EUROPEAN COMMISSION
DIRECTORATE-GENERAL
CLIMATE ACTION
Directorate B – Carbon Markets & Clean Mobility
CLIMA.B.2 – ETS (II): Implementation, Policy Support & ETS Registry

Guidance Document

The Accreditation and Verification Regulation - Verification report

AVR Key guidance note no. II.6, Updated 31 January 2022

This document is part of a series of documents and templates provided by the Commission services for supporting the interpretation of Commission Implementing Regulation (EU) No. 2018/2067 of 19 December 2018 on the verification of data and on the accreditation of verifiers pursuant to Directive 2003/87/EC of the European Parliament and of the Council.

The guidance represents the views of the Commission services at the time of publication. It is not legally binding.

This guidance document takes into account the discussions within meetings of the informal Technical Working Group on MRVA (Monitoring, Reporting, Verification and Accreditation) under the WGIII of the Climate Change Committee (CCC), as well as written comments received from stakeholders and experts from Member States.

This guidance document was unanimously endorsed by the representatives of the Member States at the meeting of the Climate Change Committee on 11 July 2012.

All guidance documents and templates can be downloaded from the documentation section of the Commission's website at the following address: **https://ec.europa.eu/clima/eu-action/eu-emissions-trading-system-eu-ets/monitoring-reporting-and-verification-eu-ets-emissions_en#tab-0-1**

Version History

Date	Version status	Remarks
11 July 2012	Published	Endorsed by CCC on 11 July 2012
January 2022	Re-published	• Updates to the new Accreditation and Verification Regulation 2018/2067 that was amended by Commission Regulation 2020/2084. This includes revisions for the fourth trading period • Integration verification reporting for aircraft operators that fall under EU ETS and Swiss ETS

1. Background

This key guidance note is part of a suite of guidance documents developed by the Commission services to explain the requirements of the EU ETS Regulation on Accreditation and Verification (AVR)[1]. The suite of guidance documents consists of:

- an explanatory guidance on the articles of the AVR (EGD I), including a user manual providing an overview of the guidance documents and their interrelation with the relevant legislation;
- key guidance notes (KGD II) on specific verification and accreditation issues;
- a specific guidance (GD III) on the verification of aircraft operator's reports;
- templates for the verification report and information exchange requirements;
- exemplars consisting of filled-in templates, checklists or specific examples in the explanatory guidance or key guidance notes;
- frequently asked questions.

This key guidance note explains the verification report requirements in the AVR. This note represents the views of the Commission services at the time of publication. It is not legally binding.

2. Objective and scope of this note

The verifier shall issue a verification report to the operator on each report[2] that has been subject to the verification. The operator has to submit the report together with its corresponding verification report to the Competent Authority (CA). Article 27 of the AVR contains requirements on the content of the verification report and the different types of verification opinion statements that can be issued. Based on these requirements templates have been developed by the Commission to support a harmonised approach to verification reports. Templates have been developed for:

Art. 27 AVR

- the verification report for the verification of installation operator's reports;
- the verification report for the verification of aircraft operator's reports;
- the verification report for the verification of baseline data reports;
- the verification report for the verification of annual activity level reports.

The objective of this key guidance note is to explain the different sections of the templates for the verification of operator's and aircraft operator's emissions reports and to clarify how each section should be completed by the verifier. Explanation is also given on the different types of verification opinion statements. For an explanation of the verification report for the verification of baseline data reports and annual activity level reports please see Guidance Document 4 on the verification of allocation data.

This note applies to the verification of both installation and aircraft operator's reports. Please note the following:

[1] Commission Implementing Regulation (EU) 2018/2067 of 19 December 2018 on the verification of data and on the accreditation of verifiers pursuant to Directive 2003/87/EC of the European Parliament and of the Council as amended by Commission Implementing Regulation (EU) 2020/2084 of 14 December 2020: https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:02018R2067-20210101&from=EN

[2] Emissions or tonne-kilometres

▪ Wherever this note subsequently uses the term "report" it means both the operator's emission reports and the aircraft operator's emission reports or tonne-kilometre reports. ▪ Wherever this note subsequently uses the term "operator" this means that the relevant phrase is applicable to both operators and aircraft operators unless it is specifically mentioned otherwise.	

3. Justifications for using the verification report template

A standardised and consistent way of reporting information in the verification report has major advantages:

- All verifiers are encouraged to report on their verifications in a consistent and harmonised way and give their opinion statement in a uniform manner;
- It provides a transparent and cost efficient way of reporting, focusing on those elements that are important to support the opinion statement;
- It facilitates comparability between verification reports across installations, companies and Member States (MS), etc.;
- It enhances the user's confidence[3] in the extent and depth of verification activities and thus in the accuracy of the reported emission data or tonne-kilometre data;
- It provides all the relevant details to inform the CA of findings during the verification: e.g. misstatements, non-conformities and non-compliance issues with the Monitoring and Reporting Regulation (MRR).

