

COMMISSION REGULATION (EC) No 994/2008**of 8 October 2008****for a standardised and secured system of registries pursuant to Directive 2003/87/EC of the European Parliament and of the Council and Decision No 280/2004/EC of the European Parliament and of the Council****(Text with EEA relevance)**

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to Directive 2003/87/EC of the European Parliament and of the Council of 13 October 2003 establishing a system for greenhouse gas emission allowance trading within the Community and amending Council Directive 96/61/EC⁽¹⁾, and in particular Article 19(3) thereof,Having regard to Decision No 280/2004/EC of the European Parliament and of the Council of 11 February 2004 concerning a mechanism for monitoring Community greenhouse gas emissions and for implementing the Kyoto Protocol⁽²⁾, and in particular the first subparagraph, second sentence, Article 6(1) thereof,

Whereas:

- (1) An integrated Community system of registries, consisting of the registries of the Community and its Member States established pursuant to Article 6 of Decision No 280/2004/EC that incorporate the registries established pursuant to Article 19 of Directive 2003/87/EC and the Community independent transaction log (hereinafter CITL) established pursuant to Article 20 of that Directive, is necessary to ensure that the issue, transfer and cancellation of allowances does not involve irregularities and that transactions are compatible with the obligations resulting from the United Nations Framework Convention on Climate Change (hereinafter UNFCCC) and the Kyoto Protocol.
- (2) In accordance with Directive 2003/4/EC of the European Parliament and of the Council of 28 January 2003 on public access to environmental information and repealing Council Directive 90/313/EEC⁽³⁾ and Decision 13/CMP.1 of the Conference of the Parties to the UNFCCC serving as the Meeting of the Parties to the Kyoto Protocol (hereinafter Decision 13/CMP.1), specific reports should be made public on a regular basis to ensure that the public has access to information held within the integrated system of registries, subject to certain confidentiality requirements.

- (3) Community legislation concerning the protection of individuals with regard to the processing of personal data and on the free movement of such data, in particular Directive 95/46/EC of the European Parliament and of the Council of 24 October 1995 on the protection of individuals with regard to the processing of personal data and on the free movement of such data⁽⁴⁾, Directive 2002/58/EC of the European Parliament and of the Council of 12 July 2002 concerning the processing of personal data and the protection of privacy in the electronic communications sector⁽⁵⁾ and Regulation (EC) No 45/2001 of the European Parliament and of the Council of 18 December 2000 on the protection of individuals with regard to the processing of personal data by the Community institutions and bodies and on the free movement of such data⁽⁶⁾, should be respected where these are applicable to information held and processed pursuant to this Regulation.
- (4) Each registry should contain at least one Party holding account, one retirement account, and the cancellation and replacement accounts required pursuant to Decision 13/CMP.1, and each registry established pursuant to Article 19 of Directive 2003/87/EC should contain national accounts and holding accounts for operators and for other persons required to implement the requirements of that Directive. Each such account should be created in accordance with standardised procedures to ensure the integrity of the registries system and public access to information held in this system.
- (5) Article 6 of Decision No 280/2004/EC requires the Community and its Member States to apply the functional and technical specifications for data exchange standards for registry systems under the Kyoto Protocol, adopted by Decision 12/CMP.1 of the Conference of the Parties to the UNFCCC serving as the Meeting of the Parties to the Kyoto Protocol (hereinafter Decision 12/CMP.1), for the establishment and operation of registries and the CITL. The application and elaboration of these specifications in relation to the integrated Community registries system allows the incorporation of the registries established pursuant to Article 19 of Directive 2003/87/EC into the registries established pursuant to Article 6 of Decision No 280/2004/EC.

⁽¹⁾ OJ L 275, 25.10.2003, p. 32.⁽²⁾ OJ L 49, 19.2.2004, p. 1.⁽³⁾ OJ L 41, 14.2.2003, p. 26.⁽⁴⁾ OJ L 281, 23.11.1995, p. 31.⁽⁵⁾ OJ L 201, 31.7.2002, p. 37.⁽⁶⁾ OJ L 8, 12.1.2001, p. 1.

- (6) The CITL should perform automated checks on all processes in the Community registries system concerning allowances, verified emissions, accounts and Kyoto units, and the UNFCCC international transaction log (hereinafter ITL) should perform automated checks on processes concerning Kyoto units to ensure that there are no irregularities. Processes that fail these checks should be terminated in order to ensure that transactions in the Community registries system comply with the requirements of Directive 2003/87/EC and the requirements elaborated pursuant to the UNFCCC and the Kyoto Protocol.
- (7) All transactions in the Community registries system should be executed in accordance with standardised procedures and, where necessary, on a harmonised timetable, in order to ensure compliance with the requirements of Directive 2003/87/EC and with the requirements elaborated pursuant to the UNFCCC and the Kyoto Protocol, and to protect the integrity of that system.
- (8) Adequate and harmonised requirements on authentication and access rights should be applied to protect the security of information held in the integrated Community registries system.
- (9) The Central Administrator and each registry administrator should ensure that interruptions to the operation of the integrated Community registries system are kept to a minimum by taking all reasonable steps to ensure the availability of the registries and the CITL and by providing for robust systems and procedures for the safeguarding of all information.
- (10) Records concerning all processes, operators and persons in the Community registries system should be stored in accordance with the data logging standards set out in the functional and technical specifications for data exchange standards for registry systems under the Kyoto Protocol elaborated pursuant to Decision 12/CMP.1.
- (11) The Community should make all necessary efforts to ensure that every Member State registry, the CITL and the UNFCCC international transaction log are connected to each other by 1 December 2008 at the latest.
- (12) Each registry should issue assigned amount units (hereinafter AAUs) pursuant to Decision 13/CMP.1 and issue allowances as required by Article 11 of Directive 2003/87/EC. Registries should ensure that they keep a reserve of AAUs that is equal to the amount of allowances issued by them in order to ensure that any transactions with allowances may be followed up with corresponding transfers of AAUs via an annual clearing mechanism. Transactions with allowances between two registries should be carried out through a communication link involving the CITL, whereas transactions with Kyoto units should be carried out through a communication link involving both the CITL and the ITL. Provisions should be adopted to ensure that Member States that are not able to issue AAUs under the Kyoto Protocol because they have no binding emission reduction commitment are able to continue their equal participation in the Community emissions trading system. Such participation would not be possible in the 2008-12 period as, unlike all other Member States, these Member States would not be able to issue allowances that are linked to AAUs recognised under the Kyoto Protocol. Such equal participation should be allowed through a specific mechanism within the Community registry.
- (13) This Regulation reflects the fact that the currently valid functional and technical specifications for data exchange standards for registry systems under the Kyoto Protocol developed by the UNFCCC Secretariat still do not provide modalities for registries to connect to the International Transaction Log via the Community independent transaction log. The existence of such modalities would allow the Community to establish the required registries infrastructure in a much simpler way; in particular, there would be no need for two connections between registries and the Community independent transaction log. Therefore, if, pursuant to the Community's request to that effect in 2007, the above mentioned modalities are included and adequately regulated by the UNFCCC Secretariat in the functional and technical specifications for data exchange standards within six months from the date of the connection to the ITL, the Commission would promptly propose an amendment to the Regulation with the purpose of simplifying the infrastructure of the registries system before any expenses in software development needed for the Regulation were incurred by Member States and the Community.
- (14) Commission Regulation (EC) No 2216/2004 of 21 December 2004 for a standardised and secured system of registries pursuant to Directive 2003/87/EC of the European Parliament and of the Council and Decision No 280/2004/EC of the European Parliament and of the Council ⁽¹⁾ laid down general provisions, functional and technical specifications and operational and maintenance requirements concerning the standardised and secured registries system consisting of registries, in the form of standardised electronic databases containing common data elements. In the interest of legal clarity, the entire Regulation (EC) No 2216/2004 should be replaced.

⁽¹⁾ OJ L 386, 29.12.2004, p. 1.

(15) The measures provided for in this Regulation are in accordance with the opinion of the Climate Change Committee,

in accordance with the emission levels determined pursuant to Article 7 of Decision No 280/2004/EC;

HAS ADOPTED THIS REGULATION:

CHAPTER I

SUBJECT MATTER AND DEFINITIONS

Article 1

Subject matter

This Regulation lays down general as well as operational and maintenance requirements concerning the standardised and secured registries system consisting of registries, and the Community independent transaction log provided for in Article 20(1) of Directive 2003/87/EC, hereinafter 'CITL'. It also provides for a communication system between the CITL and the independent transaction log established, operated and maintained by the Secretariat of the United Nations Framework Convention on Climate Change (UNFCCC), hereinafter 'TTL'.

Article 2

Definitions

For the purposes of this Regulation, the definitions laid down in Article 3 of Directive 2003/87/EC shall apply. The following definitions shall also apply:

- (a) '2005-07 period' means the period from 1 January 2005 to 31 December 2007 as referred to in Article 11(1) of Directive 2003/87/EC;
- (b) '2008-12 period' and 'subsequent periods' mean the period from 1 January 2008 to 31 December 2012 and consecutive periods as referred to in Article 11(2) of Directive 2003/87/EC, respectively;
- (c) 'account holder' means a person who holds an account in the registries system;
- (d) 'assigned amount unit' (AAU) means a unit issued pursuant to Article 7(3) of Decision No 280/2004/EC or by a Party to the Kyoto Protocol;
- (e) 'assigned amount' means the amount of greenhouse gas emissions in tonnes of carbon dioxide equivalent calculated

- (f) 'CDM registry' means the clean development mechanism registry established, operated and maintained by the executive board of the clean development mechanism pursuant to Article 12 of the Kyoto Protocol and Decision 3/CMP.1 of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol;
- (g) 'Central Administrator' means the person designated by the Commission pursuant to Article 20 of Directive 2003/87/EC;
- (h) 'Chapter VI allowances' mean allowances issued by Chapter VI registries;
- (i) 'Chapter VI registry' means a registry operated by a Member State that is not able to issue AAUs due to reasons other than being determined to be ineligible to transfer ERUs, AAUs and CERs in accordance with the provisions of Decision 11/CMP.1 of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol;
- (j) 'competent authority' means the authority or authorities designated by a Member State pursuant to Article 18 of Directive 2003/87/EC;
- (k) 'Kyoto unit' means an AAU, RMU, ERU or CER;
- (l) 'long-term CER' (lCER) is a CER issued for an afforestation or reforestation project activity under the CDM which, subject to Decision 5/CMP.1 of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol, expires at the end of the emission reduction crediting period of the afforestation or reforestation project activity under the CDM for which it was issued;
- (m) 'registry' means a registry established, operated and maintained pursuant to Article 6 of Decision No 280/2004/EC and Article 19 of Directive 2003/87/EC;
- (n) 'removal unit' (RMU) means a unit issued pursuant to Article 3 of the Kyoto Protocol;
- (o) 'standard allowances' mean allowances issued by registries that are not Chapter VI registries;

- (p) 'temporary CER' (tCER) is a CER issued for an afforestation or reforestation project activity under the CDM which, subject to Decision 5/CMP.1, expires at the end of the Kyoto Protocol commitment period following the one during which it was issued;
- (q) 'third country registry' means a registry established, operated and maintained by a governmental entity outside the European Economic Area;
- (r) 'transaction' means a process concerning the issuance, conversion, transfer, cancellation, replacement, retirement, carry-over or expiry date change of a Kyoto unit, or a process described in points (d) and (e) of Article 31(1) concerning an allowance;
- (s) 'verifier' means a verifier as defined in Annex I(5)(m) of Commission Decision 2007/589/EC ⁽¹⁾.

CHAPTER II

REGISTRIES AND TRANSACTION LOGS

Article 3

Registries

1. A registry shall be established in the form of a standardised electronic database by each Member State and the Commission.
2. Member States that are not able to issue AAUs due to reasons other than being determined to be ineligible to transfer ERUs, AAUs and CERs in accordance with the provisions of Decision 11/CMP.1 shall establish registries that conform to the special provisions set out in Chapter VI.
3. Each registry shall conform to the hardware, network and software requirements set out in the Data Exchange Format referred to in Article 9.

Article 4

Consolidated registries

A Member State or the Commission may establish, operate and maintain their registry in a consolidated manner together with one or more other Member States or the Community, provided that its registry remains distinct.

