



# **Role of the registry system**

**Joint procurement of an auction monitor  
Information day**

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**Disclaimer: The views expressed are purely those of the speaker and may not  
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European Commission**

# The registry system (1)

*Operational since 2005*

- The registries system keeps track of the ownership of allowances in the same way as a banking system keeps track of the ownership of money
- The European Transaction Log (EUTL) automatically checks, records, and authorises all transactions that take place.
- This verification will ensure that any transfer of allowances from one account to another is consistent with the EU ETS rules.

## The registry system (2)

*Ensures the accurate accounting of allowances*

- Allowances are fungible and dematerialised assets (= allowance to emit 1t of CO<sub>2</sub> equivalent)
- Ownership tracked with electronic accounts in registries
- The record of the registry constitutes sufficient evidence of title over the allowance

*To participate in the EU Emissions Trading System, a company or a physical person has to open an account in the registry system.*

# The registry system (3)

## *Database that records:*

- Registry user details (account holders and their representatives)
- Account and installation (or aircraft operator) details
- Allowances allocated free of charge
- Verified emission reports for installations (or aircraft operator)
- Annual comparison of allowances surrendered and verified emissions to establish compliance status
- All transfers of allowances ('transactions')

## Current registries legal framework

*ETS Directive 2003/87/EC modified in 2009*

*Regulation No 1193/2011 adopted in  
November 2011 for 3rd trading period – to be  
amended*

*Regulation No 920/2010 currently in force (for  
2012, end of the 2nd trading period), last  
amendment adopted in November 2011*