The verification report template developed by the Commission services captures all the requirements of Article 27 of the AVR, and the different template sections provide a cost efficient and transparent way of supporting the verification opinion statement.

The front page of the template outlines the objectives of each section of the verification report and gives the verifier instructions on how to complete it.

4. Explaining the contents of the verification report template and the relationship between its sections

All the sections and the Annexes in the template are interrelated and should not be seen as separate from each other. Its contents form the necessary information on the basis of work and support for the actual opinion statement in the verification report. The Annexes are thus an intrinsic part of the verification opinion statement

Operator details

The objectives of this section are:

- to provide a practical way of reporting the information required under Article 27(3) (a) and (e) of the AVR;
- to indicate the operator and installation whose report the verifier has been verifying[4];
- to clarify the documents that serve as reference documents for the verification (i.e. the versions of the monitoring plan (MP) and in addition for an installation, the permit);

[3] The user could be the Competent Authority, the National Accreditation Body (NAB), (where relevant) the National Certification Authority (NCA) or any party that views the verification report.

[4] This is particularly important where the Verification Report is **not** embedded in the operator's report

- to provide the user of the verification report with information on the complexity of the installation or aircraft operator and thus the complexity of the verification process.

Information in template	Objective and clarification
Name of operator Name of Installation Address of Installation Unique ID	Aimed at pinpointing the operator concerned and identifying to which installation the verification report relates. An operator can have more than one installation, hence the requirement to list both the name of the operator and the name of the Installation.
GHG permit number	This section refers to the unique number of the GHG permit (where relevant). If the permit has been changed during the reporting period, this should be indicated in this section.
Date(s) of relevant approved MP and period of validity for each plan	The approved MP is the reference point against which the verifier checks the emission report. It is therefore important to list the dates of approval from the CA for the MP or updates of the MP that were in use during the reporting period.
Approving CA	The approving CA section is needed to clarify which CA has approved the MP and which CA is the responsible party to which the operator should go if the verifier has identified significant changes to the MP that require the CA's approval.
Category of the Installation Low emitter status Annex I activity	These data are needed to identify the operator's size and activities; and to give the user of the verification report a first indication of the verification effort involved. These data could be used to cross check with other data in the report or between the operator's report and the verification report. For instance, the data on the category of installation and low emitter status is information needed to cross check whether the correct materiality level given in Annex II has been applied during the verification process.

Emission details

The objectives of this section are:

- to provide a practical way of reporting the information required under Article 27(3) (d), (g) and (i) of the AVR;
- to have the verifier confirm that the data in the report are indeed the data that were verified. This is especially important if the verification report is not embedded within the operator's report: although a number of Member States (MS) have the report and the verification report integrated in one IT system and combined into one pdf-document when printed, this is not the case in other MS;
- to draw the user's attention to significant changes that occurred during the reporting period.

Information in template	Objective and clarification
Reporting year Reference document Date of emission report	Aimed at making a clear reference to the report that is being verified, and the version (where multiple drafts were produced).
Process emissions Combustion emissions Total emissions	Required by Article 27(3) (g) of the AVR
Combustion source streams	This section must be completed if the report and the

Information in template	Objective and clarification
Process source streams Methodology used Emission factors used	verification report are two separate documents. These sections require the verifier to pinpoint the key aspects of the monitoring methodology and to expressly state that the data in the report was indeed the data that have been verified by the verifier. By completing the boxes the verifier confirms the type of source streams, the monitoring methodology and the emission factor(s) used. The sections concerned only need to contain the key aspects and do not require extensive reporting. In the box "emission factor" the verifier only needs to indicate whether factors were default factor(s) or activity-specific factors or both (in which case identifying which source streams the type of factor applied to). These sections give the user of the verification report an indication of the verification effort involved and enables the CA to cross check the data in the verification report with the data in the emission report the MP and the permit (if applicable).
Changes to the operator/ Installation during the reporting year	This section is meant to draw the user's attention to particular changes that have occurred during the reporting period and that may have a significant effect on the emission data and the trend from year to year. This might for example involve: ▪ significant changes as indicated in Article 15 of the MRR; ▪ changes in the capacity or production levels.