Article 5

CITL

1. The CITL shall be established by the Commission in the form of a standardised electronic database.

2. The CITL shall conform to the hardware, network and software requirements set out in the Data Exchange Format referred to in Article 9.

3. The Central Administrator shall operate and maintain the CITL in accordance with the provisions of this Regulation.

4. The CITL shall be capable of executing correctly all processes referred to in Article 31(1).

Article 6

Direct communication link between registries and the CITL

1. A direct communication link between each registry and the CITL shall be established.

2. The Central Administrator shall activate the communication link after the testing procedures set out in the Data Exchange Format referred to in Article 9 have been completed successfully and the Central Administrator shall notify the relevant registry administrator of that activation.

3. All processes except those concerning Kyoto units shall be completed through the exchange of data via this direct communication link.

Article 7

Indirect communication link between registries and the CITL via the ITL

1. An indirect communication link between the registries and the CITL via the ITL shall be considered as established when the transaction logs are linked on the basis of a decision taken by the Central Administrator after consulting the Climate Change Committee. The Central Administrator shall establish and maintain such a link when:

- (a) all registries have completed the UNFCCC initialisation procedure; and

- (b) the CITL and the ITL are able to provide the necessary functionality and to link to each other.

2. If the conditions set out in paragraph 1 are not met, the Commission may, subject to the majority support of the Climate Change Committee, instruct the Central Administrator to establish and maintain such a link.

⁽¹⁾ OJ L 229, 31.8.2007, p. 1.

3. The decisions referred to in paragraphs 1 and 2 shall, where possible, be adopted at least three months prior to their implementation.

4. All processes concerning Kyoto units shall be completed through the exchange of data via the ITL.

Article 8

Registry administrators

1. Each Member State and the Commission shall designate a registry administrator to operate and maintain its registry in accordance with the provisions of this Regulation. The registry administrator of the Community registry shall be the Central Administrator.

2. Member States and the Commission shall ensure that there is no conflict of interest between the registry administrator and its account holders or between the registry administrator and the Central Administrator.

3. Each Member State shall notify the Commission of the identity and contact details of the registry administrator for its registry.

4. The Member States and the Commission shall retain ultimate responsibility and authority for the operation and maintenance of their registries.

5. The Commission shall coordinate the implementation of the requirements of this Regulation with the registry administrators of each Member State and the Central Administrator. In particular, the Commission shall regularly convene the registry administrators' working group to consult them on issues and procedures related to the operation of registries and the implementation of this Regulation. The registry administrators' working group shall agree on common operational procedures for the implementation of this Regulation. Rules of procedure for the registry administrators' working group shall be adopted by the Climate Change Committee.

Article 9

Data Exchange Format

The Central Administrator shall make available to registry administrators the Data Exchange Format necessary for exchanging data between registries and transaction logs, including the identification codes, automated checks and

response codes, as well as the testing procedures and security requirements necessary for the launching of data exchange. The Data Exchange Format and its revisions shall be adopted with a majority support of the Climate Change Committee after consultation with the registry administrators' working group. The Data Exchange Format shall conform to the functional and technical specifications for data exchange standards for registry systems under the Kyoto Protocol elaborated pursuant to Decision 12/CMP.1.

CHAPTER III

CONTENTS OF THE REGISTRIES

SECTION 1

Accounts

Article 10

Party accounts and national accounts

1. Each registry shall contain the following Party accounts:

- (a) at least one Party holding account;
- (b) one cancellation account for the 2008-12 period and one for each subsequent period;
- (c) one retirement account for the 2008-12 period and one for each subsequent period;
- (d) one ETS AAU deposit account for the 2008-12 period and one for each subsequent period.

2. Each registry shall contain the following national accounts:

- (a) at least one national allowance holding account;
- (b) at least one national allowance deletion account for the 2008-12 period and one for each subsequent period.

3. The Party accounts shall hold only Kyoto units while the national accounts shall hold only allowances. Kyoto units held in the cancellation and retirement accounts may not be transferred to any other account within the registry or in other registries. With the exception of the transaction reversal process, allowances held in the national allowance deletion account may not be transferred to any other account within the registry or in other registries.

4. The ETS AAU deposit account will be designated as a Party holding account for the purposes of the ITL, but shall only be capable of holding AAUs. AAUs held in the ETS AAU deposit account may not be transferred to any operator holding account or personal holding account within the registry or in other registries. With the exception of the transaction reversal, the clearing of allowance transfers with AAUs and the adding AAUs to banked allowances processes, AAUs held in the ETS AAU deposit account may not be transferred to any Party holding account within the registry or in other registries before the completion of the last clearing of the assigned trading period.

5. National accounts shall be created in accordance with Article 12.

6. National accounts shall conform to the Data Exchange Format referred to in Article 9.

Article 11

Special accounts in the Community registry

1. The Community registry shall contain the following accounts in addition to the accounts to be created in accordance with Article 10:

- (a) one ETS central clearing account for the 2008-12 period and one for each subsequent period;
- (b) a single Chapter VI registries ETS AAU deposit account for all Chapter VI registries for the 2008-12 period and one for each subsequent period.

2. The special accounts referred to in points (a) and (b) of paragraph 1 shall hold only AAUs.

3. Registry administrators shall be able to view the current balance and the transactions of the ETS central clearing account.

Article 12

Creation of Party accounts and national accounts

1. The relevant body of the Member State and the Commission shall submit an application to their respective registry administrator for the creation in their registries of the party accounts and national accounts.

2. The applicant shall provide the registry administrator with the information set out in Annex I.

The registry administrator may request further information from the applicant, provided that such requests are reasonable.

3. Within 10 working days of the receipt of an application in accordance with paragraph 1 or the activation of the communication link between the registry and the CITL, whichever is the later, the registry administrator shall create the account in the registry using the account creation process.

4. The applicant shall notify its registry administrator within 10 working days of any changes in the information provided to its registry administrator pursuant to paragraph 1. Within 10 working days of the receipt of such a notification the registry administrator shall update that information using the account update process.

5. The registry administrator may require applicants to agree to comply with reasonable terms and conditions addressing the issues set out in Annex II.

Article 13

Closure of Party accounts and national accounts

Within 10 working days of the receipt of an application from the relevant body of a Member State to close a Party holding account or a national account in its registry, its registry administrator shall close the account using the account closure process. Within 10 working days of the receipt of an application from the relevant body of the Commission to close a Party holding account or a national holding account in the Community registry, the Central administrator shall close the account using the account closure process.

Article 14

Operator holding accounts and person holding accounts

1. Each Member State registry shall contain one operator holding account created in accordance with Article 15 for each installation and at least one person holding account for each person requesting person holding accounts created in accordance with Article 17.

2. Operator and personal holding accounts shall be capable of holding standard allowances and, where authorised by Member State legislation, Kyoto units. Registry Administrators shall inform the Central Administrator about the type of Kyoto units that may be held by operator and personal holding accounts in their registry.

Article 15

Creation of operator holding accounts

1. Within 10 working days of the entry into force of each greenhouse gas emissions permit issued to the operator of an installation that has not previously been covered by such a permit or the activation of the communication link between the registry and the CITL, whichever is the later, the competent authority, or the operator where the competent authority so requires, shall provide the registry administrator of the Member State registry with the information set out in Annex III.

2. Within 10 working days of the receipt of the information in paragraph 1 or the activation of the communication link between the registry and the CITL, whichever is the later, the registry administrator shall create an operator holding account for each installation in its registry using the account creation process.

3. The competent authority, or the operator where the competent authority so requires, shall notify the registry administrator within 10 working days of any changes in the information provided to the registry administrator pursuant to paragraph 1. Within 10 working days of the receipt of such a notification the registry administrator shall update the operator's details using the account update process.

4. The registry administrator may require operators to agree to comply with reasonable terms and conditions addressing the issues set out in Annex II before creating or giving access to the account.

Article 16

Closure of operator holding accounts

1. The competent authority shall notify the registry administrator within 10 working days of a greenhouse gas emissions permit being revoked or surrendered for an installation that is, as a result, not covered by any such permit. Without prejudice to paragraph 2, the registry administrator shall close all operator holding accounts relating to that revocation or surrender using the account closure process between 1 May and 30 June the year after the revocation or surrender took place if the relevant installation's compliance status figure for the latest year is greater than or equal to zero. If the relevant installation's compliance status figure is less than zero, the registry administrator shall close its account the working day after the entry is greater than or equal to zero or on the working day after the competent authority has instructed the registry administrator to close the account because there is no reasonable prospect of further allowances being surrendered by the installation's operator.

2. If there is a positive balance of allowances or Kyoto units in an operator holding account which the registry administrator is to close in accordance with paragraph 1, the registry administrator shall first request the operator to specify another account within the registry system to which such allowances or Kyoto units shall then be transferred. If the operator has not responded to the registry administrator's request within 60 calendar days, the registry administrator shall transfer the allowances to the national allowance holding account and the Kyoto units to a Party holding account.

3. Where the competent authority has notified the registry administrator of the revocation or surrender of a greenhouse gas emissions permit belonging to an installation related to an account which has an entry in the relevant national allocation plan table submitted in accordance with Article 38, the registry administrator shall, prior to closing the account, propose to the Central Administrator the following changes to the national allocation plan table:

(a) deleting from the national allocation plan table any allowances allocated to the installation in the national allocation plan table that have not yet been transferred to the operator holding account of the installation;

(b) adding an equivalent number of allowances to the part of the national allocation plan table representing the quantity of allowances not allocated to existing installations.

4. The proposal shall be submitted to, and checked and implemented automatically by the CITL using the national allocation plan table update for closure process

Article 17

Creation of personal holding accounts

1. An application for the creation of a personal holding account shall be submitted to the registry administrator of the Member State registry concerned. The applicant shall provide the registry administrator with the information reasonably required by the registry administrator. That information shall include the information set out in Annex I.

2. Within 10 working days of the receipt of an application in accordance with paragraph 1 or the activation of the communication link between the registry and the CITL, whichever is the later, the registry administrator shall create a personal holding account in its registry using the account creation process.

3. The registry administrator shall not establish more than 99 personal holding accounts in any one person's name in its registry.

4. The applicant shall notify the registry administrator within 10 working days of any changes in the information provided to the registry administrator pursuant to paragraph 1. Within 10 working days of the receipt of such a notification the registry administrator shall update the person's details using the account update process.

5. The registry administrator may require the applicants referred to in paragraph 1 to agree to comply with reasonable terms and conditions addressing the issues set out in Annex II before creating or giving access to the account.

Article 18

Closure of person holding accounts

1. Within 10 working days of the receipt of an application from an account holder to close its person holding account, the registry administrator shall close the account using the account closure process.

2. If a personal holding account has a zero balance and no transactions have been recorded during a year, the registry administrator may notify the account holder that the personal holding account shall be closed within 60 calendar days unless the registry administrator receives within that period a request from the account holder that the personal holding account be maintained. If the registry administrator does not receive any such request from the account holder, it shall close the account using the account closure process.

Article 19

Authorised representatives

1. Each account holder shall appoint at least one authorised representative for each Party account, national account and personal holding account and at least two authorised representatives for each operator holding account. Requests to the registry administrator to carry out processes shall be submitted by an authorised representative on behalf of the account holder.

2. Each Member State and the Commission may allow account holders in its registry to nominate additional authorised representatives whose agreement is required in addition to the agreement of an authorised representative to submit a request to their registry administrator to carry out any of the processes concerning transactions with allowances or Kyoto units.

3. Each verifier shall appoint at least one authorised representative to enter or approve the entry of the annual verified emissions for an installation in the records of a registry.

4. Each registry administrator and the Central Administrator shall appoint at least one authorised representative to operate and maintain their registry and the CITL on behalf of that administrator.

5. Only natural persons may be appointed as authorised representatives.

Article 20

Notification

The registry administrator shall immediately notify each account holder of the creation, update or closure of his accounts.

SECTION 2

Reporting and confidentiality

Article 21

Reporting

1. Each registry administrator shall make available the information listed in Annex IV at the frequencies and to the reci-

ipients set out in Annex IV in a transparent and organised manner via its registry website. Registry administrators shall not release additional information held in the registry.

2. The Central Administrator shall make available the information listed in Annex IV at the frequencies and to the recipients set out in Annex IV in a transparent and organised manner via the CITL website. The Central Administrator shall not release additional information held in the CITL.