# National registries (until 2012)

*Each MS set up and operated its own registry, which covered*

- **EU ETS operations**
- **Operations under Kyoto Protocol**

*Allowances backed by Assigned Amount Units (AAUs)*

# From 2012 onwards

*2012 = a turning year for registries*

- **Inclusion of the aviation sector**
- **Migration to the Union registry**

All allowances held in a single registry

Registry system's structure revised

EU ETS processes by-pass UNFCCC controls

AAUs and allowances decoupled

*Union registry takes account of experience gained, in particular on security*

*Towards ETS Phase 3*

# Overall structure

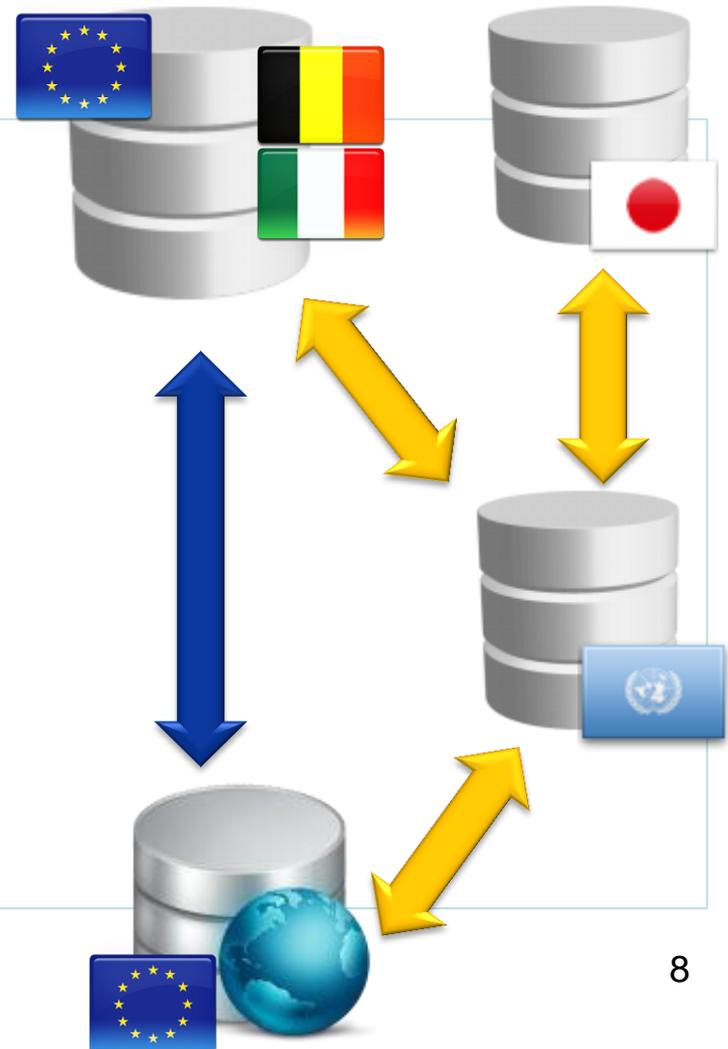
*Union Registry*

*EUTL*

*(EU Transaction Log)*

*ITL*

*(International Transaction Log)*



# Union Registry is co-managed by Commission and Member States

- **EU level**

**Commission** takes regulatory decisions (instructions to Central Administrator)

**Central Administrator** (formally Director General of DG CLIMA) operates and maintains the Registry

- **Member State level**

**Competent authorities** (=ministries) take regulatory decisions concerning operators (free allocation and compliance)

**National administrators** manage accounts under their jurisdiction

# Union Registry's users

## *Mandatory users: operators*

- Stationary installations (migrated from national registries)
- Aircraft operators since 2012

*Voluntary users: traders, banks, companies, private persons, etc.*

# Account types in EU ETS

Operator/aircraft operator: opened for all mandatory users

Person holding: for entities willing to hold/trade allowances, can only transfer to trusted accounts

Trading: for entities willing to transfer with more flexibility (trusted accounts, 26-hour-delay)

# Unit types in EU ETS

**Aviation allowances**  
(Chapter II allowances)

Can be used by  
aircraft operators  
only

**General allowances**  
(Chapter III allowances)

Can be used by aircraft  
and stationary operators

Operators can also use **Certified Emission Reductions (CERs)** and **Emission Reduction Units (ERUs)** up to a certain limit

# Transaction types in EU ETS

Transfers : transfer of allowances or other units between accounts

Surrender : use of allowances, CERs, ERUs for compliance

Deletion : remove allowances from users' account (transfer to deletion account)

# Allocation and compliance cycle

## *Key milestones*

*By 28 Feb – free allocation to (aircraft) operators*

*By 31 Mar – deadline to submit verified emissions report*

*By 30 April – deadline to surrender allowances (incl ERUs, CERs) for compliance*

## *Publication:*

*On 1 April - installation-level verified emissions data*

*On 1 May - quantity of units surrendered per unit type*

*On 15 May - installation-level compliance status figure indicating whether an installation surrendered the required amount of allowances and/or credits.*

# Security measures

Know your customer checks

## Measures in the Registry

- 26-hour-delay + business hours
- 4-eyes-principle
- Trusted account list + trading account
- 2-factor authentication
- Out-of-band confirmation

## Other measures

- Blocking of allowances
- Suspension of users and accounts
- Suspension of processes
- Exchange of information

## Auctions in the registry (1)

One Auction Delivery Account (ADA) opened per auction platform (or clearing & settlement system)

Allowances issued and delivered to the ADA in accordance with auction table (based on pre-published auction calendar)

One auction table per platform/per year/general allowances and aviation allowances

## Auctions in the registry (2)

ADA subject to security measures as for holding accounts

Managed centrally (central administrator) up to delivery to ADA

Delivery can be suspended if auction table must be modified

Operations started

Auction of aviation allowances (phase II)

Early of auction of general allowances (phase III)

# Confidentiality

*Information held in the Union Registry is confidential, including:*

- holdings
- transactions
- allowances serial numbers

*Can be provided to law enforcement and similar bodies*

# Publication of information

*Publicly available information (EUTL public web site)*

- List of accounts
- Allowances allocated free of charge (national allocation plans)
- Verified emissions, number of allowances surrendered and compliance status

*After 5 years*

- Transaction data

# Outlook

## *Upcoming amendment of the Registries' Regulation*

- Finalisation of the preparation of ETS phase 3
- Integration of the Effort Sharing Decision 406/2009
- Improvements and corrections

## *Linking with Australia*

# Thank you for your attention !

For more information see:

[http://ec.europa.eu/clima/policies/ets/registries/index\\_en.htm](http://ec.europa.eu/clima/policies/ets/registries/index_en.htm)

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