the ship and issue of Statement of Compliance.

1.3.6 Requirements of Annex VI, Regulation 8.3 are applicable to the form of a Statement of Compliance.

1.3.7 Requirements of Annex VI, Regulation 9.12 are applicable to the duration and validity of the Statement of Compliance.

1.4 Application dates

1.4.1 SEEMP Part III shall be verified to comply with Annex VI, Regulation 26.3.1 on or before 1 January 2023 taking into account the guidelines in Resolution MEPC.347(78).

1.4.2 After the end of the calendar year 2023 and after the end of each following calendar year, each ship of 5,000 gross tonnage and above which falls into one or more of the categories in regulations 2.2.5, 2.2.7, 2.2.9, 2.2.11, 2.2.14 to 2.2.16, 2.2.22, and 2.2.26 to 2.2.29 of Annex VI shall calculate the attained annual operational CII over a 12-month period from 1 January to 31 December for the preceding calendar year, using the data collected in accordance with regulation 27 of Annex VI, taking into account the guidelines in Resolution MEPC.352(78).

1.4.3 Within three months after the end of each calendar year, the ship shall report to its Administration, or any organization duly authorized by it, the attained annual operational CII via electronic communication and using a standardized format in Appendix 3 of Resolution MEPC.346(78).

1.4.4 In the event of any transfer of a ship addressed in Annex VI, regulations 27.4, 27.5 or 27.6 completed after 1 January 2023, a ship shall, after the end of the calendar year in which the transfer takes place, calculate and report the attained annual operational CII for the full 12-month period from 1 January to 31 December in the calendar year during which the transfer took place, in accordance with Annex VI, regulations 28.1 and 28.2, for verification in accordance with regulation 6.6 of Annex VI, taking into account guidelines developed by the Organization.

1.4.5 For a ship rated as D for three consecutive years or rated as E, the SEEMP shall be reviewed to include the plan of corrective actions, taking into account the guidelines in Resolution MEPC.346(78). The revised SEEMP shall be submitted to the Administration or any organization duly authorized by it for verification, preferably together with, but in no case later than 1 month after reporting the attained annual operational CII in accordance with Annex VI, regulation 28.2.

1.4.6 The Statement of Compliance related to fuel oil consumption reporting and operational carbon intensity rating shall be issued to the ship no later than five months from the beginning of the calendar year, upon determination and verification pursuant to regulations 6.6.1 to 6.6.3 of Annex VI.

1.4.7 The Statement of Compliance issued pursuant to regulation 6.6 of Annex VI shall be valid for the calendar year in which it is issued and for the first five months of the following calendar year. The Statement of Compliance issued pursuant to regulation 6.7 of Annex VI shall be valid for the calendar year in which it is issued, for the following calendar year, and for the first five months of the subsequent calendar year.

1.5 Review and verification of SEEMP Part III

Administration may authorize CRS to carry out verification of SEEMP Part III and company audits related to SEEMP Part III and issue the Confirmation of Compliance.

The purpose of SEEMP Part III is to develop a ship-specific method to calculate the ship's attained annual operational CII, processes used to report this value to the Administration, the required annual operational CII, an implementation plan documenting how the required annual operational CII will be achieved over the next three years and a procedure for self-evaluation and improvement required by Regulation 26.3.1 of MARPOL Annex VI.

Pursuant to Regulation 5.4.6 of MARPOL Annex VI, the Administration shall ensure that the ship's SEEMP complies with Regulation 26.3.1 of MARPOL Annex VI prior to collecting any data.

A copy of the examined SEEMP Part III shall be provided on board on or before 1 January 2023, and this shall be done prior to performing any calculations under Regulation 28 of MARPOL Annex VI to ensure that the methodology and processes are in place prior to the beginning of the ship's first reporting period.

Specific requirements of the Administration should be also taken into account by CRS.

1.5.1 Initial verification (regulation 5.4.6 of Annex VI)

Company shall prepare SEEMP Part III, taking into account template guidelines in the Resolution MEPC.346(78), and submit it for review. If needed, CRS will provide the company with the guidance on what to include for mandatory sections of subject IMO guidelines, and to advise the company in preparing SEEMP Part III.

