

**SUBSIDIARY BODY FOR SCIENTIFIC AND TECHNOLOGICAL ADVICE**

Thirteenth session

The Hague, 13-18 November 2000

Agenda item 7

**SUBSIDIARY BODY FOR IMPLEMENTATION**

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**MECHANISMS PURSUANT TO ARTICLES 6, 12 AND 17  
OF THE KYOTO PROTOCOL**

**REGISTRIES**

**Draft conclusions by the chairmen of the Subsidiary Body for Scientific and  
Technological Advice and the Subsidiary Body for Implementation**

At their joint meeting on 18 November 2000, the subsidiary bodies agreed to forward the draft decision below on rules and guidelines for registries to the Conference of the Parties at its sixth session for further consideration.

**Draft decision [D/CP.6]: Rules and guidelines for registries**

*The Conference of the Parties,*

*Recalling* its decision 7/CP.4 on a work programme on mechanisms,

1. *Recommends* that the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol, at its first session, adopt the attached decision;
2. *Requests* the Subsidiary Body for Scientific and Technological Advice and the Subsidiary Body for Implementation to prepare further guidelines for the implementation of the decision recommended in paragraph 1 to ensure the compatibility of the design and format of national registries and the clean development mechanism registry, for adoption by the Conference of the Parties serving as the meeting of Parties to the Kyoto Protocol at its first session.

**Decision [-/CMP.1]**

**Rules and guidelines for registries**

*The Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol,*

*[Bearing in mind] [Noting]* Article 3, paragraphs 3, 4, 5, 7, 8, 10, 11, 12 and 13, of the Kyoto Protocol,

*Bearing in mind also* decision 9/CP.4 of the Conference of the Parties,

*Affirming* that activities pursuant to Articles 6, 12 and 17 of the Kyoto Protocol must be subject to accurate and verifiable systems of accounting,

*Having considered* decision [D/CP.6] of the Conference of the Parties,

1. *Decides* to adopt the rules and guidelines for registries contained in the annex to this decision and any further guidelines for its implementation;
2. *Requests* the secretariat of the Convention to perform functions assigned to it, as contained in this decision and in any further guidelines for its implementation<sup>1</sup>.

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<sup>1</sup> The resource implications of this paragraph will need to be specified.

## Annex

### **RULES AND GUIDELINES FOR REGISTRIES**

#### **[A. Definitions]**

For the purpose of this annex:

- (a) “Protocol” means the Kyoto Protocol to the United Nations Framework Convention on Climate Change, as adopted on 11 December 1997;
- (b) “Party” means, unless the context otherwise indicates, a Party to the Protocol;
- (c) “Party included in Annex I” means a Party included in Annex I to the Convention, as may be amended, or a Party which has made a notification under Article 4, paragraph 2(g) of the Convention, and is a Party to the Protocol;
- (d) “Party not included in Annex I” means a Party not included in Annex I to the Convention, as may be amended, and which has not made a notification under Article 4, paragraph 2(g) of the Convention, and is a Party to the Protocol;
- (e) “Party included in Annex B” means a Party included in Annex B to the Protocol;
- (f) “Article” means an article of the Protocol, unless otherwise indicated;
- (g) [“Assigned amount units” or “AAUs”] [“Parts of assigned amount” or “PAAs”] are [serialized parts of the assigned amount of a Party included in Annex B] [units calculated pursuant to Article 3, paragraphs [3, 4,] 7 and 8];
- (h) “Emissions reduction units” or “ERUs” are units [issued] [transferred] pursuant to Article 6 and requirements thereunder;
- (i) “Certified emissions reductions” or “CERs” are units issued pursuant to Article 12 and requirements thereunder;
- (j) [AAUs][PAAs], ERUs and CERs are units each equal to one tonne of carbon dioxide equivalent, calculated using global warming potentials defined by decision 2/CP.3 or as subsequently revised in accordance with Article 5;
- (k) [“Assigned amount” includes [AAUs][PAAs], ERUs and CERs.]