3. Each website shall allow the recipients of the reports listed in Annex IV to query those reports using search facilities.

4. Each registry administrator is responsible for the accuracy of the information that originates from his registry.

Neither the CITL nor registries shall require account holders to submit price information concerning allowances or Kyoto units.

Article 22

Confidentiality

1. All information held in the registries and the CITL, in particular the all account holdings and all transactions, shall be considered confidential for any purpose other than the implementation of the requirements of this Regulation, Directive 2003/87/EC or national law.

2. Information held in the registries may not be used without the prior consent of the relevant account holder except to operate and maintain those registries in accordance with the provisions of this Regulation.

3. The Central Administrator, each competent authority and registry administrator shall only perform processes where necessary to carry out their respective functions as Central Administrator, competent authority or registry administrator.

SECTION 3

Tables, codes and identifiers

Article 23

National allocation plan tables

The CITL shall contain one national allocation plan table for each Member State for the 2008-12 period and for each subsequent period. National allocation plan tables shall tabulate the following information:

(a) total number of allowances issued: in a single cell the total number of allowances that will be issued for the period covered by the national allocation plan;

- (b) total number of allowances not allocated to incumbents (reserve): in a single cell the total number of allowances (issued or purchased) that are set aside for new entrants and auctioning for the period covered by the national allocation plan;
- (c) years: in individual cells for each of the years covered in the national allocation plan in ascending order;
- (d) installation identification code: in individual cells in ascending order. The installations listed shall include installations unilaterally included under Article 24 of Directive 2003/87/EC and shall not include any installations temporarily excluded under Article 27 of Directive 2003/87/EC;
- (e) allocated allowances: the allowances to be allocated for a specified year for a specified installation shall be entered into the cell connecting that year to that installation's identification code.

Article 24

Codes

Each registry shall contain input codes and response codes to ensure the correct interpretation of information exchanged during each process. The input codes and response codes shall correspond to those contained in the Data Exchange Format referred to in Article 9.

Article 25

Account identification codes and alphanumeric identifiers

Before creating an account the registry administrator shall assign to each account a unique account identification code and the alphanumeric identifier specified by the account holder as part of the information given under Annexes I and III respectively. Before creating an account, the registry administrator shall also assign to the account holder a unique account holder identification code.

CHAPTER IV

CHECKS AND PROCESSES

SECTION 1

Blocking of accounts

Article 26

Blocking of operator holding accounts

1. If, on 1 April of each year starting in 2006, an installation's annual verified emissions for the preceding year have

not been recorded in the registry, the registry administrator shall block the transfer of any allowances and Kyoto units out of the operator holding account for that installation.

2. When the installation's annual verified emissions for the year referred to in paragraph 1 have been recorded in the registry, the registry administrator shall unblock the account.

3. The registry administrator shall immediately notify the relevant account holder and the competent authority of the blocking and unblocking of each operator holding account.

4. Paragraph 1 shall not apply to the allowance surrendering process, the surrender of CERs and ERUs process and the allowance banking process.

SECTION 2

Automated checks and the data reconciliation process

Article 27

Detection of discrepancies by the CITL

1. The Central Administrator shall ensure that the CITL conducts automated checks for all processes to identify irregularities, hereinafter referred to as discrepancies, whereby the proposed process does not conform to the requirements specified under Directive 2003/87/EC and this Regulation.

2. If the automated checks referred to in paragraph 1 identify a discrepancy in a process, the Central Administrator shall immediately inform the registry administrator or administrators concerned by returning an automated response code.

3. Upon receiving a response code for a process referred to in paragraph 2, the registry administrator of the initiating registry shall terminate that process and inform the CITL thereof. The registry administrator or administrators concerned shall immediately inform the relevant account holders that the process has been terminated.

Article 28

Detection of inconsistencies by the CITL

1. The Central Administrator shall ensure that a data reconciliation process is periodically initiated by the CITL to ensure that the CITL's records of the holdings of allowances and Kyoto units matches each registry's records of the holdings of allowances and Kyoto units. For that purpose the CITL shall record all processes.

2. If during the data reconciliation process, an irregularity, hereinafter referred to as inconsistency, whereby the information regarding allowances, accounts or Kyoto units provided by a registry as part of the periodic reconciliation process differs from the information contained in either transaction log is identified, the Central Administrator shall immediately inform the registry administrator or administrators concerned. If the inconsistency is not resolved, the Central Administrator shall ensure that the CITL does not allow any further process concerning any of the allowances, accounts or Kyoto units which are the subject of the earlier inconsistency to proceed.

Article 29

Detection of discrepancies by the ITL

If the ITL, following an automated check, informs the registry administrator or administrators of a discrepancy in a process initiated by them, the registry administrator of the initiating registry shall terminate the process and inform the ITL thereof. The registry administrator or administrators concerned shall immediately inform the relevant account holders that the process has been terminated.

Article 30

Registry automated checks

Prior to and during the execution of all processes the registry administrator shall ensure that appropriate automated checks are conducted within the registry, in order to detect discrepancies and thereby terminate processes in advance of automated checks being conducted by the CITL or ITL.

SECTION 3

Execution and finalisation of processes

Article 31

Processes

1. Registries shall be capable of completing the following types of processes:

- (a) processes concerning account management:
 - (i) account creation process;
 - (ii) account update process;
 - (iii) account closure process;
- (b) processes concerning verified emissions:
 - (i) verified emissions entry process;
 - (ii) verified emissions update process;
- (c) the data reconciliation process;
- (d) processes concerning transactions for generating allowances or Kyoto units:
 - (i) issuance of Kyoto units process;
 - (ii) issuance of allowances process;
 - (iii) correction to allowances process;
- (e) other processes concerning allowances:
 - (i) allowance allocation process;
 - (ii) allowance deletion process;
 - (iii) allowance surrendering process;
 - (iv) internal transfer of allowances process;
 - (v) external transfer of allowances process;
 - (vi) allowance banking process;
 - (vii) adding AAUs to banked allowances process;
- (f) other processes concerning Kyoto units:
 - (i) cancellation of Kyoto units process;
 - (ii) surrender of CERs and ERUs process;
 - (iii) internal transfer of Kyoto units process;
 - (iv) external transfer of Kyoto units process;
 - (v) clearing of allowance transfers with AAUs process;
 - (vi) transfer of AAUs before retirement or cancellation process;
 - (vii) retirement of Kyoto units process;
- (g) processes concerning the entry and update of national allocation plan tables:
 - (i) national allocation plan table entry process;
 - (ii) national allocation plan table update for closure process;
 - (iii) national allocation plan table new entrant update process;

- (iv) national allocation plan table revision update process;
- (v) national allocation plan table replenishment of reserve process;
- (h) transaction reversal process;
- (i) registry functions testing process.

2. Each registry shall be capable of completing the processes in accordance with the complete message exchange sequence and the format and informational requirements described using web service description language described for that particular process in the Data Exchange Format referred to in Article 9.

Each registry shall be capable of fulfilling notifications sent by the CITL in accordance with the Data Exchange Format referred to in Article 9.

3. The registry administrator shall assign to each process a unique process identification code.

Article 32

Finalisation of processes concerning accounts, verified emissions and national allocation plan tables

All processes concerning accounts, verified emissions and national allocation plan tables shall be final when the CITL informs the initiating registry or the Community registry if the initiating registry is a Chapter VI registry that it has not detected any discrepancies in the proposal sent to it.

Article 33

Finalisation of processes concerning allowances and Kyoto units within registries

1. All processes concerning allowances except the external transfer of allowances process shall be final when the CITL informs the initiating registry that it has not detected any discrepancies in the proposal sent to it and the CITL has received confirmation from the initiating registry that the records were updated in accordance with the proposal.

2. All processes concerning Kyoto units except the external transfer of Kyoto units process and the clearing of allowance transfers with AAUs process shall be final when both the ITL and the CITL concluded that there are no discrepancies in the proposal sent to them and both the ITL and CITL have received confirmation from the initiating registry that the records were updated in accordance with the proposal.

Article 34

Finalisation of processes involving transfers between registries

1. An external transfer of allowances process shall be final when the CITL informs the acquiring registry that it has not

detected any discrepancies in the proposal sent by the initiating registry and the CITL has received confirmation from the acquiring registry that it has updated its records in accordance with the initiating registry's proposal.

2. An external transfer of Kyoto units process and a clearing of allowance transfers with AAUs process shall be final when both the ITL and the CITL concluded that there are no discrepancies in the proposal sent by the initiating registry and both the ITL and CITL have received confirmation from the acquiring registry that it has updated its records in accordance with the initiating registry's proposal.

Article 35

Finalisation of the data reconciliation process

The data reconciliation process shall be final when all inconsistencies between the information contained in a registry and the information contained in the CITL for a specific time and date have been resolved, and the data reconciliation process has been successfully re-initiated and completed for that registry.

Article 36

Reversal of finalised transactions initiated in error

1. If an account holder or a registry administrator acting on behalf of the account holder unintentionally or erroneously initiated any transaction concerning allowances, or the surrender of CERs and ERUs process, it may propose to its registry administrator to carry out a reversal of the transaction in a written request duly signed by the authorised representative or representatives of the account holder that are able to initiate a transaction and posted within five working days of the finalisation of the transaction. The request shall contain a statement indicating that the transaction was initiated erroneously or unintentionally.

2. Paragraph 1 shall not apply to the external transfer of allowances process and the internal transfer of allowances process.

3. Within 40 calendar days of the finalisation of the transaction, the registry administrator may inform in writing the Central Administrator of the request and its decision to reverse the transaction.

4. The Central Administrator shall, within 40 calendar days of its receipt of the registry administrator's information referred to in paragraph 3 enable the reversal of the relevant transaction using the transaction reversal process, provided that:

- (a) the request and the notification was posted within the deadlines set out in paragraphs 1 and 3;

- (b) the proposed reversal only reverses the effects of the transaction considered to have been initiated unintentionally or erroneously and does not involve reversing the effects of any later transactions involving the same allowances;
- (c) no operator would become non-compliant for a previous year as a result of the reversal;
- (d) in the case of allowance surrendering processes, surrender of CERs and ERUs processes and allowance deletion processes, a quantity of AAU, ERUs or CERs equal to the quantities surrendered or deleted by the process were not already retired in accordance with Article 56 or cancelled in accordance with Article 58.

5. The registry administrator shall reverse the relevant transaction using the transaction reversal process within five working days of its receipt of the Central Administrator's notice indicating that the reversal was enabled in accordance with paragraph 3.

Article 37

Suspension of processes

1. Pursuant to Article 8 of Decision No 280/2004/EC, if the Secretariat to the UNFCCC informs a Member State that it does not meet the requirements allowing it to transfer Kyoto units, the Central Administrator shall suspend the ability of the Member State's registry to perform the external transfer of allowances process, and the relevant body of the Member State shall instruct the registry administrator not to initiate any transactions involving Kyoto units.
2. The Commission may instruct the Central Administrator to temporarily suspend a process referred to in Article 31(1) initiated by a registry if that process is not being executed in accordance with Articles 31 to 35 and shall immediately notify the administrator of the registry thereof.
3. The Commission may instruct the Central Administrator to temporarily suspend the communication link between a registry and the CITL or to suspend all or some of the processes referred to in Article 31(1), if that registry is not operated and maintained in accordance with the provisions of this Regulation and shall immediately notify the administrator of the registry thereof.
4. Registry administrators may request the Central Administrator to temporarily suspend the communication link between a registry and the CITL or to suspend all or some of the processes referred to in Article 31(1) for the purposes of carrying out scheduled maintenance on their registry.

5. A registry administrator may request the central administrator to reinstate the communication link between its registry and the CITL or to reinstate suspended processes if the registry administrator estimates that the outstanding issues that caused the suspension have been resolved. The central administrator shall inform the registry administrator of his decision as soon as possible. A member state may request this to be included on the agenda of the climate change committee, for views to be given to the central administrator in this matter.