Site visit details

The objectives of this section are:

- to provide a practical way of reporting the information required under Article 27(3) (m) and (n) of the AVR;
- to give the user of the verification report an indication of the number of site visits carried out for each operator's report verified; and the number of days spent on-site. This will help the user to determine whether sufficient time was spent on site, in particular when more than one location is involved. This information can be cross checked with other information in the emission report and in the information exchange between CAs and National Accreditation Bodies (NABs). However, please note that it is the responsibility of the NAB to assess whether sufficient time was allocated to the verification. For the CA the number of days spent at the site merely provides a signal which could be reported back to the NAB in the information exchange between the CA and NAB. **Art. 73 AVR**

Information in template	Objective and clarification
Operator/ Installation visited during verification Dates of site visit Number of days spend on-site	Data required under Article 27(3) (m) of the AVR and needed to provide information on the number of site visits carried out. If virtual site visits are carried out according to Article 34a of the AVR, the verifier should select "no" under "site visit during verification" and complete the boxes on the dates of site visit and the number of days spent virtually on the visit. If the virtual site visit has been followed-up by a physical site visit in the same verification, the verifier selects "yes" under "site visit

Information in template	Objective and clarification
	during verification" and fills in the box with justification for carrying out a virtual site visit.
Name of EU ETS auditor(s) undertaking site visit(s)	This includes information on EU ETS lead auditor(s) and/or EU ETS auditor(s) and technical experts that did the actual site work. This information also needs to be included if the site visit is carried out virtually because of a force majeure.
Justification for not undertaking a site visit	The justification in this section should be written in such a way that the user of the verification report can discern from the description that the conditions for waiving site visits have been met. For more information, please see the conditions in the key guidance note on site visits (KGD 5).
Justification for carrying out virtual site visit	Article 34(4) of the AVR allows the verifier to carry out site visits virtually if it is not possible to go to the site because of a force majeure. Such virtual site visits are only justified if certain conditions have been met. Please see section 4 of KGN II.5 on site visits for more information. The justification should be written in such a way that the user of the verification report can discern from the description that the conditions for virtual site visits have been met. If a virtual site visit was followed-up by a physical site visit in the same verification, the verifier should fill in the justification box as well and specify the reasons for carrying out a physical site visit. The date of written approval from the CA for virtual site visits has to be completed as well under this section. If the CA has given a generic authorisation pursuant to Article 34a(4) of the AVR[5], the verifier needs to indicate this.
Date of written approval from CA for waive of site visit	The date of written approval from CA for waive of site visit does not need to be completed if the waive of a site visit concerns an installation that emits less than 25 ktonnes of CO_2 per year (as outlined in Article 47(2) of the MRR). Such installations do not require approval from the CA.

Compliance with the ETS Rules

This section is related to the *"scope of verification"*. The objectives of this section are: **Art. 7 AVR**

- to provide a practical way of reporting the information required under Article 27(3) (c) and (o) and 7(5) of the AVR;
- to require the verifier to expressly and positively state with reasonable assurance that no specified non-compliance items have been identified and that the verifier is sufficiently confident that the MP, the permit and both regulations have been met by the operator;
- to explicitly confirm the scope of verification and the key elements checked during the verification to ensure that the approved MP has been implemented and complied with,

[5] A generic authorisation can be given by the CA instead of an individual approval if there is a large number of installations or aircraft operators affected by the similar serious, extraordinary and unforeseeable circumstances, outside the control of the operator or aircraft operator, and immediate action is needed because of legally imposed national health reasons,

the data are accurate, no issues have been identified that are not in line with the MRR and no opportunities for improvement have been identified;

- to stimulate a harmonised, consistent, proactive and transparent reporting of the verification approach and the verifier's findings.

Information in template	Objective and clarification
MP met Permit conditions met	This section relates to Article 7(4) (b) of the AVR and requires the verifier to positively state that the MP and the permit conditions have been met; and that no non-conformities have been identified. Where these MP requirements and conditions are not met, Annex IB shall list the non-conformities found. A non-conformity does not necessarily entail a non-compliance with the MRR. If however the non-conformity is also a non-compliance issue with the MRR, that issue must be reported under both sections (MP met and EU Regulation on M&R met).
EU regulation on M&R met	This section relates to Article 7(5) of the AVR and Article 27(3) (o) of the AVR. Any identified non-compliance with the MRR has to be reported in the verification report and will be detailed in Annex I. For example, the verifier checks during the verification whether biomass for which a zero emission factor is claimed meets sustainability and GHG savings criteria laid down in RED Directive (see KGN II.3 for more information). The verifier confirms in this section that there was compliance with sustainability and GHG savings criteria and reports here and in Annex I if non-compliance was identified.
EU regulation on A&V met	This section requires the verifier to expressly and positively state that the required activities in the process analysis have been carried out. This gives the user of the verification report confidence in the accuracy of the verified emission data and that the process followed by the verifier meets the AVR requirements. Requiring the verifier to complete the boxes and confirm whether the key activities in Article 14 to 19 of the AVR have been carried out, enables the user of the Verification Report to make cross checks and compare reports. The sections are meant to draw the user's attention to specific issues that occurred during the verification of the data or provide justification why a specific verification activity was not carried out. For instance: ▪ If the ETS Support Facility was used to generate the aircraft operator's report, the AVR allows the verifier to waive certain checks. This template requires the verifier to clarify the reasons for not undertaking these checks and to make the user aware of them. ▪ If the verifier identified that the required uncertainty thresholds were exceeded when analysing the input information for the uncertainty assessment; ▪ as part of data verification the verifier checks installation boundaries and completeness of source streams (see KGN II.1). If the verifier identifies that source streams are