Submitted SEEMP Part III and supplementary documentation, if any, shall be reviewed by CRS to verify its compliance with regulation 26.3.1 of Annex VI.

Verification in accordance with Resolution MEPC.347(78) shall consist of, but will not be limited to the following elements:

- .1 verification of the method of calculations of the CII and that there is a proper description of the method to report ship data to the Administration or recognized organization;
- .2 assessment of the effectiveness (of the combination) of measures, so that when implemented the ship will with reasonable assurance achieve the required annual operational CII, including the goal as set in accordance with paragraphs 4.1.7 and 9.7 of the SEEMP Guidelines in Resolution MEPC.346(78); and
- .3 robustness of the three-year implementation plan and, where applicable, the plan of corrective actions, including whether realistic timelines for implementation of actions have been included.

Review and verification shall be based on documentary evidence.

In accordance with regulation 5.4.6 of Annex VI, this process shall be done prior to 1 January 2023 for existing ships or before a new ship is put in service.

On the satisfactory assessment of the SEEMP Part III, Confirmation of Compliance shall be issued by CRS.

1.5.2 Periodical verification (regulation 5.4.6 of Annex VI)

If any part of SEEMP Part III is updated, and in any case every three years, CRS shall perform a periodical verification (see also verification elements in item 4.1.1) to ensure the Plan complies with regulation 26.3.1 of Annex VI.

On satisfactory assessment of SEEMP Part III, Confirmation of Compliance shall be issued by CRS.

1.5.3 Additional verifications (regulation 6.8 of Annex VI)

CRS shall, in the case of a ship rated as D for three consecutive years or a ship rated as E, perform an additional verification to ensure that a plan of corrective actions has been established in accordance with regulations 28.7 and 28.8 of Annex VI. The revised SEEMP Part III shall be verified taking into account item 4.1.2.

On the satisfactory assessment of revised SEEMP Part III, Confirmation of Compliance shall be issued by CRS.

On the satisfactory verification of the plan of corrective actions, Statement of Compliance according to regulation 6.8 of Annex VI shall be issued by CRS.

1.5.4 Company audits

CRS shall, in accordance with regulation 26.3.3 of Annex VI, perform periodical company audits in order to:

- .1 verify that the SEEMP for which the Confirmation of Compliance has previously been issued complies with regulation 26.3.1 of Annex VI and, in the case of non-compliance, requires remedial action;
- .2 confirm that the ship is being operated in accordance with SEEMP Part III, regardless of its rating;
- .3 verify the progress made in the (corrective) actions to be taken in the execution of the three-year implementation plan and the plan of corrective actions;
- .4 verify self-assessment and improvement of actions taken; and
- .5 verify the assignment of responsibilities related to the implementation and monitoring of measures.

Relevant guidelines for carrying out company audits are given in Resolution MEPC.347(78) and in IACS Recommendation - SEEMP/ CII implementation guidelines (in development).

The periodical company audits may include annual audits of the company (company audits) and verifications on board the ship (shipboard audits).

NOTE: As the periodicity of company audit with mandatory nature is neither specified in MARPOL Annex VI regulation 26.3.3, nor in MEPC.347(78), the Administration may decide upon the frequency of periodical company audits. In the absence of specified frequency by the Administration, paragraph 5.10 in MEPC.347(78) for company audits may be followed.

If a vessel has been rated D for 3 consecutive years, or E in one year, an additional company audit shall be carried out.

A shipboard audit is not required unless the Administration decides otherwise, or if the company audit is concluded as non-satisfactory.

Additional company audits, if undertaken, shall be six months after the issuance of the Statement of Compliance at the latest.

Periodical company audits may be combined with the ISM audits.

The audits shall be carried out in accordance with documented procedures.

The audit result and any non-compliance identified at the audit shall be documented and brought to the attention of the Company.

The verifications may be carried out in accordance with guidelines on the implementation of the ISM Code referred to in Chapter 15 of the ISM Code.