#### **B. National registries**

1. Each Party included in Annex B shall establish and maintain a national registry to ensure the accurate accounting of the issuance of [AAUs][PAAs] and ERUs and the holding, transfer, acquisition, cancellation and retirement of [[AAUs][PAAs], ERUs and CERs] [assigned amount].
2. Each Party included in Annex B shall identify an organization as its registry administrator to maintain the Party’s national registry.

3. A national registry shall be in the form of a standardized electronic database which contains, *inter alia*, common data elements relevant to the issuance [AAUs][PAAs] and ERUs and the holding, transfer, acquisition, cancellation and retirement of [[AAUs][PAAs], ERUs and CERs] [assigned amount]. The design and format of national registries shall conform to further guidelines for the implementation of decision [-/CMP.1] to be adopted by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (COP/MOP).
4. Each [AAU][PAA], ERU and CER shall be held in only one account in one registry at a given time.
5. Any two or more Parties included in Annex B may voluntarily maintain their respective national registries in a consolidated system, provided that each national registry remains legally distinct.
6. Each Party included in Annex B shall have at least one holding account within its national registry. Where such a Party authorizes legal entities to hold [[AAUs][PAAs], ERUs or CERs] [assigned amount] under its responsibility, each such legal entity shall have an individual holding account in the Party's national registry.
7. Each Party included in Annex B shall have one dedicated retirement account within its national registry for each commitment period. [[AAUs][PAAs], ERUs and/or CERs] [Assigned amount] shall be transferred to the dedicated retirement account for the purpose of demonstrating the Party's compliance with its commitments under Article 3, paragraph 1, in accordance with modalities for the accounting of assigned amounts under Article 7, paragraph 4. [[AAUs][PAAs], ERUs and CERs] [Assigned amount] transferred to a Party's retirement account shall not be further transferred.
8. [Each Party included in Annex B shall have at least one dedicated cancellation account within its national registry for each commitment period, into which it shall transfer [[AAUs][PAAs]] [[AAUs][PAAs], ERUs and/or CERs] [assigned amount] for the purpose of cancelling [[AAUs][PAAs]] [[AAUs][PAAs], ERUs and/or CERs] [assigned amount] equivalent to net emissions pursuant to Article 3, paragraphs 3 and 4, in accordance with the modalities for the accounting of assigned amounts under Article 7, paragraph 4. [[AAUs][PAAs], ERUs and CERs] [Assigned amount] transferred to such a cancellation account shall not be further transferred and may not be used for the purpose of demonstrating a Party's compliance with its commitments under Article 3, paragraph 1.]  
*(Note: If sinks are eligible under the CDM, consideration may need to be given to a cancellation function in national registries or expiry dates for CERs to address issues of permanence.)*
9. Each Party included in Annex B [shall] [may] have [at least one] [additional] dedicated cancellation account[s] within its national registry for each commitment period, into which that Party or, if authorized, legal entities may transfer [[AAUs][PAAs], ERUs and/or CERs] [assigned amount] for the purpose of cancelling [them] [it] so that [they][it] cannot be used in fulfilment of commitments under Article 3, paragraph 1. [[AAUs][PAAs], ERUs and CERs] [Assigned amount] transferred to such a cancellation account shall not be further transferred and may not be used for the purpose of demonstrating a Party's compliance with its commitments under Article 3, paragraph 1.

10. [Each Party included in Annex B shall have one dedicated account for its excess assigned amount within its national registry for each commitment period. Upon verification of the availability of excess [AAUs] [PAAs] and the issuance of certificates for them by the secretariat, [certified] excess [AAUs] [PAAs] shall be transferred from their account of origin into the Party's account for excess assigned amount.]

11. Each account within a national registry shall have a unique account number comprising the following elements:

(a) Party identifier: this shall identify the Party in whose national registry the account is maintained and shall use the two-letter country code defined by the International Organization for Standardization (ISO 3166);

(b) A unique number: this shall identify the account using a number unique to that account for the Party in whose national registry the account is maintained.