Information in template	Objective and clarification
	missing or that installation boundaries are incorrectly defined, the verifier reports this as a non-compliance and non-conformity in Annex I; ▪ If the verifier could not trace the data back to the source because of data gaps (e.g. fuel invoices being lost or measuring equipment failures), this needs to be reported in the verification report. Through this section the verifier is confirming that all basic elements have been carried out and that nothing has been identified that is not in line with the requirements and verification criteria.
CA's guidance on M&R met	The verifier is only required to complete this section if the CA of the relevant MS has issued additional verification guidance for that MS. The verifier should confirm that the guidance is met and ensure that the title of the guidance is included in Annex II of the verification report as part of the list specifying the 'Rules of the EU ETS'
Previous year non-conformities not corrected	Required by Article 29(1) of the AVR.
Changes identified and not reported to the CA	This section should capture summarised information: ▪ any changes to the MP or permit that have been notified as approved by the CA but have not been included within a re-issued permit and approved MP at the time of completion of the verification (this is still one of the verification criteria that must be taken into account during the verification); ▪ any changes identified by the verifier but not reported to the CA before the relevant reporting year ended; ▪ any significant changes to the MP that require the CA's approval but for which that approval has not been obtained before completion of the verification (Article 7(6) of the AVR). The details must be listed in Annex 3.

Compliance with the Principles

The objectives of this section are:

- to provide a practical way of reporting the information required under Article 27(3) (o) and 7(5) of the AVR;
- to require the verifier to state that no non-compliance with each of the MRR principles has been identified; **Art. 7 (5) AVR**
- to require the verifier to explicitly confirm its confidence in the compliance with the principles in the MRR in order to be able to state with reasonable assurance that the emission data are accurate and have been monitored in line with the MRR.

Please note that the verifier is not required to perform a full check against the MRR and to confirm absolute compliance with the MRR principles. It is also not required to assess each and every element of the approved MP against the MRR principles. The objective of this section is for the verifier to confirm that it has not identified non-compliance with these

principles as required by Article 7(5) of the AVR. The boxes are related to other sections in the verification report. The section on *continuous improvement* is for example linked to Annex I-D (the section on 'recommendations for improvement'). If the verifier has identified opportunities for improvement, it shall complete the box by referring the 'user' to Annex I-D.

Opinion

The verification opinion statement is the summary of the whole verification report, and states the verifier's overall opinion on the data reported. All the sections in the report, including the Annexes, are supportive of the opinion statement and should not be seen as separate from each other. The boxes reflect the different possible verification opinion statements laid down in Article 27(1) of the AVR; only one of the three choices can be included in the final report.

The objectives of this section are:

- to provide a practical way of reporting the information required under Article 27(3) (k) of the AVR;
- to create a uniform and standardised way of reporting the verification opinion; using language that is consistent with existing practices globally for opinions on non-financial and financial data (this facilitates the use of the verification opinions in the Emissions Trading Marketplace).

The template distinguishes between three different types of verification opinion statements in line with Article 27(1) of the AVR. The language used for the opinion itself should not be amended; only comments added to the 'verified with comments' type of opinion or justifications for the 'not verified' type of opinion.

Type of verification opinion in template	**AVR requirement and meaning**	**Consequences of the verification opinion**	
Verified as satisfactory Verified as satisfactory but with comments	The report is free from material misstatement. This means that the operator's report: ▪ contains no misstatements and there are no outstanding non-conformities with the MP/ permit or non-compliance with the MRR; OR ▪ contains outstanding non-material misstatements, non-conformities that have no material impact on the reported data or recommendations for improvement. [6] All outstanding non-material	▪ If the operator's report does not contain any non-material misstatements, non-conformities, non-compliances with the MRR or recommendations for improvement, there are no consequences ▪ If there are outstanding non-material misstatements, the CA shall assess the misstatements and may make a conservative estimate of the emissions or tonne-kilometres where appropriate. The CA shall inform the operator whether and which corrections are required to the	**Art. 27(1) (a) AVR**

[6] These may be technical non-conformities that do not actually affect the data, for example the contact details on the MP/Permit have not been updated after a change of personnel or a change in document system that does not affect the data.