1.6 Review and verification of the attained annual operational CII and determination of the CII rating

Under the data collection system for fuel oil consumption and the operational carbon intensity rating of ships, as specified in Annex VI, an Administration may authorize CRS to receive the data from a ship, verify the data for compliance with the requirements, verify the attained annual operational CII against the required annual operational CII, determine the operational carbon intensity rating, issue the Statement of Compliance, and submit the data to the Organization.

Regulation 28.6 of Annex VI specifies that the attained annual operational CII shall be documented and verified against the required annual operational CII to determine operational carbon intensity rating A, B, C, D, or E, either by the Administration or by any organization duly authorized by it, taking into account the guidelines in Resolution MEPC.348(78).

Specific requirements of the Administration should be also taken into account by CRS.

1.6.1 Review and verification of the attained annual operational CII

The company shall submit ship annual fuel consumption data and attained annual operational CII to CRS for verification.

Submitted annual data report and supplementary documentation, if any, shall be reviewed by CRS to verify the attained annual operational CII using the data over a 12-month period from 1 January to 31 December for the preceding calendar year, taking into account the guidelines in Resolution MEPC.348(78), item 5.2 to 5.6.

In cases where the calculation of the attained annual operational CII is not possible due to the unavailability of some data, such as where a new ship is delivered after 1 January in the preceding year, the attained annual operational CII shall be verified using the available data covering the corresponding period of the preceding calendar year.

For a ship which is regarded by the Administration as a newly constructed ship as per regulation 5.4.3 of Annex VI due to major conversion, including extensive changes of carrying capacity and/or ship type during the year, the required and attained annual operational CII shall be calculated and verified as per a newly constructed ship for the period after conversion. For the year when the major conversion is made, the data for the partial year before conversion shall still be reported for verification but will not be included in the calculation and verification of the attained annual operational CII.

For a ship which has undergone a transfer addressed in regulations 27.4, 27.5, or 27.6 of Annex VI, the losing Administration neither needs to verify the attained annual operational CII nor to determine the annual CII rating of the ship for the partial year. The attained annual operational CII should be verified by the receiving Administration using the data over an entire calendar year. In such cases, the aggregated data necessary to calculate the attained annual operational CII before the transfer, which should have already been verified by the losing Administration, can be directly used by the receiving Administration without further verification.

Calculation of attained annual operational CII is to be in accordance with CII guidelines G1 in Resolution MEPC.352(78).

1.6.2 Determination of the CII rating

Determination of required annual operational CII is to be in accordance with CII reference line guidelines G2 in Resolution MEPC.353(78) and with CII reduction factor guidelines G3 in Resolution MEPC.338(76). CRS shall determine the operational carbon intensity rating for the ship, taking into account the CII rating guidelines G4 in Resolution MEPC.354(78).

The attained and required annual operational CII, as well as the rating boundaries, shall be all given with three decimal places. If the attained annual operational CII happens to land on a rating boundary, the ship shall be rated as the better of the two ratings.

1.6.3 Issue of a Statement of Compliance

In accordance with regulation 6.6 of Annex VI, upon receipt of reported data pursuant to regulation 27 of Annex VI and attained annual operational CII pursuant to regulation 28 of Annex VI and satisfactory completion of the verification, the Statement of Compliance shall be issued by CRS.

CRS shall consider whether a corrective action plan is required according to regulation 6.8 of Annex VI.

In the case of a corrective actions plan being required but not submitted together with the attained annual operational CII, CRS shall inform the company in a timely manner that a revised SEEMP including a plan of corrective actions, must be submitted for verification no later than one month after reporting the attained annual operational CII.

The Statement of Compliance shall not be issued in such a case unless a corrective action plan is duly developed and reflected in the SEEMP and verified by CRS, taking into account the guidelines in the Resolution MEPC.347(78).

Should any material discrepancy be identified by CRS in the reported data and/or in the calculation of required/attained annual operational CII, CRS shall communicate that to the company on a timely basis for clarification or correction. A discrepancy is considered material if the discrepancy or aggregation of discrepancies could influence the reported total by more than $\pm 5\%$.

The Statement of Compliance shall not be issued in such a case unless the material discrepancy is clarified or corrected.