



## European Shipowners | ECSA Position Paper on Simplification and Administrative Burden

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### Executive Summary & main recommendations:

European Shipowners | ECSA welcome the European Commission's simplification efforts through the Omnibus packages, particularly the commitment to reduce reporting costs by 25% for all companies and 35% for SMEs. However, horizontal initiatives alone cannot fully address the specific challenges facing the shipping industry. European shipping represents 35% of the global fleet, carries 76% of EU external trade, and comprises 90% of SMEs.

To achieve meaningful simplification, ES|ECSA proposes a **Maritime Omnibus Package** and a **Maritime Digital Act**, structured around three core pillars:

- Pillar 1: deliver **simplification and proportionality for shipping**, with a focus on the needs of SMEs
- Pillar 2: **alignment of EU and international reporting standards** addressed **through the Maritime Omnibus package**
- Pillar 3: **digital integration across maritime legislation**, addressed **through the Maritime Digital Act**

Practical simplification, regulatory coherence and alignment with international shipping standards, and digital integration will help ensure Europe maintains a competitive shipping sector capable of delivering both economic prosperity and environmental sustainability.

### Introduction

**European Shipowners | ECSA strongly support the European Commission's overarching simplification effort to reduce unnecessary regulatory costs and burdens for European companies as part of its wider drive to strengthen EU competitiveness.**

The "Omnibus" packages, aimed at streamlining EU legislation and simplifying reporting requirements, represent a positive step towards enhancing the competitiveness of European businesses and supporting SMEs.

European shipping is one of Europe's key strategic industries and is a cornerstone of the continent's energy, food and supply chain security. European shipping represents around 35% of the global fleet, making Europe a leader in global supply chains, and, with around 76% of the EU's external trade carried by sea, it underpins the competitiveness of the European economy. However, excessive administrative burdens and fragmented reporting requirements undermine the competitiveness of European shipping companies, which already operate under extensive international regulatory obligations. These challenges place a particular strain on the SMEs which make up 90% of EU shipping companies.



European Shipowners therefore particularly welcome the Commission's commitment to cut reporting costs by 25 percent for all companies and by 35 percent for SMEs. To help realise these objectives in the maritime sector, ES|ECSA urges the Commission to introduce a Maritime Omnibus Package and a Maritime Digital Act. Together, and consistent with the EU Maritime Industrial Strategy, these initiatives will strengthen the competitiveness, resilience and sustainability of Europe's maritime industries.

## Challenges and Solutions

**European Shipowners | ECSA welcome the Omnibus Simplification Packages submitted to date.** Several of them send positive signals of reduced regulatory burdens for the shipping industry.

- Omnibus I (*sustainability*) focuses on rationalising the EU's sustainability reporting framework and represents a positive first step toward reducing reporting burdens for shipping companies. It proposes targeted amendments to simplify, modify and/or clarify the scope of companies covered by due diligence and sustainability reporting obligations under the Corporate Sustainability Due Diligence Directive (CSDDD) and the Corporate Sustainability Reporting Directive (CSRD). It also aims to improve the usability and reduce reporting obligations under the EU Taxonomy Regulation, which is a classification system, defining which economic activities are considered environmentally sustainable.
- Omnibus II (*EU investments*) aims to simplifying legislation regarding EU investments has the potential to mobilise public and private investment; channelling funds into the green and digital transition, helping finance investments in clean fuels, shore power, and vessel retrofits.
- Omnibus IV (*small mid-caps and digitalisation*) is particularly encouraging as it further demonstrates a commitment to remove some of the administrative hurdles that affect SMEs.
- The *Environmental Omnibus package* should continue this trend by addressing simplification in other key areas of environmental legislation that impact also the shipping sector.

However, while these horizontal initiatives are positive steps forward, on their own they **cannot fully address the specific and unique challenges facing the shipping industry**. For the Commission's simplification effort to unlock concrete reductions in administrative burden and bring legal clarity, predictability, and proportionality, **a dedicated Maritime Omnibus package and a Maritime Digital Act are needed**.