Type of verification opinion in template	AVR requirement and meaning	Consequences of the verification opinion	
	misstatements, non-conformities, non-compliance with the MRR and recommendations for improvement have to be reported in Annex I. The verified with comments section in the template is meant to draw the 'users' attention to things that verifiers consider may be of interest to the 'user', but which are not sufficient to warrant a 'not verified' opinion. This could be a selection of non-material misstatements, non-conformities or non-compliance issues taken from Annex I to highlight them for the user (e.g. drawing the user's attention that the reported data have been verified as satisfactory with reasonable assurance and the data are free from material misstatements but that the procedures for calibration have not been implemented correctly).	report. The operator has to make that information available to the verifier (Article 70(2) of the MRR) ▪ The operator has to correct any outstanding non-conformities and submit an improvement report (Article 69(4) of the MRR). ▪ The operator has to implement any recommendations of improvements in accordance with Article 69(4) of the MRR and submit an improvement report. Please note that an improvement report does not have to be submitted if the operator has already resolved all non-conformities and recommendations of improvement and has submitted a related significant modification of the MP for approval to the CA.	**Section 3.3 EGD (I)**
Not verified (as satisfactory)	One of the following situations is applicable: ▪ the report is not free from material misstatement; ▪ the scope of verification is too limited to state with reasonable assurance that the report is free from material misstatement; ▪ non-conformities (individual or combined) do not provide sufficient clarity and prevent the verifier from stating with reasonable assurance that the report is free from material misstatement.	▪ The CA shall make a conservative estimation of the emission data according to Article 70(1) of the MRR and enter the corrected data in the registry according to Article 31 of the Registry Regulation. ▪ The verifier shall not approve or insert the emission figure in the Registry	**Art. 27(1) (b) to (d) AVR**

A limitation of scope of verification may arise from the following situations: **Art. 28 AVR**

- data are missing that prevents a verifier from obtaining the evidence required to reduce the verification risk to the level needed to obtain reasonable level of assurance, e.g. some or all primary source data are missing and data are only available at an aggregated level;
- the MP is not approved by the CA thus not providing a proper reference document for the verifier to check the report against;
- the MP does not provide sufficient scope or clarity to conclude on the verification, e.g. parts of the monitoring methodology are not properly described in the monitoring plan;

- the operator has failed to make sufficient information available to enable the verifier to carry out the verification: e.g. the operator has not provided the verifier with:
  - the latest version of the MP;
  - primary source data needed to check the accuracy of the reported data such as requested fuel invoices, or results of online measurements;
  - information on measurement equipment and the quality assurance thereof (manufacturer's information, calibration records, maintenance information).

Non-conformities can only lead to a 'not-verified' report if:

- the non-conformity has a material effect on the reported emissions or tonne-kilometres e.g. an emissions source or source stream is omitted; it results in an incorrect measurement or emissions factor, etc.; and the impact of which is greater than the applicable materiality level;
- non-conformities (individual or combined) do not provide sufficient clarity and so prevent the verifier from stating with reasonable assurance that the report is free from material misstatements: e.g. the operator does not calibrate the measurement equipment or has not implemented the procedures listed in the approved MP thereby causing the verifier to be uncertain whether the reported data are free from material misstatement.

Verification team and verifier's detail

The objectives of the section *"verification team and verifier's detail"* are:

- to provide a practical way of reporting the information required under Article 27(3) (s) and (t) of the AVR;
- to provide information on the verifier to the user of the verification report: confirming amongst other things that the verifier is accredited.

Information in template	Objective and clarification
Name of verifier Contact address Is verifier accredited or certified? Name of National Accreditation Body (NAB) or National Certification Authority (NCA) Accreditation number/ certification number	Needed to clarify that the verifier is accredited and by which NAB or, if certified according to the AVR, by which NCA. This information enables the CA to assess whether the verifier is accredited/certified and so deemed competent. Article 70 of the MRR requires the CA to determine the emission figure if the operator's report has not been verified in line with the AVR.

Annex I: Misstatements, non-conformities, non-compliance and recommended improvements

Annex I provides a practical way of reporting the information required under Article 27(3) (l), (o), (p) and (r), Article 27(4) and Article 29(1) of the AVR. The information shall provide detail in relation to the answers provided in the boxes of the statement page. Please see the FAQ on classification of outstanding issues in the verification report on how to distinguish between misstatements, non-conformities, non-compliance and recommendations of improvement and how to report these issues. When reporting the issues, the verifier has to indicate whether the issue is material or not. The verifier selects "material" if:

- the misstatement is material;

- if the non-conformity or non-compliance has material impact on the data: the non-compliance leads to material misstatement.