CHAPTER V

TRANSACTIONS

SECTION 1

Allocation and issue of allowances

Article 38

Entry into the CITL and correction of national allocation plan tables

1. At least 12 months before the start of each subsequent period, each Member State shall notify to the Commission its national allocation plan table, corresponding to the decision taken under Article 11 of Directive 2003/87/EC.
2. If the national allocation plan table is based upon the national allocation plan notified to the Commission which was not rejected under Article 9(3) of Directive 2003/87/EC or on which the Commission has accepted proposed amendments, the Commission shall instruct the Central Administrator to enter the national allocation plan table into the CITL using the national allocation plan table entry process.
3. A Member State shall notify each correction to its national allocation plan together with each corresponding correction in its national allocation plan table to the Commission. If the correction to the national allocation plan table is based upon the national allocation plan notified to the Commission which was not rejected under Article 9(3) of Directive 2003/87/EC or on which the Commission has accepted amendments and that correction results from improvements in data, the Commission shall instruct the Central Administrator to enter the corresponding correction into the national allocation plan table held in the CITL.
4. Corrections relating to the allocation of allowances to new entrants shall be made using the national allocation plan table new entrant update process. Corrections relating to the increase in the new entrant reserve through the purchase of allowances shall be made using the national allocation plan table replenishment of reserve process. Other corrections shall be made using the national allocation plan table revision update process.

5. In all other cases, the Member State shall notify the correction to its national allocation plan to the Commission and if the Commission does not reject this correction in accordance with the procedure in Article 9(3) of Directive 2003/87/EC, the Commission shall instruct the Central Administrator to enter the corresponding correction into the national allocation plan table held in the CITL using the national allocation plan table revision update process.

6. The registry administrator shall, subsequent to any correction made pursuant to paragraph 2 which occurs after allowances have been issued in accordance with Article 39 and which reduces the total quantity of allowances issued in accordance Article 39 for the 2008-12 period or subsequent periods, and using the correction to allowances process:

- (a) transfer the number of allowances specified by the competent authority to the national allowance deletion account for the relevant period; and
- (b) transfer an equal amount of AAUs from the ETS AAU deposit account to a Party holding account.

Article 39

Issue of allowances

After the national allocation plan table has been entered into the CITL and, subject to Article 38(2) by 28 February of the first year of the 2008-12 period of each subsequent period, the registry administrator shall, using the issuance of allowances process:

- (a) issue the total quantity of allowances set out in the national allocation plan table into the national allowance holding account; and
- (b) assign each allowance a unique unit identification code; and
- (c) transfer an equal amount of AAUs from a Party holding account to the ETS AAU deposit account.

Article 40

Allocation of allowances to operators

1. Without prejudice to Articles 38(2) and 41, by 28 February of each year, the registry administrator shall transfer from the national allowance holding account to the relevant operator holding account the proportion of the total quantity of allowances issued which has been allocated to the corresponding installation for that year in accordance with the relevant section of the national allocation plan table.

2. The allocation shall be carried out using the allowance allocation process.

3. Where foreseen for an installation in the national allocation plan of the Member State, the registry administrator may transfer that proportion at a later date of each year.

Article 41

Surrender of allowances on instruction of the competent authority

1. If instructed to do so by the competent authority pursuant to Article 16(1) of Directive 2003/87/EC, the registry administrator shall surrender part or all of the proportion of the total quantity of allowances issued which has been allocated to an installation for a specific year, by recording the number of surrendered allowances for that installation for the current period. These surrendered allowances shall be transferred to the national allowance deletion account.

2. Allowances surrendered on instruction of the competent authority shall be surrendered using the allowance surrender process.

Article 42

Allocation of allowances to new entrants

If instructed to do so by the competent authority, the registry administrator shall transfer a proportion of allowances issued by any registry administrator that are in the national allowance holding account to the operator holding account of a new entrant in accordance with the relevant section of the national allocation plan table for that new entrant for the year in question. Allowances shall be transferred using the allowance allocation process.

Article 43

Allocation of allowances following their sale by Member State

If instructed to do so by the competent authority, following a sale of allowances by a Member State, the registry administrator shall transfer a quantity of allowances from the national allowance holding account to the holding account designated by the buyer. Allowances transferred within the same registry shall be transferred using the internal transfer of allowances process. Allowances transferred from one registry to another shall be transferred using the external transfer of allowances process.

SECTION 2

Transfers and eligibility

Article 44

Transfers of allowances by account holders

1. Upon request of an account holder, the registry administrator shall carry out any transfer of allowances held in the account of the account holder between national allowance holding accounts, operator holding accounts and person holding accounts within its registry using the internal transfer of allowances process.

2. Upon request of an account holder, the registry administrator shall carry out any transfer of allowances held in the account of the account holder between national allowance holding accounts, operator holding accounts and person holding accounts in its registry and such accounts in another registry using the external transfer of allowances process.

3. Allowances may only be transferred from an account in a registry to an account in a third country registry or the CDM Registry, or acquired from an account in a third country registry or the CDM Registry, if the following conditions are met:

- (a) an agreement has been concluded in accordance with Article 25(1) of Directive 2003/87/EC; and
- (b) those transfers are in accordance with the provisions relating to the mutual recognition of allowances under that agreement drawn up by the Commission pursuant to Article 25(2) of Directive 2003/87/EC.

Article 45

Transfers of Kyoto units by account holders

1. Upon request of an account holder, the registry administrator shall carry out any transfer of Kyoto units held in the account of the account holder between Party holding accounts, operator holding accounts and personal holding accounts within its registry using the internal transfer of Kyoto units process, provided that such Kyoto units can be held in the acquiring account in accordance with Article 14.

2. Upon request of an account holder, the registry administrator shall carry out any transfer of Kyoto units held in the account of the account holder between Party holding accounts, operator holding accounts and personal holding accounts in its registry and such accounts in another registry using the external transfer of Kyoto units process, provided that such Kyoto units can be held in the acquiring account in accordance with Article 14.

Article 46

Minimum holding of allowances in registries

1. If as a result of a proposed external transfer of allowances process or allowance deletion process, the total amount of allowances held in a registry would become lower than the quantity of Kyoto units required to be held in that registry under Decision 11/CMP.1 as the commitment period reserve, minus the amount of Kyoto units currently held in the registry outside of the ETS AAU deposit account and the cancellation account, the CITL shall reject the proposed transfer.

2. If as a result of a proposed external transfer of allowances process or allowance deletion process, the total combined amount of allowances held in the registries of Member States that have acceded to the European Union before the year 2000 would become lower than the quantity of Kyoto units required to be held in these registries under Decision 11/CMP.1 as the commitment period reserve of the European Community, minus the amount of Kyoto units currently held in these registries outside of the ETS AAU deposit accounts and the cancellation accounts, the CITL shall reject the proposed transfer.

SECTION 3

Verified emissions

Article 47

Verified emissions of an installation

1. Upon the verification as satisfactory of an operator's report in accordance with the first paragraph of Article 15 of Directive 2003/87/EC on the emissions from an installation during a previous year, the verifier, including those competent authorities acting as verifiers shall enter or approve the entry of the annual verified emissions for that installation for that year into the records of the registry using the verified emissions entry process.

2. The registry administrator may prohibit the entry of the annual verified emissions for an installation until the competent authority has received the verified emissions report submitted by operators pursuant to Article 14(3) of Directive 2003/87/EC for that installation, and enabled the registry to receive the annual verified emissions.

3. The competent authority may instruct the registry administrator to correct the annual verified emissions for an installation for a previous year to ensure compliance with the detailed requirements established by the Member State pursuant to Annex V to Directive 2003/87/EC, by entering the corrected annual verified emissions for that installation for that year into the records of the registry using the verified emissions update process.

4. If the competent authority instructs the registry administrator to correct the annual verified emissions for an installation for a previous year after the deadline specified in Article 6(2) of Directive 2003/87/EC for surrendering allowances equal to the emissions of that previous year, the Central Administrator shall only allow such a correction if it was informed of the competent authority's decision on the new compliance status applicable to the installation as a result of the correction of the verified emissions.

SECTION 4

Surrender of allowances, ERUs and CERs

Article 48

Surrender of allowances

1. An operator shall surrender allowances for an installation by requesting or, where provided in Member State legislation, be deemed to have requested, the registry administrator to:

(a) transfer a specified number of allowances for a specified period from the relevant operator holding account into the national allowance deletion account of that registry;

(b) record the number of transferred allowances for that installation as surrendered for the current period.

2. The transfer and recording shall take place using the allowance surrender process.

Article 49

The surrender of CERs and ERUs

1. The surrender of ERUs and CERs by an operator in accordance with Article 11a of Directive 2003/87/EC in respect of an installation shall take place through an operator requesting the registry administrator to:

(a) transfer a specified number of CERs or ERUs for a specified year from the relevant operator holding account into a Party holding account of the registry where the operator holds its operator holding account;

(b) record the number of transferred CERs and ERUs for that installation as surrendered for the current period.

2. The registry administrator shall only accept requests to surrender CERs and ERUs up to the percentage of allocation to each installation specified by Member State legislation. The CITL shall reject any request to surrender CERs and ERUs that would surpass the maximum allowed amount of CERs and ERUs to be surrendered in the Member State.

3. The transfer and recording shall take place using the surrender of CERs and ERUs process.

Article 50

Calculation of compliance status figures

1. On 1 May of each year, the registry administrator shall determine the compliance status figure for every installation by calculating the sum of all allowances, CERs and ERUs

surrendered for the current period minus the sum of all verified emissions in the current period up to and including the current year, plus a correction factor.

2. The correction factor referred to in paragraph 1 shall be zero if the compliance status figure of the last year of the previous period was greater than zero, but shall remain as the compliance status figure of the last year of the previous period if this figure is less than or equal to zero.

Article 51

Recording and notification of compliance status figures

1. The registry administrator shall record the compliance status figure calculated in accordance with Article 50 for every installation for each year.

2. On the first working day following 1 May of each year the registry administrator shall notify all the recorded compliance status figures to the competent authority. In addition, the registry administrator shall notify any changes to the compliance status figures for previous years to the competent authority.

Article 52

Recording of verified emissions

Where, on 1 May of each year, no verified emissions figure has been recorded in the registry for an installation for a previous year, any substitute emissions figure determined pursuant to Article 16(1) of Directive 2003/87/EC which has not been calculated as closely as possible in accordance with the detailed requirements established by the Member State pursuant to Annex V of Directive 2003/87/EC shall not be recorded in the registry.

SECTION 5

Deletion of allowances and cancellation of Kyoto units

Article 53

Deletion of allowances

The registry administrator shall carry out any request from an account holder pursuant to Article 12(4) of Directive 2003/87/EC to delete allowances held in the accounts of the account holder using the allowance deletion process by:

(a) transferring a specified number of allowances from the relevant account into the national allowance deletion account of that registry; and

- (b) recording the number of transferred allowances as deleted for the current year.

Article 54

Cancellation of Kyoto units

The registry administrator shall carry out any request from an account holder pursuant to Article 12(4) of Directive 2003/87/EC to cancel Kyoto units held in the accounts of the account holder using the cancellation of Kyoto units process by transferring a specified number of Kyoto units from the relevant account into the cancellation account of that registry.

SECTION 6

Clearing of allowance transfers with Kyoto unit transfers

Article 55

Clearing of allowance transfers

1. In order to ensure that the amount of AAUs in the ETS AAU deposit account of a registry is equal to the amount of allowances held in that registry on the first working day following 1 May the following steps shall be taken:

- (a) on the first working day following 1 May, the Central Administrator shall make a snapshot for each registry of all the allowances held in the registry and the AAUs held in the ETS AAU deposit account of the registry;
- (b) by 10 May, the registry administrator shall, upon notification by the Central Administrator, transfer any quantity of AAUs in the ETS AAU deposit account that exceeded the quantity of allowances held in the registry according to the snapshot to the ETS central clearing account in the Community registry using the clearing of allowance transfers with AAUs process;
- (c) by 15 May, the administrator of the Community registry shall, upon notification by the Central Administrator, transfer a quantity of AAUs equal to the quantity of allowances held in the registry that exceeded the quantity of AAUs in the ETS AAU deposit account of that registry according to the snapshot, to the ETS AAU deposit account of that registry using the clearing of allowance transfers with AAUs process.

2. For the purposes of this article, allowances in the national allowance deletion account for which no retirement or cancellation has yet been made in accordance with Articles 56 and 58 shall be considered to be allowances held in the registry.

3. If a registry administrator has not carried out the tasks described under paragraph 1 within the deadlines, the Central Administrator shall block all processes referred to in points (d) to (h) of Article 31(1), except for the clearing of allowance transfers with AAUs process until those tasks are completed.