Together, a dedicated Maritime Omnibus package and Maritime Digital Act should address three core pillars necessary for the future competitiveness of European shipping:

- **Pillar 1: the simplification of reporting requirements**, with a focus on the needs of SMEs
- **Pillar 2: the alignment of EU and international reporting standards** addressed through the Maritime Omnibus package
- **Pillar 3: digital integration across maritime legislation**, addressed through the Maritime Digital Act, embedding the *digital by default* and *once only* principles.

## Pillar I: Simplification of Reporting Requirements – especially for SMEs

Current EU regulations, notably the CSRD and the Taxonomy Regulation have imposed excessive data and reporting obligations, while the CSDDD creates legal and operational uncertainties, requiring further guidance and clarifications given the international nature of the shipping



industry. ES|ECSA welcomes Omnibus I and the Commission's efforts to harmonise these regulations. However, despite the positive momentum, the complexity of the existing regulatory framework still risks overburdening businesses.

To maximise the positive impact of Omnibus I on the shipping industry, ES|ECSA encourages the European Commission to ensure the following:

- The **volume of individual data points** companies must report under the different EU sustainability regulations **should be reduced by more than half**, while improving their **quality and usability** is critical.
- The revised **European Sustainability Reporting Standards (ESRS)** **should not favour the financial control principle over the operational control principle**. Prioritising the financial control principle is problematic particularly for companies with vessels operating under time charter agreements (TCAs), as shipowners must account for emissions as Scope 1, while charterers report the same emissions as Scope 3. The original sector-agnostic standards effectively led to double reporting in shipping where many companies had to report their emissions using both principles when operating under TCAs. While the principle of comparability in reporting is important, ensuring clear, fit-for-purpose metrics is essential. We note that the revised ESRS published by EFRAG in December 2025, allows for utilising the operational control method. We urge that these provisions remain in the final version of the ESRS. Additionally, ambiguities between definitions of "own workforce" (ESRS S1) and "workers in the value chain" (ESRS S2) further add confusion.
- It is necessary that the **voluntary SME standard (VSMEs)** **provides a solid, usable and simplified reporting framework**, to limit the requested data to the essentials and to allow shipowners to meet their reporting obligations on the basis of data already collected under existing regulations. Clarifications on how the VSMEs can be adopted by companies is also important.
- The specificities of the shipping sector are not well reflected in the European Sustainability Reporting Standards (ESRS). Further implementation guidance would be useful not only for reporting companies, but also for auditors who provide assurance on the reported sustainability information.

ES|ECSA proposes the **introduction of a Maritime Omnibus package** to translate the Commission's simplification objectives into concrete measures for shipping. A Maritime Omnibus package should also **address indirect reporting obligations and improve Taxonomy's Technical Screening Criteria for shipping**. Specifically:

- While the Commission proposes to reduce the burden for actors under the **Taxonomy Regulation**, banks and investors still need to require data reporting from their clients. This creates **indirect reporting obligations** for shipping companies. The Commission must ensure the burden is **reduced in practice** for the sector. Additionally, the current Technical Screening Criteria can better achieve their core purpose – directing finance towards decarbonisation – by addressing unworkable, contradictory, and overly burdensome requirements.
- Data requirements need to be **consistent with accounting frameworks**. Current OPEX and CAPEX definitions diverge from International Financial Reporting Standards (IFRS),



forcing companies to redo accounts across hundreds of entities solely for Taxonomy reporting. These definitions must be aligned with IFRS and other accounting frameworks. The presentation of **Taxonomy alignment should be voluntary** ensuring flexibility and reducing costs for companies.

## **Pillar II: Align EU and international reporting standards and ensure the coherence of EU regulations (through the Maritime Omnibus package)**

European shipping is a globally regulated sector, already subject to international compliance frameworks under IMO and ILO conventions. The introduction of additional EU-level requirements risks undermining its global competitiveness. The Maritime Omnibus package should therefore focus on regulatory alignment between EU and international standards.