Annex II: Further information of relevance to the opinion

Annex II provides a practical way of reporting the information required under Article 27(3) (b), (c), (e) and (j) of the AVR. The Annex outlines the basis of the verification opinion statement and should be read in conjunction with that statement.

This section describes in standard language the scope and the objectives of the verification and emphasises the different responsibilities of the verifier, the CA and the operator. It enables the user of the verification report to understand the extent to which the verifier has checked the data in the report and what criteria it has used as a reference point when assessing the data and conducting the verification. The description of the different responsibilities of each of the parties indicates what role the verifier took during the verification process and what activities were outside the responsibility of the verifier.

The standard declarations under *"work performed and basis of the opinion"* clarify that the verification activities were carried out with the aim of obtaining a reasonable level of assurance and that the verification opinion statement is therefore based on that level of assurance.

The language in this Annex should not be altered except that the verifier has to complete the section under *materiality level* and check that the details under *reference documents cited* are correct for the type of verifier and verification.

Information in template	**Objective and clarification**
Materiality level	This section requires the verifier to state the applicable materiality level used in the verification. The verifier may also indicate any detail that it considers helpful to the user of the verification report in understanding the depth and scope of the work performed in order to come to the opinion given in the verification report. For example, if the verifier had to check the entire population of data (100%) because of misstatements and/or non-conformities found during the verification process, this may be helpful for the user to understand. Similarly if they only sampled a percentage of the data population, that may be informative.
Reference documents	Reference documents are of two types: a) those that the verifier has to use to manage the verification process; and b) those that form the verification criteria against which the operator's monitoring and reporting processes are checked. For (a) in addition to the AVR and the AV guidance, there are applicable ISO standards: EN ISO 14065, ISO 14064-3 (where relevant), EA 6/03 and other relevant guidance, e.g. national guidance.

Information in template	Objective and clarification
	For (b) in addition to the MRR and EU MR guidance, there are the MS national enabling legislation and any associated MS guidance etc. The verifier must ensure that all the correct reference documents are cited in their verification report. If the verifier is a financial accounting/audit body subject to ISAE 3000 and ISAE 3410[7], it has to ensure these documents have also been cited. Please note that both these standards are not covered by accreditation, and that the NAB will not assess the verifier's compliance with ISAE 3410 and 3000 requirements.

Annex III Summary of conditions, changes, clarification and variations

Annex III provides a practical way of reporting the information required under Article 7(6) of the AVR. The Annex relates to the box *Changes identified and not reported to the CA under compliance with EU ETS rules* and should list the detail of changes mentioned that box.

5. Aviation specific issues

As outlined in section 2.4 of Guidance Document III on verification in EU ETS aviation the scope of EU ETS aviation has changed because of CORSIA, the linking between EU ETS and the Swiss ETS and the consequences of Brexit. These scope changes have an impact on how verification is carried out: i.e. checking the completeness of flights and assessing whether excluded flights are not taken into account. Several situations can occur:

1. Aircraft operators subject to EU ETS only;
2. Aircraft operators subject to EU ETS and/or CORSIA[8];
3. Aircraft operators subject to EU ETS and Swiss ETS.

This section describes how verifiers need to report in the above situations.

<u>Situation 1: aircraft operators subject to EU ETS only</u>

The Verifier completes the verification opinion statement for aviation and where relevant Annex I, II and III. For aviation similar comments as highlighted in section 4 can be made except for the fact that the specific template for verification of aircraft operator's reports contains at some points additional information, e.g. CRCO number and other checks under 'compliance with the rules'. On other points less information is required e.g. data on GHG permits are not included in the template for aircraft operators since there is no GHG permit for aircraft operators. Please see section 4 for further information and follow the instructions in the template.

<u>Situation 2: aircraft operators subject to EU ETS and/or CORSIA</u>

Verifiers verifying emission reports of aircraft operators falling under Commission Regulation

[7] The international accountancy standards applicable to financial accounting/audit companies. Both standards require financial accounting bodies to state in assurance reports (e.g. verification reports) that the engagement was conducted and reported in accordance with these accountancy standards. Hence, the required citation of both standards in Annex II.

[8] Aircraft operators falling under Commission Delegated Regulation (EU) 2019/1603: https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32019R1603&from=EN

2019/1603 and subject under EU ETS and CORSIA need to sign off separately on the EU ETS data and CORSIA data, as the data set for EU ETS is different from the data set for CORSIA. Furthermore, compliance for the EU ETS data and compliance for CORSIA data are two different compliance obligations on the part of the aircraft operator. The verifier has to use the verification report developed by the Commission for both schemes and complete two separate verification reports to report on both verifications. A negative opinion statement on CORSIA data would then not affect a positive one for EU ETS data and subsequently would not cause complications for compliance with EU ETS obligations. Please see section 5.20 of Guidance Document III on verification in EU ETS aviation for more information. When reporting verifiers have to indicate clearly which verification report belongs to which scheme and use the correct tabs in the verification report template that has been developed by the Commission.

