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## PRESS RELEASE

### UNFCCC: Kyoto Protocol's International Transaction Log on track

(Bonn, 2 April 2007) – The secretariat of the United Nations Framework Convention on Climate Change (UNFCCC) is on track to put in place the International Transaction Log (ITL) and make it available for industrialized countries that have signed up to the Kyoto Protocol to link to their national registries. This is in line with the timeframe of April 2007 set by the Parties to the Protocol.

“The secretariat is now undertaking final testing with a number of registries to verify that the ITL meets both the policy objectives and rules of the Kyoto Protocol and the expected demands of carbon market trading,” said UNFCCC Executive Secretary Yvo de Boer. “European registry developers are next in line and have begun linking in their test systems,” Mr. de Boer said.

The ITL is an essential component of the trading infrastructure as it forms the central hub of the settlement system which will deliver traded allowances from sellers to buyers. It will become fully functional once national registries have successfully established operational links with the ITL.

All registries must pass an official set of tests to ensure they meet the necessary standards before they commence operation. “National registries are at various stages of readiness, with some of them scheduled to begin official testing of their systems against the ITL in late April and May this year,” said the UN’s top climate change official.

The registries that have already linked their test environments to the ITL and have successfully conducted trial transactions are those of Japan and New Zealand, as well as the registry of the Clean Development Mechanism operated under the authority of the CDM Executive Board.

Registry administrators, gathered in Bonn at the secretariat’s invitation on 29 and 30 March, were given a live demonstration of registries using their high security links to the ITL to conduct transactions.

Some registries have been concerned about raising their security levels to the standards required in order to join the ITL. “With billions of Euros at stake on the carbon market, it is critical that registry security is on a par with systems in equivalent markets,” said Mr. de Boer.



The successful testing by registries so far has proven that the ITL is workable as well as secure and provides essential lessons that will benefit other registries.

According to the UNFCCC Executive Secretary, the fact that individual countries join the ITL later does not prevent the ITL from becoming operational. "The date by which individual registries meet the connection criteria is something the secretariat has little influence over", said Yvo de Boer.

European registries are currently working together under the European trading scheme and will join the ITL en masse later this year. "Despite what some market rumours would say, it is well within European abilities to link to the ITL well before the critical date of 1 December 2007 to meet delivery of CDM future contracts" said the Executive Secretary. The secretariat is working with Europe to determine when its registries will be ready to join.

It is expected that most registries belonging to Kyoto Parties within the European Union will begin their testing against the ITL from May onwards.

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