4. The Central Administrator may initiate additional clearing processes at times other than specified in paragraph 1, after giving appropriate advance notice to registry administrators.

SECTION 7

Retirement of Kyoto units

Article 56

Retirement of AAUs, ERUs or CERs against surrenders of allowances, ERUs and CERs

1. By 30 June of the year following the year of entry into force of this Regulation and each year thereafter, registry administrators shall retire an amount of AAUs, ERUs or CERs, but not ICERs or tCERs, equal to the amount of allowances, ERUs or CERs surrendered pursuant to Articles 48 and 49, by:

- (a) transferring an amount of AAUs equal to the amount of allowances surrendered for the current period between 1 May of the preceding year and 30 April of the current year from the AAU deposit account to a Party holding account using the transfer of AAUs before retirement or cancellation process; and
- (b) transferring an amount of AAUs, ERUs or CERs, but not ICERs or tCERs, equal to the amount of allowances, ERUs or CERs surrendered for the current period between 1 May of the preceding year and 30 April of the current year from a Party holding account to the retirement account using the retirement of Kyoto units process.

2. If a registry administrator has not carried out the tasks set out in paragraph 1 within the deadline, the Central Administrator shall block the allowance banking process until those tasks are completed.

Article 57

Retirement of Kyoto units

1. If instructed by the relevant body of the Member State, the registry administrator shall transfer any quantity and types of Kyoto units specified by that body held in any Party holding account to the appropriate Retirement account in his registry using the retirement of Kyoto units process.

2. It shall not be possible to transfer allowances from operator or personal holding accounts into retirement accounts.

SECTION 8

Cancellation of Kyoto units

Article 58

Cancellation of Kyoto units against allowance deletions

1. By 30 June of the year following the year of entry into force of this Regulation and each year thereafter the registry administrators shall cancel an amount of AAUs, ERUs or CERs, but not ICERs or tCERs, equal to the amount of allowances deleted for the current period between 1 January of the preceding year and 1 January of the current year, by:

- (a) transferring an amount of AAUs equal to the amount of allowances deleted between 1 January of the preceding year and 1 January of the current year from the AAU deposit account to a Party holding account using the transfer of AAUs before retirement or cancellation process; and
- (b) transferring an amount of AAUs, ERUs or CERs, but not ICERs or tCERs, equal to the amount of allowances deleted pursuant to Article 53 from a Party holding account to the cancellation account using the cancellation of Kyoto units process.

2. If a registry administrator has not carried out the tasks described under paragraph 1 within the deadline, the Central Administrator shall block the allowance banking process until those tasks are completed.

SECTION 9

Banking of allowances between periods

Article 59

Banking between periods

1. On 1 May 2013 and 1 May of the year after the end of each subsequent period, registry administrators shall convert allowances held in their registry and not yet surrendered into allowances valid for the current period using the banking of allowances process.

2. Registry administrators in Member States, that are able to issue AAUs for the period beginning in 2013 shall, by 30 June of the same year, transfer an amount of AAUs valid for the current period that is equal to the amount of allowances converted in accordance with paragraph 1 to the ETS AAU

deposit account of the current period, using the adding AAUs to banked allowances process. Registry administrators shall also transfer any AAUs remaining in the ETS AAU deposit account for the preceding period to a Party holding account.

CHAPTER VI

PROVISIONS FOR REGISTRIES OF MEMBER STATES NOT ABLE TO ISSUE AAUs

Article 60

Operation of registries of Member States not able to issue AAUs

1. Member States that are not able to issue AAUs due to reasons other than being determined to be ineligible to transfer CERs, ERUs and AAUs in accordance with the provisions of Decision 11/CMP.1 shall establish, operate and maintain their registries in a consolidated manner with the Community registry.

2. Chapter VI registries shall communicate with the CITL through a communication link established by the Community registry.

3. Except for Articles 3, 8, 12, 13, 14(1), 15 to 28, 29(3), 30, 31(2) and (4), 32, 33, 34(1), 35 to 37, 38(1), (2) and (3), 40 to 43, 44(1) and (3), 45(1), 47, 48, 50 to 54, and 59 to 90 the provisions applicable to registries shall not apply to Chapter VI registries.

4. The obligations provided for in Article 85 and Article 86(2) and (3) shall, as regards registry administrators of Chapter VI registries be carried out by the administrator of the Community Registry.

Article 61

National accounts in Chapter VI registries

1. Each Chapter VI registry shall contain the following national accounts:

- (a) at least one national allowance holding account;
- (b) one national allowance deletion account for the 2008-12 period and one for each subsequent period.

2. National accounts in Chapter VI registries shall only hold Chapter VI allowances.

3. National accounts in Chapter VI registries shall conform to the Data Exchange Format referred to in Article 9.

*Article 62***Allowance holdings in Chapter VI registries**

Operator and personal holding accounts in Chapter VI registries shall hold Chapter VI allowances and, where authorised by Member State or Community legislation, Kyoto units. Operator holding accounts in Chapter VI registries shall also be capable of holding standard allowances.

*Article 63***Chapter VI registries allowance creation table**

The Community registry shall contain a Chapter VI registries allowance creation table, which shall be capable of tabulating the following information:

- (a) registry identification code;
- (b) number of standard allowances converted to Chapter VI allowances;
- (c) number of Chapter VI allowances converted to standard allowances;
- (d) net balance of conversions from standard allowances to Chapter VI allowances expressed by deducting the value under (c) from the value under (b). This balance may have a negative value.

*Article 64***Detection of discrepancies and inconsistencies by the ITL in Chapter VI registries**

The ITL shall inform a Chapter VI registry of any discrepancy detected following an automated check in a process which that registry has initiated through the administrator of the Community registry. The administrator of the Chapter VI registry shall terminate the process and the administrator of the Community registry shall inform the ITL thereof. The administrator of the Chapter VI registry, and any other registry administrators concerned shall immediately inform the relevant account holders that the process has been terminated.

*Article 65***Additional processes in Chapter VI registries**

1. Chapter VI registries shall be capable of completing the processes set out in Article 31(1), except for the processes set out in point (d) thereof, and the following processes:

- (a) issuance of Chapter VI allowances process;
- (b) correction to Chapter VI allowances process.

2. Chapter VI registries shall apply the processes referred to in points (a) and (b) of paragraph 1 in place of the processes set out in point (d) of Article 31(1).

*Article 66***Finalisation of processes concerning accounts, verified emissions and national allocation plan tables**

All processes initiated by Chapter VI registries concerning accounts, verified emissions and national allocation plan tables shall be final when the CITL successfully informs the Community registry that it has not detected any discrepancies in the proposal sent to it.

*Article 67***Finalisation of processes concerning Kyoto units for Chapter VI registries**

All processes concerning Kyoto units initiated by Chapter VI registries except the external transfer of Kyoto units process shall be final when both the ITL and the CITL inform the Community registry that they have not detected any discrepancies in the proposal sent to them and the Community registry has successfully sent confirmation to both transaction logs that the records were updated in accordance with the proposal.

*Article 68***Finalisation of the external transfer process for Kyoto units involving Chapter VI registries**

A process involving a Chapter VI registry concerning the external transfer of a Kyoto unit shall be final if the following conditions are fulfilled:

- (a) both the ITL and the CITL inform the acquiring registry, or the Community registry if the acquiring registry is a Chapter VI registry, that they have not detected any discrepancies in the proposal sent by the initiating registry, or the Community registry if the initiating registry is a Chapter VI registry; and
- (b) the acquiring registry, or the Community registry if the acquiring registry is a Chapter VI registry, has successfully sent confirmation to both transaction logs that it has updated its records in accordance with the initiating registry's proposal.

*Article 69***Correction to allowances in Chapter VI registries**

The registry administrator of a Chapter VI registry shall, subsequent to any correction made pursuant to the first subparagraph of Article 38(2) which occurs after allowances have been issued pursuant to Article 70 and which reduces the total quantity of those allowances for the 2008-12 period or subsequent periods, transfer the number of allowances specified by the competent authority to the national allowance deletion account for the relevant period using the correction to Chapter VI allowances process.

*Article 70***Issue of allowances in Chapter VI registries**

After the national allocation plan table has been entered into the CITL and, subject to Article 38(2) by 28 February of the first year of the 2008-12 period and of each subsequent period, the registry administrator shall, using the issuance of Chapter VI allowances process:

- (a) issue the total quantity of allowances set out in the national allocation plan table into the national allowance holding account; and
- (b) assign each allowance a unique unit identification code.

*Article 71***Transfers of allowances by account holders in Chapter VI registries**

1. Upon request of an account holder, the registry administrator of a Chapter VI registry shall carry out any transfer of Chapter VI allowances between national allowance holding accounts, operator holding accounts and personal holding accounts in its registry and in another Chapter VI registry using the internal transfer of allowances process.

2. Upon request of an account holder, the registry administrator of a Chapter VI registry shall carry out any transfer of Chapter VI allowances between national allowance holding accounts, operator holding accounts and personal holding accounts in its registry and a registry that is not a Chapter VI registry using the external transfer of allowances process.

3. With the exception of their conversion to Chapter VI allowances, the registry administrator of a Chapter VI registry shall not allow any transactions with standard allowances from any accounts in its registry to any account in a Chapter VI registry.

*Article 72***Transfers of Kyoto units by account holders in Chapter VI registries**

1. Upon request of an account holder, the registry administrator of a Chapter VI registry shall carry out any transfer of Kyoto units between national allowance holding accounts, operator holding accounts and personal holding accounts in its registry and in another Chapter VI registry using the internal transfer of Kyoto units process.

2. The registry administrator of a Chapter VI registry shall carry out any transfer of Kyoto units between national allowance holding accounts, operator holding accounts and

personal holding accounts in its registry and in a non-Chapter VI registry as requested by an account holder using the external transfer of Kyoto units process.

*Article 73***Conversion of standard allowances to Chapter VI allowances**

1. Where the registry administrator of a Chapter VI registry receives a request from an account holder to convert standard allowances held in its registry into Chapter VI allowances, the registry administrator shall, using the conversion of standard registry allowances to Chapter VI allowances process:

- (a) convert the standard allowance into a Chapter VI allowance; and
- (b) request the Community registry to update the Chapter VI registries allowance creation table with the quantity of allowances converted.

2. Only registry administrators of Chapter VI registries may convert standard allowances to Chapter VI allowances.

*Article 74***Conversion of Chapter VI allowances to standard registry allowances**

1. Where the registry administrator of a Chapter VI registry receives a request from an account holder to convert Chapter VI allowances into standard allowances it shall verify whether the amount requested to be converted is lower than or equal to the sum of:

- (a) the balance of the Chapter VI registries ETS AAU deposit account; and
- (b) the net balance of conversions from standard allowances to Chapter VI allowances in the Chapter VI registries allowance creation table.

2. If the amount requested to be converted is higher than the sum calculated in accordance with paragraph 1, the registry administrator shall refuse the conversion.

3. If the amount requested to be converted is lower than or equal to the sum calculated in accordance with paragraph 1, the registry administrator shall, in order to carry out the conversion using the conversion of Chapter VI allowances to standard allowances process:

- (a) convert the Chapter VI allowance into a standard allowance; and

- (b) request the Community registry to update the Chapter VI registries allowance creation table with the quantity of allowances converted.
4. Only registry administrators of Chapter VI registries may convert Chapter VI allowances to standard allowances.

Article 75

Surrender of allowances, ERUs and CERs in Chapter VI registries

1. Operators in Chapter VI registries shall only surrender Chapter VI allowances.
2. The surrender of CERs and ERUs by an operator in accordance with Article 11a of Directive 2003/87/EC in respect of an installation shall take place through an operator requesting the registry administrator of a Chapter VI registry to:
- (a) transfer a specified number of CERs or ERUs for a specified year from the relevant operator holding account into the Party holding account of the Community registry;
- (b) record the number of transferred CERs and ERUs for that installation as surrendered for the current period.
3. The registry administrator shall only accept requests to surrender CERs and ERUs up to the percentage of allocation to each installation specified by Member State legislation. The CITL shall reject any request to surrender CERs and ERUs that would surpass the maximum allowed amount of CERs and ERUs to be surrendered.
4. The transfer and recording shall take place using the surrender of CERs and ERUs process.