Verifiers verifying emission reports of aircraft operators falling under Commission Regulation 2019/1603 that are only subject to CORSIA have to use the CORSIA verification opinion statement and where relevant Annex I, II and III to report on verification.

Situation 3: aircraft operators subject to EU ETS and Swiss ETS

In 2020 an agreement between the EU and Switzerland entered into force in order to link the EU ETS and Swiss ETS. In line with this Linking Agreement every aircraft operator is assigned to one administering Member State which is responsible for enforcing the EU ETS and Swiss ETS. To effectively manage the administration of EU ETS and the Swiss ETS a one-stop-shop has been introduced. This means that aircraft operators falling under both schemes have to submit one combined monitoring plan and report covering both the EU ETS and Swiss ETS emissions to the CA of the country to which they are assigned.

A verifier verifying such a combined emission report will check the completeness and accuracy of data as well as compliance with the combined MP and rules for both schemes. A combined verification report has been developed by the European Commission in order to facilitate the reporting for the verifier. The table below explains how the various elements of the combined verification report should be completed.

Information in template	**Objective and clarification**
Operator details	The verifier fills in the details of the aircraft operator. • Contact details; name, address, ID, CRCO reference number • Dates of relevant approved MP and period of validity • The Competent Authority to which the aircraft operator has been assigned • Approved MP reference number • Whether small emitters rules have been applied. Please note that verification is not required if: • An aircraft operator emits less than 25 000 t CO_2 per year and if the ETS support facility is used to generate the emission report from the ETS support facility without any modifications from the aircraft operator. To apply this threshold, all flights under the full scope of EU ETS need to be taken into account.

Information in template	Objective and clarification
	• If an AO emits less than 3 000 t CO_2 per year and if the ETS support facility is used to generate the emission report from the ETS support facility without any modifications from the aircraft operator. To apply this threshold, all flights under the reduced scope of EU ETS need to be taken into account. This could cover large AOs carrying out a limited number of flights under the reduced scope of EU ETS.
Scheme details	Aircraft operators under situation 1 and 2[9] select yes for EU ETS and no for Swiss ETS under this section. The sections relevant for Swiss ETS are greyed out automatically. The verifier needs to follow the instructions in the template and section 4 of the guidance to complete the template. Aircraft operators falling under EU ETS and Swiss ETS fill in both the EU ETS and Swiss sections in the template.
Emission details	EU ETS and Swiss ETS have separate compliance obligations: i.e. the requirement to surrender emission allowances equivalent to the emissions reported under each scheme. For that reason it is important for the verifier to give a verification opinion statement on the total declared emissions of each ETS separately. This means that the verifier has to: • confirm the total emissions of the aircraft operator under the EU ETS and Swiss ETS by filling in both figures • apply materiality to both figures separately and select the applicable verification opinion statement for each ETS scheme. Please note that materiality has a quantitative and qualitative aspect (section 3.2.8 and 3.2.9 of Guidance Document III on verification in EU ETS aviation). An exception can be made for aircraft operators that fall both under EU ETS and Swiss ETS and that have reported less than 1 000 tonnes of CO_2 emissions under the Swiss ETS scheme. In those cases it may be disproportional to apply materiality on separate emission figures and the verifier is advised to apply the materiality on the combined sum of reported EU ETS and Swiss ETS emission values. When emissions data is entered in the boxes, the template automatically checks how the materiality should be applied (on the emissions data separately or on the combined emissions data). It also helps the verifier in selecting the appropriate type of verification opinion statement. Three situations can apply: • An aircraft operator in situation 1 and 2 only fills in the EU ETS parts of the template. VOS option A must be used. • An aircraft operator that carries out EU ETS flights[10] and Swiss ETS flights falls under the scope of both schemes. The emissions subject to the Swiss ETS are 1 000 or more tonnes of CO_2. VOS option A and C must be used. • An aircraft operator that carries out EU ETS flights[11] and Swiss ETS flights falls under the scope of both schemes. The emissions subject to