12. Each national registry shall provide a user-friendly, publicly accessible user interface that allows interested persons to query and view non-confidential information contained in the registry, including, *inter alia*, the information specified in the appendix below.

### **C. Issuance and transactions**

13. Each Party included in Annex B shall, prior to the commitment period and prior to any transactions taking place for that commitment period, issue its [initial] assigned amount, established in accordance with the modalities for the accounting of assigned amounts under Article 7, paragraph 4, into its national registry as [AAUs][PAAs].

14. Each [AAU][PAA] shall have a unique serial number comprising the following elements:

(a) Commitment period: this shall identify the commitment period for which the [AAU][PAA] is issued;

(b) Party of origin: this shall identify the Party included in Annex B which issued the [AAU][PAA] into its national registry and shall use the two-letter country code defined by the International Organization for Standardization (ISO 3166);

(c) Type: this shall identify the unit as an [AAU][PAA];

(d) A unique number: this shall identify the [AAU][PAA] using a number unique to the [AAU][PAA] for the identified commitment period and Party of origin. Serial numbers shall be stored in blocks by starting and ending numbers. For single [AAUs][PAAs], the starting and ending number shall be the same.

15. [Each Party included in Annex B shall issue any additions to its assigned amount as a result of activities under Article 3, paragraphs 3 and 4, established in accordance with the modalities for the accounting of assigned amounts under Article 7, paragraph 4, into its national registry as [AAUs][PAAs]. Each Party included in Annex B shall cancel any subtractions from its assigned amount pursuant to Article 3, paragraphs 3 and 4, in accordance with the modalities for the accounting of assigned amounts under Article 7, paragraph 4, by transferring

[[AAUs][PAAs]] [[AAUs][PAAs], ERUs and CERs] [assigned amount] into a cancellation account in its national registry.]

*(Note: Decision 9/CP.4 and Article 3.4 use the terms “additions to” and “subtractions from” assigned amount. Such additions and subtractions are addressed in the modalities for the accounting of assigned amount under Article 7.4. Consideration may need to be given to any implications of when information on additions or subtractions to assigned amount as a result of activities under Articles 3.3 and 3.4 will be available. The text by the chairman on LULUCF reads: “the adjustment to a Party’s assigned amount shall be equal to the net greenhouse gas emissions or removals ... during the period 1 January 2008 to 31 December 2012 ...” (see FCCC/SBSTA/2000/12, paragraph 21.)*

16. A Party included in Annex B shall issue ERUs by converting [AAUs][PAAs] previously issued by that Party and held in its national registry. An [AAU][PAA] shall be converted into an ERU by adding a project identifier to the serial number and changing the type indicator in the serial number to indicate an ERU. Other elements of the serial number of the [AAU][PAA] shall remain unchanged. The project identifier shall identify the specific Article 6 project for which the ERUs are issued, using a number unique to the project for the Party of origin.

17. Upon such issuance, the Party shall transfer the ERUs, in accordance with these rules and guidelines, to the account or accounts of the project participants and Parties specified in their distribution agreement.

18. The national registry of the host Party shall record, and make available through a user-friendly, publicly accessible interface, the following information for all projects under Article 6, identified by the project identifier, for which the Party has issued ERUs:

- (a) Project name: this shall identify the project by a unique name;
- (b) Project location: this shall identify the Party and town or region in which the project is located;
- (c) Years of ERU issuance: this shall identify the years in which ERUs are issued as a result of each Article 6 project;
- (d) Reports: this shall [include] [identify an Internet location containing] downloadable electronic versions of [project design documents, validation reports, notifications of registration, monitoring reports, verification reports, notifications of certification and notifications of issuance of ERUs] relating to each Article 6 project.

19. A Party included in Annex B shall initiate an issuance by directing its national registry to issue [[AAUs][PAAs]] [assigned amount] into a specific account within that registry. Such issuance shall be completed when specific [[AAUs][PAAs]] [assigned amount] are recorded in the specified account.