Article 76

Deletion of allowances, retirement of CERs and ERUs in Chapter VI registries

1. By 30 June of the year following the year of entry into force of this Regulation and each year thereafter, registry administrators of Chapter VI registries shall either:
- (a) transfer AAUs, ERUs or CERs (but not ICERs or tCERs) to the retirement account; or
- (b) transfer allowances to the national allowance deletion account.
2. The sum of units transferred in accordance with points (a) or (b) of paragraph 1 shall be equal to the amount of ERUs or CERs surrendered pursuant to Article 75 for the current period between 1 May of the preceding year and 30 April of the current year.

Article 77

Clearing of allowance transfers in Chapter VI registries

1. In order to ensure that the amount of AAUs in the ETS AAU deposit account of registries that are not Chapter VI registries is equal to the amount of allowances held in that registry on the first working day following 1 May the following steps shall be taken with respect to Chapter VI registries:
- (a) on 1 May, the Central Administrator records the net balance of conversions from standard allowances to Chapter VI allowances recorded in the Chapter VI registries allowance creation table, and immediately afterwards sets all values in that table to zero;
- (b) if the balance recorded in accordance with point (a) was negative, the registry administrator of the Community registry shall, upon notification by the Central Administrator, transfer by 5 May a quantity of AAUs equal to this value from the Chapter VI registries ETS AAU deposit account to the to the ETS central clearing account in the Community registry using the internal transfer of Kyoto units process;
- (c) if the balance recorded in accordance with point (a) was positive, the registry administrator of the Community registry shall, upon notification by the Central Administrator, transfer by 5 May a quantity of AAUs equal to this value from the ETS central clearing account in the Community registry to the Chapter VI registries ETS AAU deposit account using the internal transfer of Kyoto units process.
2. No conversions of Chapter VI allowances into standard allowances shall be possible until the process referred to in paragraph 1 is completed.

CHAPTER VII

SECURITY REQUIREMENTS, AUTHENTICATION AND ACCESS RIGHTS

Article 78

Security requirements

Each registry and the CITL shall comply with the security requirements set out in the Data Exchange Format referred to in Article 9.

Article 79

Authentication

1. The identity of each registry and the CITL shall be authenticated using digital certificates and usernames and passwords as indicated in the Data Exchange Format referred to in Article 9.

2. Chapter VI registries shall be authenticated to the CITL through the Community registry using digital certificates and usernames and passwords as specified in the Data Exchange Format referred to in Article 9.

3. The Commission, or an entity designated by it, shall act as the certification authority for all digital certificates referred to under paragraph 1 used for the purposes of establishing the direct communication link referred to in Article 6 and shall distribute the usernames and passwords.

4. The Member States and the Community shall use the digital certificates issued by the Secretariat to the UNFCCC, or an entity designated by it, to authenticate their registries to the ITL for the purposes of establishing the indirect communication link referred to in Article 7.

5. Chapter VI registries shall be authenticated to the ITL through the Community registry with the digital certificates issued by the Secretariat to the UNFCCC, or an entity designated by it.

Article 80

Access to registries

1. An authorised representative shall only have access to the accounts within a registry which he is authorised to access and shall only be able to request the initiation of processes which he is authorised to request pursuant to Article 19.

2. That access or request shall take place through a secure area of the website for that registry.

3. The registry administrator shall issue each authorised representative with a username and password to permit the level of access to accounts or processes to which he is authorised. Registry administrators may apply additional or more stringent security requirements if they are compatible with the provisions of this Regulation.

4. The registry administrator may assume that a user who has entered a matching username and password is the authorised representative registered under that username and password, unless the authorised representative informs the registry administrator that the security of his password has been compromised and requests a replacement.

5. The registry administrator shall issue such replacement passwords without undue delay.

6. The registry administrator shall ensure that the secure area of the registry website is accessible to any computer using a widely available Internet browser. Communications between the

authorised representatives and the secure area of the registry website shall be encrypted in accordance with the security requirements described in the Data Exchange Format referred to in Article 9.

7. The registry administrator shall take all necessary steps to ensure that unauthorised access to the secure area of the registry website does not occur.

Article 81

Suspension of access to accounts

1. The Central Administrator and each registry administrator may only suspend an authorised representative's password to accounts or processes to which that authorised representative would otherwise have access if the authorised representative has, or that administrator has reasonable grounds to believe the authorised representative has:

(a) attempted to access accounts or processes which he is not authorised to access;

(b) repeatedly attempted to access an account or a process using a non-matching username and password; or

(c) attempted, or is attempting, to undermine the security of the registry or the registries system.

2. Where access to an operator holding account has been suspended pursuant to paragraph 1 between 28 April and 30 April, the registry administrator shall, if so requested by the account holder and following submission of his authorised representative's identity by means of supporting evidence, surrender the number of allowances and ERUs and CERs specified by the account holder using the allowance surrender process and the surrender of CERs and ERUs process.

CHAPTER VIII

AVAILABILITY AND RELIABILITY OF INFORMATION

Article 82

Availability and reliability of registries and the CITL

1. The Central Administrator and each registry administrator shall take all reasonable steps to ensure that:

(a) the registry is available for access by account holders 24 hours a day, 7 days a week, and that the communication link between the registry and the CITL is maintained 24 hours a day, 7 days a week, thereby providing backup hardware and software in the event of a breakdown in operations of the primary hardware and software;

(b) the registry and the CITL respond promptly to requests made by account holders.

2. They shall ensure that the registry and CITL incorporate robust systems and procedures for the safeguarding of all data and the prompt recovery of all data and operations in the event of a disaster.

3. They shall keep interruptions to the operation of the registry and CITL to a minimum.

Article 83

Suspension of access

The Central Administrator may suspend access to the CITL and a registry administrator may suspend access to his registry if there is a breach of security of the CITL or of a registry which threatens the integrity of the CITL or of a registry or the integrity of the registries system and the backup facilities referred to in Article 82 are similarly affected.

Article 84

Notification of suspension of access

1. In the event of a breach of security of the CITL that may lead to suspension of access, the Central Administrator shall promptly inform registry administrators of any risks posed to registries.

2. In the event of a breach of security of a registry that may lead to suspension of access, the relevant registry administrator shall promptly inform the Central Administrator who shall, in turn, promptly inform other registry administrators of any risks posed to registries.

3. If the registry administrator becomes aware that it is necessary to suspend either access to accounts or other operations of the registry, he shall give all relevant account holders and verifiers, the Central Administrator and other registry administrators such prior notice of the suspension as is reasonably practicable.

4. If the Central Administrator becomes aware that it is necessary to suspend access to operations of the CITL, it shall give all registry administrators such prior notice of the suspension as is reasonably practicable.

5. The notices referred to in paragraphs 3 and 4 shall include the likely duration of the suspension and shall be clearly displayed on the public area of that registry's website or on the public area of the CITL's website.

Article 85

Testing area of each registry and the CITL

1. Each registry administrator shall establish a testing area within which any new version or release of a registry can be tested using the testing procedures described in the Data Exchange Format referred to in Article 9 so as to ensure that:

(a) any testing procedures on a new version or release of a registry are completed without reducing the availability to account holders of the version or release of the registry which currently has a communication link with the CITL or ITL; and

(b) any communication link between a new version or release of a registry and the CITL or ITL is established and activated with minimum disruption to its account holders.

2. The Central Administrator shall establish a testing area so as to facilitate testing procedures referred to in paragraph 1.

3. The registry administrators and the Central Administrator shall ensure that the hardware and software of their testing area shall perform in a manner that is representative of the performance of the primary hardware and software referred to in Article 82.

Article 86

Change management

1. The Central Administrator shall coordinate with registry administrators and the Secretariat to the UNFCCC the preparation and implementation of any future amendments to this Regulation resulting in changes in the functional and technical specifications of the registry system before their implementation. After such coordination, the Central Administrator shall decide on the date of implementation by registries and the CITL of each new version of the functional and technical specifications for data exchange standards for registry systems under the Kyoto Protocol.

2. If a new version or release of a registry is required, each registry administrator and the Central Administrator shall complete the testing procedures set out in the Data Exchange Format referred to in Article 9 before a communication link is established and activated between the new version or release of that registry and the CITL or ITL.

3. Each registry administrator shall continuously monitor the availability, reliability and efficiency of his registry in order to ensure a level of performance which meets the requirements of this Regulation. If, as a result of this monitoring or the suspension of the communication link pursuant to Article 37, a new version or release of a registry is required, each registry administrator shall complete the testing procedures set out in the Data Exchange Format referred to in Article 9 before a communication link is established and activated between the new version or release of that registry and the CITL or ITL.

CHAPTER IX

RECORDS AND FEES

Article 87

Records

1. The Central Administrator and each registry administrator shall store records concerning all processes and account holders

for 15 years or until any questions of implementation relating to them have been resolved, whichever is the later.

2. Records shall be stored in accordance with the data logging requirements described in the Data Exchange Format referred to in Article 9.

Article 88

Fees

1. Any fees charged by the registry administrator to account holders shall be reasonable and shall be clearly displayed on the public area of that registry's website. Registry administrators shall not differentiate any such fees on the basis of the location of an account holder within the Community.

2. Registry administrators shall not charge account holders for processes relating to transfers of allowances, surrenders of allowances, ERUs and CERs, banking, cancellation and retirement.

CHAPTER X

FINAL PROVISIONS

Article 89

Implementation

When implementing this Regulation, registry administrators shall move any allowances held in any account that are recognised as AAUs by the ITL into the AAU deposit account: and

- (a) issue an equal amount of allowances not recognised as AAUs by the ITL;
- (b) transfer to accounts an amount of allowances not recognised as AAUs by the ITL equal to earlier allowance holdings of these accounts in accordance with procedures defined in the Data Exchange Format.

Article 90

Amendments of Regulation (EC) No 2216/2004

Regulation (EC) No 2216/2004 is amended as follows:

- (a) Article 7(5) is replaced by the following:

'5. Six months after the establishment of the first communication link referred to in paragraph 4, the Commission shall review the functional and technical specifications for data exchange standards for registry systems under the Kyoto Protocol elaborated pursuant to Decision 24/CP.8 of the Conference of the Parties to the UNFCCC, and if it finds that they provide for the possibility of the establishment of a communication link between registries and the UNFCCC international transaction log to be established via the Community independent transaction log, thereby allowing a simplification of the architecture of the registries system, it shall promptly propose an amendment to this Regulation with the purpose of simplifying the architecture of the registries system.'

- (b) A new Article 7a is added:

'Article 7a

Should the communication link between the transaction logs referred to in Article 7 be established after allowances for the 2008-12 period have been issued in accordance with Article 11 of Directive 2003/87/EC, registry administrators shall, upon completion of the connection, replace any allowances in their registry with an equal amount of allowances recognised as assigned amount units by the UNFCCC international transaction log.'

- (c) Article 11(2) is replaced by the following:

'2. From 1 January 2005 onwards each Member State registry shall contain one operator holding account for each installation created in accordance with Article 15 and at least one personal holding account for each person created in accordance with Article 19.'

- (d) The second paragraph of Article 53 is replaced by the following:

'The registry administrator shall only accept requests to surrender CERs and ERUs up to the percentage of allocation to each installation specified by Member State legislation. The CITL shall reject any request to surrender CERs and ERUs that would surpass the maximum allowed amount of CERs and ERUs to be surrendered in the Member State.'

- (e) Article 63i is replaced by the following:

'Article 63i

Registries operated in accordance with Article 63a: accounts

1. Registries operated in accordance with Article 63a shall contain at least two Party holding accounts created in accordance with Article 12.
2. One of the Party holding accounts shall be called the gateway deposit account. Only the gateway deposit account shall hold allowances with an initial unit type of 1.
3. Operator and personal holding accounts in registries operated in accordance with Article 63a shall be capable of holding allowances with an initial unit type of 1, allowances with an initial unit type of 0 and a supplementary unit type of 4, and, where authorised by Member State or Community legislation, CERs or ERUs. Account holders of these accounts shall not be allowed to initiate any transactions with allowances of an initial unit type of 1, with the exception of their conversion to allowances of an initial unit type of 0 and a supplementary unit type of 4, and their external transfer to registries not operated in accordance with Article 63a.'