### **A. Remove overlapping ship recycling regulations**

The coexistence of several waste-related EU and international legislative frameworks creates legal uncertainty and administrative duplication for shipowners when it comes to safe and environmentally sound ship recycling. Specifically, the coexistence of the EU Waste Shipment Regulation (WSR), the Basel Convention on the control of transboundary movements of hazardous wastes and their disposal (Basel Convention) and its Ban Amendment, the EU Ship Recycling Regulation (SRR), and the Hong Kong Convention (HKC) leads to inconsistent application, prosecution risks, and unnecessary costs for shipowners. **Targeted amendments to the EU Waste Shipment Regulation** are needed to avoid risks of prosecution and to **reaffirm the legal precedence of HKC over the Basel Convention**, in line with the overarching *lex specialis principle*. Addressing this discrepancy and focusing on the dedicated ship-specific international framework in place would allow easier access to high-standard recycling capacity worldwide. In practice, when the decision to recycle non-EU flagged ships is taken while sailing in EU waters, all HKC-approved facilities, regardless of whether they are located in OECD countries or not, should be eligible without prejudice to the SRR. Moreover, it should be explicitly possible for EU-flagged ships, when the recycling decision is taken while sailing in EU waters, to be recycled in facilities located outside the OECD, provided that such facilities are compliant with EU SRR and have been added to the EU list.

Such amendments would maintain strict environmental safeguards while encouraging more facilities worldwide to apply for EU listing, contributing to further raising safety and environmental standards, and securing a level playing field in ship recycling.

### **B. Harmonisation of EU ETS and FuelEU Maritime reporting obligations**

Ensuring **alignment of EU ETS and FuelEU Maritime** reporting obligations is crucial to avoid unnecessary burdens for companies and to maintain a clear, consistent regulatory framework. **The compliance cycles of the two systems are currently not aligned**, requiring shipping companies to undertake similar compliance steps regarding the monitoring, verification and reporting of data at different moments of the year.

Furthermore, European shipowners, which operate in different EU Member States, and in particular only across the EEA, face additional requirements introduced by EU Member States in relation to the EU ETS and FuelEU Maritime, such as the development of the Monitoring Plans. This increases costs and the administrative burden for companies, which have to adapt to varying requirements depending on the administering authorities. **The practical implementation of the ETS Directive should be as uniform as possible across the EU.** The Commission should



organise targeted workshops where the industry can share its experiences with how the ETS Directive is implemented in different EEA countries.

In addition, the cost recovery mechanism provided by the EU ETS has not been included under the FuelEU Maritime regulation. In line with the polluter pays principle, the EU ETS recovery mechanism should be included in the FuelEU Maritime regulation. This is essential to ensure legal consistency and operational clarity across jurisdictions.

### C. Regulatory certainty for Zero-Emission Technologies

According to **FuelEU Maritime**, as of 2030, container and passenger ships must connect to Onshore Power Supply (OPS) when at berth and use it for all their electrical power demand, or alternatively use zero-emission technologies (ZET), such as fuel cells and batteries, as defined in Annex III. The European Commission needs to adopt an **implementing act establishing detailed criteria for acceptance of these ZET**. In 2024, experts provided information to this end, as part of the Sustainable Alternative Power for Shipping (SAPS) sub-group of the European Sustainable Shipping Forum (ESSF).

The lack of an implementing act and therefore of regulatory certainty is halting the deployment of such innovative technologies, specifically of high-temperature fuel cells, despite their broad recognition as an effective and viable decarbonisation solution for the maritime sector.

Immediate clarification from the Commission through official communication is needed to support continued industrial developments.

### D. Preserving the competitiveness of our offshore industry

The current **EU MRV and EU ETS framework is not fit for purpose** in capturing the unique operational characteristics of the offshore segment of the shipping industry. With the EU ETS coming into effect on 1 January 2027 for offshore vessels above 5,000 GT, this inadequacy is expected to result in significant negative impacts, and in the distortion of the level playing field in the sector, placing European offshore operators at a competitive disadvantage.

The inclusion of offshore vessels in the EU ETS was agreed at the end of political negotiations and was thus not accompanied by a legal impact assessment of the Commission. This inclusion is therefore proving very difficult to implement in practice, because the current list of vessel types used to define the scope of the offshore sector is both incomplete and ambiguous, and because the current definition of a "port of call" does not adequately reflect the realities of offshore operations. European Shipowners are concerned that **this flawed framework will lead to unintended and disproportionate consequences for the European offshore industry**.