[9] If the aircraft operator is subject to EU ETS and CORSIA

[10] This could be aircraft operators under situation 1, 2 and 4

[11] See footnote 10

Information in template	Objective and clarification
	the Swiss ETS are less than 1 000 tonnes of CO_2. The verifier is advised to use VOS option B. • An aircraft operator that carries out only Swiss ETS flights falls under Swiss ETS. The verifier uses option C. Information on methodology used, emission factors used and changes to the aircraft operator during the reporting year must be completed separately as these details could differ between ETS schemes. Please follow the instructions when completing the data.
Site visit details	Site visit details have to be completed for the verification of the combined EU ETS and Swiss ETS emission report. For more information please see section 4 of this guide under site visit details.
Compliance with ETS rules (EU ETS and Swiss ETS)	It is important for the verifier to positively state and confirm for both ETS schemes that: • the MP and the MP conditions have been complied with; • no non-compliance with the rules were identified. For EU ETS these rules are included in the MRR. For Swiss ETS similar rules[12] are applicable according to the Federal Act on Reduction of emissions and Ordinance on Reduction of emissions; • flight exemption criteria have been met meaning that flights were completed under each ETS scheme and flights that are excluded were not taken into account; • Biofuels for which an emission factor of zero is used, meet applicable sustainability and GHG savings criteria. If the MP or rules have not been met, these have to be reported in Annex I separately for the relevant ETS scheme.
Compliance with AVR	The verifier needs to confirm that all required activities in AVR were carried out and that nothing has been identified that is not in line with the requirements and verification criteria. As there can be differences between EU ETS and Swiss ETS, the verifier has to complete the boxes for each ETS scheme separately. For information on how to complete the box please see section 4.
Compliance with ETS principles	The results of this analysis do not have to be indicated for each ETS scheme separately. However, if non-compliance with the MRR or the Swiss ordinance has been identified or recommendations can be made, these need to be listed in Annex I separately for each ETS scheme.
Verification opinion statement	• For aircraft operators under situation 1 and 2[13] VOS option A must be selected. • For aircraft operators falling under EU ETS and Swiss ETS with reported emissions under the Swiss ETS of 1 000 tonnes or more CO_2, option A and C must be selected • For aircraft operators falling under EU ETS and Swiss ETS with reported emissions under the Swiss ETS of less than 1 000 tonnes of CO_2, it is

[12] According to the Linking Agreement MRV rules shall reflect the same level of stringency as those in MRR and AVR.

[13] If the aircraft operator is subject to EU ETS and CORSIA

Information in template	Objective and clarification
	advised to select option B for proportional and practical reasons. • An aircraft operator that carries out only Swiss ETS flights falls under Swiss ETS. The verifier uses option C. The different verification opinion statements under each option are the same as in Article 27(1) of the AVR but the wording of the verification opinion statement is tailored to each specific situation. For more information on how to interpret the verification opinion statements and the consequences of those statements please see section 4 under verification opinion statements.
Verification team	Please see section 4 under verification team. If the verifier carries out the verification of an aircraft operator's report that is subject to only Swiss ETS, EU ETS lead auditor and auditors should read as ETS lead auditor and auditor.
Annex I	The verifier needs to specify for each issue reported in Annex 1A and 1B to which ETS scheme the issue relates. If more than one ETS scheme has comments, these comments have to be listed under their own heading.
Annex II	Please see section 4 Annex II on how to complete the Annex. For the verification of reports of aircraft operators falling under EU ETS and Swiss ETS, the verifier needs to select the relevant verification criteria for EU ETS and Swiss ETS: the relevant legislation and guidance under EU ETS as well as the Federal Act and Ordinance which lays down similar rules on aircraft operators under Swiss ETS as under EU ETS, the relevant standards and guidance
Annex III	The verifier needs to specify for each issue reported in Annex 3A and 3B to which ETS scheme the issue relates. If more than one ETS scheme has comments, these comments have to be listed under their own heading.

Aircraft operators subject to UK ETS and their verifiers need to contact the UK competent authority on what template to use for reporting under UK ETS.

Tonne km data verification reporting

Because of Regulation 2017/2392[14] for preparing ICAO's global measure no further submission of tonne km data is planned. An amendment of the EU ETS Directive may require aircraft operators to submit such reports again. If this is the case, the verification opinion statements for emission reports and tonne km reports as well as tonne km reports under EU ETS and Swiss ETS are separate.

For tonne-kilometre verification reports some information does not have to be completed such as prior year non-conformities and required checks on uncertainty.

6. MS templates

MS can ask for additional information[15] from the verifier in relation to the verification. Where such information is not needed to understand the verification opinion, it may be

Art. 27(5) AVR

[14]Regulation (EU) 2017/2392 of the European Parliament and of the Council of 13 December 2017 amending Directive 2003/87/EC to continue current limitations of scope for aviation activities and to prepare to implement a global market-based measure from 2021, OJ 29 December 2017, L 350/7.

[15] Over and above that required by Article 27(3) of the AVR.

submitted to the CA, via the operator, separately from the verification report and no later than 15 May. Where such information is needed to understand the verification opinion it must be included in the verification report.