- (f) Article 63l is replaced by the following:

'Article 63l

Registries operated in accordance with Article 63a: transfers of allowances between operator holding accounts in registries operated in accordance with Article 63a and other registries

1. The registries operated in accordance with Article 63a shall carry out any transfer of allowances of an initial unit type of 0 and a supplementary unit type of 4 between a holding account within its registry or between two registries operated in accordance with Article 63a as requested by the account holder using the internal transfer process set out in Annex IX.

2. The registries operated in accordance with Article 63a shall not carry out any transfer of allowances of an initial unit type of 0 and a supplementary unit type of 4 to registries not operated in accordance with Article 63a.

3. The registries operated in accordance with Article 63a shall carry out any transfer of allowances of an initial unit type of 1 to registries not operated in accordance with Article 63a as requested by the account holder using the external transfer process set out in Annex IX.

4. The registries operated in accordance with Article 63a shall not carry out any transfer of allowances of an initial unit type of 1 to other holding accounts in the registry or to other registries operated in accordance with Article 63a, with the exception of transfers during the conversion of allowances with an initial unit type of 1 to allowances with an initial unit type of 0 and a supplementary unit type of 4.'

(g) The following Article 63la is inserted after Article 63l:

'Article 63la

Conversion of allowances

1. The registry administrator of a registry operated in accordance with Article 63a shall carry out any conversion of an allowance of an initial unit type of 1 held in its registry into an allowance of an initial unit type of 0 and a supplementary unit type of 4 as requested by an account holder using the conversion of allowances to supplementary unit type 4 process by:

- (a) transferring the allowance to be converted to the gateway deposit account of the registry; and
- (b) issuing an equal amount of allowance with an initial unit type of 0 and a supplementary unit type of 4 to the account where the allowances to be converted were transferred from.

2. Where the registry administrator of a registry operated in accordance with Article 63a receives a request from an account holder to convert allowances with an initial unit type of 0 and a supplementary unit type of 4 into allowances of an initial unit type of 1, it shall verify whether the amount requested to be converted is lower than or equal to the balance of the gateway deposit account. If the amount requested to be converted is higher than the balance of the gateway deposit account, the registry administrator shall refuse to carry out the transaction. In other cases, the registry administrator shall carry out the transaction as requested by the account holder using the conversion of allowances to initial unit type of 1 process by:

- (a) transferring the allowances requested to be converted into the cancellation account; and
- (b) transferring an equal amount of allowances with an initial unit type of 1 to the account where the allowances to be converted were transferred from.

3. The administrator of the Community registry may convert AAUs into allowances of an initial unit type of 1 and shall transfer all such converted allowances into a gateway deposit account. Any allowances remaining in gateway deposit accounts after 30 June of the year following the end of the 2008-12 period and subsequent periods shall be transferred to the Community registry.

4. The Central Administrator shall make available to administrators of registries operated in accordance with Article 63a the data exchange format necessary for exchanging data between such registries and transaction logs concerning the conversions referred to in paragraphs 1 and 2.'

(h) Article 63o is deleted.

(i) Point 1 of Annex III is replaced by the following:

'Points 1 to 3.1, 3.4 to 4.5 and point 6 of the information identifying the installation as listed in Section 14.1 of Annex I to Decision 2007/589/EC. The name of the operator should be identical to the name of the natural or legal person that is the holder of the relevant greenhouse gas permit. The name of the installation shall be identical to the name indicated in the relevant greenhouse gas permit.'

(j) The following point 8a is added to Annex VI:

'By 1 January 2010 at the latest, the registry administrator shall define the last two digits of the account identifier in the form of a unique account number validation figure which is the result of a logical function applied to the preceding numbers in the account identifier.'

(k) Annex IX is amended as follows:

(a) In Table IX-1 of Annex IX, the following row is deleted:

'External transfer (between a registry referred to in Article 63a and other registry)	03-00	Range 7225 to 7226'
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(b) Paragraph 7 is deleted.

(l) Annex XIa is amended as follows:

(a) The following rows are added to Table XIa-1:

	IncreaseNAPallocationReserve	Public
	RemoveNAPallocationReserve	Public'

(b) The following rows are added to the part of Table XIa-2 under the heading 'Functions exposed through Web Services':

IncreaseNAPallocationReserve()	Handles the requests for increasing the reserve in the national allocation plan table by a quantity of allowances acquired by the registry through "replenishment".
RemoveNAPallocationReserve()	Handles the requests for removing from the reserve in the national allocation plan table, a quantity of allowances acquired by the registry through "replenishment".'

(c) The following tables are inserted in Annex XI-a after Table XIa-6:

‘Table XIa-6a: NAPTableManagementWS IncreaseNAPAllocationReserve () function

Purpose	
<p>This function receives a request for increasing the reserve in the national allocation plan table. The reserve is increased by a quantity that is equivalent to the quantity of allowances acquired by the registry through “replenishment”.</p> <p>The Community independent transaction log authenticates the initiating registry (Originating Registry) by calling the AuthenticateMessage() function and checks the version of the initiating registry by calling CheckVersion() function.</p> <p>If authentication and version checks pass, a “1” result identifier is returned without any response codes, the contents of the request are written to a file by calling the WriteToFile() function and the request is put in a queue.</p> <p>If authentication or version checks fail, a “0” result identifier is returned together with a single response code indicating the error cause.</p>	
Input parameters	
From	Mandatory
To	Mandatory
CorrelationId	Mandatory
MajorVersion	Mandatory
MinorVersion	Mandatory
InitiatingRegistry	Mandatory
CommitmentPeriod	Mandatory
NewValueofReserve	Mandatory
Output parameters	
Result Identifier	Mandatory
Response Code	Optional
Uses	
<ul style="list-style-type: none"> — AuthenticateMessage — WriteToFile — CheckVersion 	
Used By	
Not applicable (called as a web service).	

Table Xla-6b: NAPTableManagementWS RemoveNAPAllocationReserve () function

Purpose	
<p>This function receives a request for removing from the reserve in the national allocation plan table a quantity of allowances acquired by the registry through "replenishment".</p> <p>The Community independent transaction log authenticates the initiating registry (Originating Registry) by calling the AuthenticateMessage() function and checks the version of the initiating registry by calling CheckVersion() function.</p> <p>If authentication and version checks pass, a "1" result identifier is returned without any response codes, the contents of the request are written to a file by calling the WriteToFile() function and the request is put in a queue.</p> <p>If authentication or version checks fail, a "0" result identifier is returned together with a single response code indicating the error cause.</p>	
Input parameters	
From	Mandatory
To	Mandatory
CorrelationId	Mandatory
MajorVersion	Mandatory
MinorVersion	Mandatory
InitiatingRegistry	Mandatory
CommitmentPeriod	Mandatory
NewValueofReserve	Mandatory
Output parameters	
Result Identifier	Mandatory
Response Code	Optional
Uses	
<ul style="list-style-type: none"> — AuthenticateMessage — WriteToFile — CheckVersion 	
Used By	
Not applicable (called as a web service).'	

(d) The following rows are added to Table Xla-7:

IncreaseNAPAllocationReserve	7005, 7122, 7153, 7154, 7155, 7156, 7700, 7702 7453
RemoveNAPAllocationReserve	7005, 7122, 7153, 7154, 7155, 7156, 7700, 7702 7454'

(m) The following rows are inserted in Table XII-1 in the appropriate numerical order:

7453	The quantity of allowances added to the reserve must be positive.	
7454	The quantity of allowances removed from the reserve must not exceed the total quantity of allowances acquired through "replenishment".	

(n) Paragraph 5 of Annex XIV is replaced with the following:

5. The format for submitting a national allocation plan table to the Commission is the following:

- (a) total number of allowances issued: in a single cell the total number of allowances that will be issued for the period covered by the national allocation plan;
- (b) total number of allowances not allocated to incumbents (reserve): in a single cell the total number of allowances (issued or purchased) that are set aside for new entrants and auctioning for the period covered by the national allocation plan;
- (c) years: in individual cells for each of the years covered in the national allocation plan in ascending order;
- (d) installation identification code: in individual cells in ascending order. The installations listed shall include installations unilaterally included under Article 24 of Directive 2003/87/EC and shall not include any installations temporarily excluded under Article 27 of Directive 2003/87/EC;
- (e) allocated allowances: the allowances to be allocated for a specified year for a specified installation shall be entered into the cell connecting that year to that installation's identification code.'

(o) Annex XVI is amended as follows:

(a) Paragraph 4a is replaced with the following:

'The following general information shall be displayed and updated within seven working days and of any changes thereto:

- (a) the national allocation plan table of each Member State, indicating the allocations to installations and the quantity of allowances reserved for later allocation or sale shall be displayed and updated whenever there is a correction to the national allocation plan table, clearly indicating where corrections were made;
- (b) the fees charged for the creating and annual maintenance of holding accounts in each registry. Updates to this information shall be notified to the Central Administrator by the registry administrator within 15 working days of any change in fees;
- (c) the type of Kyoto units that may be held by operator and person holding accounts in registries.'

- (b) Paragraph 4b of Annex XVI is deleted.
- (c) Paragraph 12a is replaced with the following:

The Central Administrator shall make available on the public area of the Community independent transaction log's website the following information:

- (a) from 30 April onwards of year (X+1) information indicating the percentage share of allowances surrendered in each Member State for year X that were not transferred prior to their surrender;
- (b) a single number indicating the total number of allowances, ERUs, CERs held in all registries in all operator and personal holding accounts on the previous day.'

Article 91

Entry into force

1. This Regulation shall enter into force on the day following its publication in the *Official Journal of the European Union*.

Articles 2 to 88 shall apply from 1 January 2012.

2. Regulation (EC) No 2216/2004 is repealed from 1 January 2012.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, 8 October 2008.

For the Commission
Stavros DIMAS
Member of the Commission

ANNEX I

Information concerning Party accounts, national accounts and person holding accounts to be provided to the registry administrator

1. Name, address, city, postcode, country, telephone number, facsimile number and e-mail address of the person requesting the creation of the person holding account.
 2. Evidence to support the identity of the person requesting the creation of the person holding account.
 3. The alphanumeric identifier specified by the Member State, the Commission or person for the account. The alphanumeric identifier shall be unique within the registry.
 4. Name, address, city, postcode, country, telephone number, facsimile number and e-mail address of the primary authorised representative of the account specified by the Member State, the Commission or person for that account.
 5. Name, address, city, postcode, country, telephone number, facsimile number and e-mail address of the secondary authorised representative of the account specified by the Member State, the Commission or person for that account.
 6. Name, address, city, postcode, country, telephone number, facsimile number and e-mail address of any additional authorised representatives of the account and their account access rights, specified by the Member State, the Commission or person for that account.
 7. Evidence to support the identity of the authorised representatives of the account.
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ANNEX II

CORE TERMS AND CONDITIONS**Structure and effect of core terms and conditions**

1. The relationship between account holders and registry administrators.

The account holder and authorised representative's obligations

2. The account holder and authorised representative's obligations with respect to security, usernames and passwords, and access to the registry website.
3. The account holder and authorised representative's obligation to post data on the registry website and ensure that data posted is accurate.
4. The account holder and authorised representative's obligation to comply with the terms of use of the registry website.

The registry administrator's obligations

5. The registry administrator's obligation to carry out account holder's instructions.
6. The registry administrator's obligation to log the account holder's details.
7. The registry administrator's obligation to create, update or close the account in accordance with the provisions of the Regulation.

Process procedures

8. The process finalisation and confirmation provisions.

Payment

9. The terms and conditions regarding any registry fees for establishing and maintaining accounts.

Operation of the registry website

10. Provisions regarding the right of the registry administrator to make changes to the registry website.
11. Conditions of use of the registry website.