20. The transferor of [[AAUs][PAAs], ERUs and/or CERs] [assigned amount] shall initiate any transfer, including those to holding, retirement, cancellation [and excess assigned amount] accounts, by directing its national registry or, in the case of transfers of CERs from accounts of Parties not included in Annex I, the registry for Parties not included in Annex I defined by the requirements of Article 12 to transfer specified [[AAUs][PAAs], ERUs and/or CERs] [assigned

amount] to a specific account within that registry or to another registry. In the case of a transfer to a holding account, the acquiring account shall inform the transferring account whether it accepts or rejects the transfer. Subject to notification by the transaction log that there are no discrepancies pertaining to the transfer, a transfer shall be completed when the specified [[AAUs][PAAs], ERUs and/or CERs] [assigned amount] are removed from the transferring account and are recorded in the acquiring account.

21. [Parties included in Annex B operating under Article 4 to fulfil their commitments jointly under Article 3 shall effectuate allocations under Article 4 through transfers of [AAUs][PAAs] between the national registries of the Parties participating in the Article 4 agreement.]

22. National registries and the registry for Parties not included in Annex I defined under the requirements for Article 12 shall record any issuance, transfer, acquisition, cancellation and retirement of [[AAUs][PAAs], ERUs and CERs] [assigned amount] immediately upon completion of the issuance or transaction.

#### **D. Independent transaction log**

23. The secretariat shall establish and maintain an independent transaction log to ensure the validity of transactions, including the issuance, transfer, acquisition, cancellation and retirement of [[AAUs][PAAs], ERUs and CERs] [assigned amount]. The transaction log shall ensure that each [AAU][PAA], ERU and CER is held in only one account in one registry at a given time.

24. Upon the initiation of any issuance, transfer, cancellation or retirement of [[AAUs][PAAs], ERUs and/or CERs] [assigned amount], and prior to the completion of those transactions, the initiating registry shall, as part of the transaction process, send a record of the transaction being initiated to the transaction log. For each such transaction:

(a) The initiating registry shall create a unique transaction number comprising the commitment period for which the transaction is proposed; the Party identifier for the Party included in Annex B or, for transfers of CERs from Parties not included in Annex I, that Party not included in Annex I, initiating the transaction (using the two-letter country code defined by the International Organization for Standardization (ISO 3166)); and a number unique to that transaction for the commitment period and initiating Party;

(b) The initiating registry shall send the record of the proposed transaction to the transaction log and, in the case of transfers, the acquiring national registry. The record shall include the transaction number assigned by the initiating registry; the serial numbers (in the form of starting and ending numbers) of [[AAUs][PAAs], ERUs and/or CERs] [assigned amount] being issued, transferred, cancelled, or retired; and the relevant account numbers;

(c) The transaction log shall, upon receipt of the record from the initiating registry, conduct an automated check to ensure that there are no discrepancies with regard to units previously retired or cancelled; duplicated units; units improperly issued; the eligibility of Parties involved in the transaction to participate in the mechanisms; the eligibility of legal entities involved in the transaction to hold [[AAUs][PAAs], ERUs or CERs] [assigned amount]; [and infringements on the commitment period reserve of the Party established under the modalities, rules and guidelines for emissions trading]. Upon completion of the automated check, the

transaction log shall notify the initiating and, in the case of transfers, the acquiring Party's registry of the results of the automated check;

(d) If a discrepancy is notified by the transaction log, the initiating registry shall terminate the transaction;

(e) If no discrepancy is notified by the transaction log, the initiating registry or, in the case of transfers, the acquiring Party's registry shall, upon completion or termination of the transaction, send the record and a notification of completion or termination of the transaction to the transaction log. In the case of transfers, the acquiring Party's registry shall also send this record and notification to the initiating registry.

25. The transaction log shall record all issuance, transfers, acquisitions, cancellation and retirement of [[AAUs][PAAs], ERUs and CERs] [assigned amount] to facilitate its automated checks and the review under Article 8. This information shall include the date and time of each transaction and identify the transaction as being one of the following:

- (a) Issuance of [initial] assigned amount as [AAUs][PAAs] into a national registry;
- (b) [Issuance of any additions to the Party's assigned amount as a result of activities under Article 3, paragraphs 3 and 4, as [AAUs][PAAs] into a national registry];
- (c) Issuance of ERUs;
- (d) Issuance of CERs in accordance the requirements under Article 12;
- (e) [A first transfer of [AAUs][PAAs] from an issuing national registry to another national registry;]
- (f) Any other transfer of [[AAUs][PAAs], ERUs [and CERs]] [assigned amount].