ES|ECSA has proposed solutions, but several key issues remain unaddressed, despite the efforts of the Commission to give (non-legally binding) guidance on the EU MRV implementation. Only a revision of the ETS Directive would allow proper correction to the MRV/ETS frameworks. If these solutions are not adopted as soon as possible in 2026, **ES|ECSA calls on the Commission to temporarily "stop the clock" on the inclusion of the offshore segment under the EU ETS until the revision of the Directive, which should start in the second half of 2026, is completed**.

## Pillar III: Digitalisation through a Maritime Digital Act



Digitalisation is a key enabler of harmonisation and streamlining administrative requirements. ES|ECSA proposes the adoption of a **Maritime Digital Act** to streamline and modernise reporting requirements across the sector.

### A. A unified reporting system for shipping

A Maritime Digital Act can establish a unified reporting system for shipping, integrating existing obligations **into a single, harmonised interface**, particularly for customs procedures on import, transit and export of goods, non-harmonised VAT export rules, and reporting requirements at each port call. The current framework of the **European Maritime Single Window environment** (EMSWe) aims to reduce the administrative burden through a harmonised and streamlined application of national, EU and international legal reporting requirements at EU ports. However, European shipowners believe that the reporting requirements should be further harmonised across the member states.

The efficient implementation of the EMSWe and its ability to reuse data exchange between EU Member States should be leveraged to further reduce the customs barriers that exist for vessels moving goods between EU ports. Ferry operations, for example, face very short turnaround times, making duplicate data entry a major operational burden. Standardised data formats and interoperability between EU and national systems would further improve efficiency, while also enhancing Europe's competitiveness.

Additionally, the Maritime Digital Act could **build upon existing frameworks** like the Monitoring, Reporting and Verification (MRV) Regulation. By leveraging pre-existing digital portals, data submitted once could be reused across multiple regulatory areas, eliminating duplicative reporting and reducing administrative burdens.

### B. Streamlining access to financing and green investment mechanisms

Access to EU funding and investment should be simplified to **accelerate the uptake of clean fuels and technologies for shipping**. Fit-for-purpose criteria for retrofitting projects and energy efficiency upgrades, are essential to unlock investments. The criteria of the Innovation Fund, for example, clearly is not appropriate in catering for the needs of all shipping sectors. We thus call on the Commission to, in upcoming calls of the Innovation Fund, consider the particularity of operation, characteristics and modus operandi of all shipping sectors.

Moreover, as long as the shipping sector continues to pay for its emissions under the EU ETS, the EU ETS revenues generated at the EU and national level should be used to foster the uptake of maritime clean technologies and fuels, in particular to bridge the significant price gap between conventional and low- and zero-carbon shipping fuels.

### C. Digital tools for seafarers

Additionally, despite being essential to the maritime industry, seafarers are often subject to overlapping reporting obligations, particularly in relation to safety and environmental compliance. Streamlining these requirements through digital tools and harmonised reporting frameworks, such as a Maritime Digital Act, can significantly **reduce paperwork and administrative stress onboard**. Digitalisation and minimising duplicative documentation will improve seafarers' daily lives on board and operational efficiency.

## Conclusions





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European Shipowners remain fully committed to supporting the EU's ambitious sustainability and simplification agenda. However, the path to sustainability must be viable: excessive administrative burden and regulatory fragmentation threaten the very competitiveness and innovation that will enable European shipping to lead this transition.

The Commission's Omnibus simplification packages provide important momentum, but industry collaboration is needed to translate this initiative into meaningful progress for the shipping sector in general and in particular for the SMEs that make up 90% of the sector's companies.

EC|ECSA's proposal centres on three interlinked pillars designed to deliver genuine simplification and competitiveness for European shipping.

- to deliver **simplification and proportionality** for shipping (Pillar 1)
- to introduce a **Maritime Omnibus Package** to align **EU and international standards** (Pillar 2); and
- a **Maritime Digital Act**, to achieve **digital integration** across all maritime legislation (Pillar 3).

Practical simplification, regulatory coherence and alignment with international shipping standards, and digital integration will help ensure Europe maintains a competitive shipping sector capable of delivering both economic prosperity and environmental sustainability. European shipping is a strategic asset that underpins Europe's supply chain security and economic competitiveness. With the right regulatory approach, it will continue to serve as the backbone of a greener, more resilient, and prosperous European economy.

#### For further information

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