Warranties and indemnities

12. Accuracy of information.
13. Authority to initiate processes.

Modification of these core terms to reflect changes to this Regulation or changes to domestic legislation**Security and response to security breaches****Dispute resolution**

14. Provisions relating to disputes between account holders.

Liability

15. The limit of liability for the registry administrator.
16. The limit of liability for the account holder.

Third party rights**Agency, notices and governing law**

ANNEX III

Information concerning each operator holding account to be provided to the registry administrator

1. Points 1 to 3.1, 3.4 to 4.5 and point 6 of the information identifying the installation as listed in Section 14.1 of Annex I to Decision 2007/589/EC ⁽¹⁾. The name of the operator should be identical to the name of the natural or legal person who is the holder of the relevant greenhouse gas permit. The name of the installation shall be identical to the name indicated in the relevant greenhouse gas permit.
2. The permit identification code specified by the competent authority.
3. The installation identification code.
4. The alphanumeric identifier specified by the operator for the account, which shall be unique within the registry.
5. Name, address, city, postcode, country, telephone number, facsimile number and e-mail address of the primary authorised representative of the operator holding account specified by the operator for that account.
6. Name, address, city, postcode, country, telephone number, facsimile number and e-mail address of the secondary authorised representative of the operator holding account specified by the operator for that account.
7. Name, address, city, postcode, country, telephone number, facsimile number and e-mail address of any additional authorised representatives of the operator holding account and their account access rights, specified by the operator for that account.
8. Evidence to support the identity of the authorised representatives of the operator holding account.

⁽¹⁾ Commission Decision 2007/589/EC of 18 July 2007 establishing guidelines for the monitoring and reporting of greenhouse gas emissions pursuant to Directive 2003/87/EC of the European Parliament and of the Council (OJ L 229, 31.8.2007, p. 1).

ANNEX IV

Reporting requirements of each registry administrator and the Central Administrator

PUBLICLY AVAILABLE INFORMATION FROM EACH REGISTRY AND THE CITL

1. The Central Administrator shall display and update the information in paragraphs 2 to 5 in respect of the registry system on the public area of the CITL's website, in accordance with the specified timing, and each registry administrator shall display and update this information in respect of its registry on the public area of that registry's website, in accordance with the specified timing.
2. The following information for each account shall be displayed in the week after the account has been created in a registry, and shall be updated on a weekly basis:
 - (a) account holder name: the holder of the account (person, operator, Commission, Member State); in the case of operator holding accounts, the account holder name should be identical to name of the natural or legal person that is the holder of the relevant greenhouse gas permit;
 - (b) alphanumeric identifier: the identifier specified by the account holder assigned to each account;
 - (c) name, address, city, postcode, country, telephone number, facsimile number and email address of the primary, secondary and additional authorised representatives of the account specified by the account holder for that account, unless the registry administrator allows account holders to request keeping all or some of this information confidential and the account holder requested the registry administrator in writing not to display all or some of this information.
3. The following additional information for each operator holding account shall be displayed in the week after the account has been created in the registry, and shall be updated on a weekly basis:
 - (a) points 1 to 3.1, 3.4 to 4.5 and point 6 of the information identifying the installation as listed in section 14.1 of Annex I to Decision 2007/589/EC;
 - (b) permit identification code: the code assigned to the installation related to the operator holding account;
 - (c) installation identification code: the code assigned to the installation related to the operator holding account;
 - (d) allowances allocated and issued to the installation related to the operator holding account, which is part of the national allocation plan table under Article 11 of Directive 2003/87/EC and any corrections to such allocations;
 - (e) the date of the greenhouse gas permit's entry into force and the date of the creation of the account.
4. The following additional information for each operator holding account for the years 2005 onwards shall be displayed in accordance with the following specified dates:
 - (a) verified emissions figure, along with its corrections for the installation related to the operator holding account for year X shall be displayed from 15 May onwards of year (X+1);
 - (b) allowances and ERUs/CERs surrendered, by unit identification code, for year X shall be displayed from 15 May onwards of year (X+1);

- (c) a symbol identifying whether the installation related to the operator holding account did or did not surrender the necessary number of allowances for year X by 30 April of year (X+1) in accordance with point (e) of Article 6(2) of Directive 2003/87/EC and any subsequent changes to that status pursuant to corrections to verified emissions in accordance with Article 51(4) of this Regulation shall be displayed from 15 May onwards of year (X+1). Depending on the installation's compliance status figure and the registry's operational status, the following symbols shall be displayed together with the following statements:

Table IV-1: Compliance statements

Compliance status for year X on 30 April of year (X+1)	Symbol	Statement
	to be displayed on CITL and registries	
Total allowances and ERUs/CERs surrendered for the period \geq verified emissions in period until current year	A	'The number of allowances and ERUs/CERs surrendered by 30 April is greater than or equal to verified emissions'
Total allowances and ERUs/CERs surrendered for the period $<$ verified emissions in period until current year	B	'The number of allowances and ERUs/CERs surrendered by 30 April is lower than verified emissions'
	C	'Verified emissions were not entered until 30 April'
Verified emissions in period until current year were corrected by competent authority	D	'Verified emissions were corrected by competent authority after 30 April of year X. The competent authority of the Member State decided that the installation is not in compliance for year X'
Verified emissions in period until current year were corrected by competent authority	E	'Verified emissions were corrected by competent authority after 30 April of year X. The competent authority of the Member State decided that the installation is in compliance for year X'
	X	'Entering verified emissions and/or surrendering was impossible until 30 April due to the allowance surrender process and/or verified emissions update process being suspended for the Member State's registry';

- (d) a symbol indicating if the installation's account is blocked be displayed from 31 March onwards of year (X+1).

5. The following general information shall be displayed and updated within a week of any changes thereto:

- (a) the national allocation plan table of each Member State, indicating the allocations to installations and the quantity of allowances reserved for later allocation or sale shall be displayed and updated whenever there is a correction to the national allocation plan table, clearly indicating where corrections were made;
- (b) the fees charged for the creation and annual maintenance of holding accounts in each registry shall be displayed on a continuous basis. Updates to this information shall be notified to the Central Administrator by the registry administrator within 15 working days of any change in fees;
- (c) the type of Kyoto units that may be held by operator and person holding accounts in registries.

PUBLICLY AVAILABLE INFORMATION FROM EACH REGISTRY

6. Each registry administrator shall display and update the information in paragraphs 7 to 10 in respect of its registry on the public area of that registry's website, in accordance with the specified timing.

7. The following information for each project identifier for a project activity implemented pursuant to Article 6 of the Kyoto Protocol against which the Member State has issued ERUs shall be displayed in the week after the issue has taken place:
- (a) project name: a unique name for the project;
 - (b) project location: the Member State and town or region in which the project is located;
 - (c) years of ERU issuance: the years in which ERUs have been issued as a result of the project activity implemented pursuant to Article 6 of the Kyoto Protocol;
 - (d) reports: downloadable electronic versions of all publicly available documentation relating to the project, including proposals, monitoring, verification and issuance of ERUs, where relevant, subject to the confidentiality provisions in Decision 9/CMP.1 (Guidelines for the implementation of Article 6 of the Kyoto Protocol) of the Conference of the Parties to the UNFCCC serving as the meeting of the Parties to the Kyoto Protocol;
 - (e) any set-aside table drawn up in accordance with Commission Decision 2006/780/EC ⁽¹⁾.
8. The following holding and transaction information, by unit identification code, relevant for that registry for the years 2005 onwards shall be displayed in accordance with the following specified dates:
- (a) the total quantity of ERUs, CERs, AAUs and RMUs held in each account (person holding, operator holding, Party holding, cancellation, replacement or retirement) on 1 January of year X shall be displayed from 15 January onwards of year (X+5);
 - (b) the total quantity of AAUs issued in year X on the basis of the assigned amount pursuant to Article 7 of Decision No 280/2004/EC shall be displayed from 15 January onwards of year (X+1);
 - (c) the total quantity of ERUs issued in year X on the basis of project activity implemented pursuant to Article 6 of the Kyoto Protocol shall be displayed from 15 January onwards of year (X+1);
 - (d) the total quantity of ERUs, CERs, AAUs and RMUs acquired from other registries in year X and the identity of the transferring accounts and registries shall be displayed from 15 January onwards of year (X+5);
 - (e) the total quantity of RMUs issued in year X on the basis of each activity under Article 3, paragraphs 3 and 4 of the Kyoto Protocol shall be displayed from 15 January onwards of year (X+1);
 - (f) the total quantity of ERUs, CERs, AAUs and RMUs transferred to other registries in year X and the identity of the acquiring accounts and registries shall be displayed from 15 January onwards of year (X+5);
 - (g) the total quantity of ERUs, CERs, AAUs and RMUs cancelled in year X on the basis of activities under Article 3, paragraphs 3 and 4 of the Kyoto Protocol shall be displayed from 15 January onwards of year (X+1);
 - (h) the total quantity of ERUs, CERs, AAUs and RMUs cancelled in year X following determination by the compliance committee under the Kyoto Protocol that the Member State is not in compliance with its commitment under Article 3, paragraph 1 of the Kyoto Protocol shall be displayed from 15 January onwards of year (X+1);

⁽¹⁾ Commission Decision 2006/780/EC of 13 November 2006 on avoiding double counting of greenhouse gas emission reductions under the Community emissions trading scheme for project activities under the Kyoto Protocol pursuant to Directive 2003/87/EC of the European Parliament and of the Council (OJ L 316, 16.11.2006, p. 12).

- (i) the total quantity of other ERUs, CERs, AAUs and RMUs, or allowances, cancelled in year X and the reference to the Article pursuant to which these Kyoto units or allowances were cancelled under this Regulation shall be displayed from 15 January onwards of year (X+1);
 - (j) the total quantity of ERUs, CERs, AAUs, RMUs and allowances retired in year X shall be displayed from 15 January onwards of year (X+1);
 - (k) the total quantity of ERUs, CERs, AAUs carried over in year X from the previous commitment period shall be displayed from 15 January onwards of year (X+1);
 - (l) the total quantity of allowances from the previous commitment period cancelled and replaced in year X shall be displayed from 15 May onwards of year X;
 - (m) current holdings of ERUs, CERs, AAUs and RMUs in each account (person holding, operator holding, Party holding, cancellation or retirement) on 31 December of year X shall be displayed from 15 January onwards of year (X+5).
9. The list of persons authorised by the Member State to hold ERUs, CERs, AAUs and/or RMUs under its responsibility shall be displayed in the week after such authorisations have been given, and shall be updated on a weekly basis.
10. The total number of CERs and ERUs which operators are allowed to surrender for each period pursuant to Article 11a(1) of Directive 2003/87/EC shall be displayed in accordance with Article 30(3) of Directive 2003/87/EC.

PUBLICLY AVAILABLE INFORMATION FROM THE CITL

11. The Central Administrator shall display and update the information in paragraphs 12 and 13 in respect of the registry system on the public area of the CITL's website, in accordance with the specified timing.
12. The following information for each completed transaction relevant for the registries system for year X shall be displayed from 15 January onwards of year (X+5):
- (a) account identification code of the transferring account;
 - (b) account identification code of the acquiring account;
 - (c) account holder name of the transferring account: the holder of the account (person, operator, Commission, Member State);
 - (d) account holder name of the acquiring account: the holder of the account (person, operator, Commission, Member State);
 - (e) allowances or Kyoto units involved in the transaction by unit identification code;
 - (f) transaction identification code;
 - (g) date and time at which the transaction was completed (in Greenwich Mean Time);
 - (h) process type: the categorisation of a process according to Article 31.

13. The Central Administrator shall make available on the public area of the CITL's website the following information:

- (a) from 30 April onwards of year (X+1) information indicating the percentage share of allowances surrendered in each Member State in year X that were not transferred prior to their surrender;
- (b) from 1 March onwards of year (X+1) information indicating the sum of verified emissions by Member State entered for year X as a percentage of the sum of verified emissions of year (X-1);
- (c) a number indicating the total number of allowances, ERUs, CERs held in all registries in all operator and person holding accounts on the previous day.

INFORMATION FROM EACH REGISTRY TO BE MADE AVAILABLE TO ACCOUNT HOLDERS

14. Each registry administrator shall display and update the information in paragraph 15 in respect of its registry on the secure area of that registry's website, in accordance with the specified timing.

15. The following elements for each account, by unit identification code, shall be displayed on the account holder's request to that account holder only:

- (a) current holdings of allowances or Kyoto units;
 - (b) list of proposed transactions initiated by that account holder, detailing for each proposed transaction the elements in paragraph 12(a) to (f), the date and time at which the transaction was proposed (in Greenwich Mean Time), the current status of that proposed transaction and any response codes returned consequent to the checks made by the registry and the CITL;
 - (c) list of allowances or Kyoto units acquired by that account as a result of completed transactions, detailing for each transaction the elements in paragraph 12(a) to (g);
 - (d) list of allowances or Kyoto units transferred out of that account as a result of completed transactions, detailing for each transaction the elements in paragraph 12(a) to (g).
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