*(Note: Subject to decisions in relation to the share of proceeds, the independent transaction log could also check to ensure that, as part of the issuance procedure, the appropriate number of CERs is transferred to accounts used for holding and managing the share of proceeds. A equivalent role could also be played by the transaction log in the context of any share of proceeds adopted for Articles 6 and 17.)*



## Appendix

### PUBLICLY ACCESSIBLE INFORMATION TO BE CONTAINED IN NATIONAL REGISTRIES

1. Publicly accessible information for each account, by account number, shall include:
  - (a) Account name: this shall identify the holder of the account;
  - (b) Account type: this shall identify the type of account as being one of the following:
    - (i) Holding account;
    - (ii) Retirement account;
    - (iii) [Cancellation account for the purpose of cancelling [[AAUs][PAAs]] [[AAUs][PAAs], ERUs and/or CERs] [assigned amount] equivalent to net emissions pursuant to Article 3, paragraphs 3 and 4;]
    - (iv) Cancellation account for the purpose of cancelling [[AAUs][PAAs], ERUs and CERs] [assigned amount] so that [they] [it] cannot be used in fulfilment of a Party's commitments under Article 3, paragraph 1;
    - (vi) [Account for a Party's excess assigned amount;]
  - (c) Commitment period: this shall identify the commitment period with which retirement, cancellation [and excess assigned amount] accounts are associated. Holding accounts do not need associated commitment periods;
  - (d) Representative identifier: this shall identify the representative of the account holder, using the Party identifier (the two-letter country code defined by the International Organization for Standardization (ISO 3166)) and a number unique to that representative within the Party's registry;
  - (e) Representative name and contact information: this shall identify the full name, mailing address, telephone number, facsimile number and email address of the representative of the account holder.
2. Publicly accessible information for each calendar year in relation to [[AAUs][PAAs], ERUs and CERs] [assigned amount] shall include, by serial number:
  - (a) [Initial] assigned amount issued as [AAUs][PAAs] into national registries;
  - (b) [Any additions to the Party's assigned amount as a result of activities under Article 3, paragraphs 3 and 4, issued as [AAUs][PAAs] into national registries;]
  - (c) [[[AAUs][PAAs], ERUs and CERs] [Assigned amount] transferred to cancellation accounts for the purpose of cancelling [[AAUs][PAAs]] [[AAUs][PAAs], ERUs and/or CERs] [assigned amount] equivalent to net emissions defined pursuant to Article 3, paragraphs 3 and 4;]
  - (d) ERUs issued into national registries;

- (e) First acquisitions of newly issued ERUs;
- (f) Issuance of CERs in accordance the requirements under Article 12;
- (g) [[AAUs][PAAs], ERUs, [and CERs]] [Assigned amount] transferred and the identity of the acquiring accounts and national registries;
- (h) [[AAUs][PAAs], ERUs and CERs] [Assigned amount] acquired and the identity of the transferring accounts and registries;
- (i) [First transfers of [AAUs][PAAs] from an issuing national registry to another national registry;]
- (j) [[AAUs][PAAs], ERUs and CERs] [Assigned amount] retired for the purpose of demonstrating a Party's compliance with its commitments under Article 3, paragraph 1;
- (k) [[AAUs][PAAs], ERUs and CERs] [Assigned amount] transferred to cancellation accounts for the purpose of cancelling [them] [it] so that [they][it] cannot be used in fulfilment of a Party's commitments under Article 3, paragraph 1;
- (l) Current holdings of [[AAUs][PAAs], ERUs and CERs] [assigned amount] in each account;
- (m) [The prices at which [AAUs] [PAAs] have been traded.]

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