

FAQ on transactions of Kyoto Protocol units related to the true-up process for the first commitment period of the Kyoto Protocol and on the True-up Period Report template¹ (v.4 – 30 Oct. 2015)

Transactions

Q1 When will the additional period for fulfilling commitments (true-up) of the first commitment period (CP1) end?

A1 The true-up period for CP1 will end 18 November 2015, 24:00 UTC.

Q2 What is the cut-off date for the content of the Party's report upon expiration of the additional period for fulfilling commitments (true-up report)?

A2 The cut-off date for the content of the true-up report is 18 November 2015, 24:00 UTC.

Q3 Which type of transactions of Kyoto Protocol units valid for CP1 will not be possible after the end of the true-up period for CP1?

A3 In accordance with section XIII of the annex to decision 27/CMP.1, transfers and acquisitions of Kyoto Protocol units² valid for CP1 will not be possible after the end of the true-up period for CP1.

Q4 Can a Party resume transfers and acquisitions of units valid for CP1 after publication of the review report for the true-up report?

A4 No. No transfers and acquisitions of units³ valid for CP1 can take place after the cut-off date referred to in A2 above.

Q5 Which units are to be taken into account for compliance assessment?

A5 The quantity of units to be taken into account for the purpose of compliance assessment is the total quantity of Kyoto Protocol units valid for CP1 contained in the retirement account of the Party concerned, as at the cut-off date. See paragraphs 13 and 34 of the annex to decision 13/CMP.1.

Q6 Are retirement transactions of Kyoto Protocol units valid for CP1 allowed after the cut-off date?

A6 No, retirements of Kyoto Protocol units valid for CP1 after the cut-off date are not allowed in the Data Exchange Standards (DES)⁴.

Q7 How many AAUs can a Party request to carry over?

A7 The maximum quantity of AAUs valid for CP1 that a Party can request to carry over is the number of AAUs valid for CP1 in its holding accounts as at the cut-off date. A Party may choose to request less AAUs for carry over than it holds as at the cut-off date.

Q8 How many AAUs can a Party actually carry over?

¹ These FAQs are intended to cover only issues relating to transactions of Kyoto Protocol units and the True-up Period Report template. The information contained here is for general guidance only, does not represent legal advice and is provided on the understanding that the definitive interpretation of any provisions of the relevant decisions of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP) rests solely with the CMP. More general information on the timeline of the "true-up period" process and the timing/contents of the related reports is available on the UNFCCC website at http://unfccc.int/kyoto_protocol/true-up_process/items/9023.php

² These are referred to as external transfers in the Data Exchange Standards (DES); these are international transfers between national registries.

³ These are referred to as external transfers in the Data Exchange Standards (DES); these are international transfers between national registries.

⁴ Subject to the approval of the relevant change request.

A8 The maximum quantity of AAUs valid for CP1 that a Party can carry-over is the quantity of AAUs valid for CP1 held on its holding accounts as at the cut-off date. The Party may carry-over a smaller quantity, and no more than it has requested in its true-up period report. The quantity of AAUs valid for CP1 that the Party requests to carry-over will be reported in the Party's true-up period report and checked for correctness and consistency by the ERT during the true-up period review.

This means that the maximum quantity of AAUs valid for CP1 that a Party can carry over is any of the following, whichever yields the lowest quantity:

- Quantity requested in the true-up period report, as reviewed by the ERT;
- Quantity of AAUs valid for CP1 held in its holding accounts as at the cut-off date;
- Quantity of AAUs valid for CP1 held in its holding accounts, as checked for correctness and consistency by the ERT during the true-up period review (see paragraph 89(b) of the annex to decision 22/CMP.1);
- Quantity of AAUs valid for CP1 held in its holding accounts at the time the Party performs the carry over transaction.

Q9 How many CERs can a Party request to carry over?

A9 The maximum quantity of CERs valid for CP1 that a Party can request to carry over is the number of CERs valid for CP1 held in its holding accounts as at the cut-off date, or 2.5% of its initial assigned amount, whichever is lower. A Party may choose to request less CERs for carry-over than it holds as at the cut-off date, subject to the 2.5% limit.

Q10 How many CERs can a Party actually carry over?

A10 The maximum quantity of CERs valid for CP1 that a Party can carry-over is the quantity of CERs valid for CP1 held on its holding accounts as at the cut-off date, subject to the 2.5% limit set out in paragraph 15 of the annex to decision 13/CMP.1. The Party may carry-over a smaller quantity, and no more than it has requested in its true-up period report. The quantity of CERs valid for CP1 that the Party requests to carry-over will be reported in the Party's true-up period report and checked for correctness and consistency by the ERT during the true-up period review.

This means that the maximum quantity CERs valid for CP1 that a Party can carry over is any of the following, whichever yields the lowest quantity:

- Quantity requested in the true-up period report, as reviewed by the ERT;
- Quantity of CERs valid for CP1 held on its holding accounts as at the cut-off date;
- Quantity of CERs valid for CP1 held in its holding accounts, as checked for correctness and consistency by the ERT during the true-up period review (see paragraph 89(b) of the annex to decision 22/CMP.1);
- 2.5% of its initial assigned amount;
- Quantity of CERs valid for CP1 held in its holding accounts at the time the Party performs its carry over.

Q10 bis Can a Party receive CERs valid for CP1 from the CDM registry after the cut-off date?

Q10 bis Yes

Q11 If a Party receives CERs valid for CP1 from the CDM registry after the cut-off date, does it increase the quantity of CERs that the Party can carry-over?

A11 No. See Q9 and Q10 above.

Q12 Can a Party continue to receive CERs valid for CP1 from the CDM registry after carry over has taken place?

A12 Yes, but such CERs must be immediately transferred to the mandatory cancellation account of that Party's national registry.

Q13 Can CERs valid for CP1 that have not been forwarded to national registries and have remained in the CDM registry be carried over?

A13 No.

Q14 How many ERUs (converted from AAUs) can a Party request to carry over?

A14 The maximum quantity of ERUs valid for CP1 that a Party can request to carry over is the number of ERUs held in its holding accounts as at the cut-off date, or 2.5% (for each type of unit) of its initial assigned amount, whichever is lower. A Party may choose to request less ERUs for carry-over than it holds as at the cut-off date, subject to the 2.5% limit.

Q15 How many ERUs can a Party actually carry over?

A15 The maximum quantity of ERUs valid for CP1 that a Party can carry-over is the quantity of ERUs valid for CP1 held on its holding accounts as at the cut-off date, subject to the 2.5% limit set out in paragraph 15 of the annex to decision 13/CMP.1. The Party may carry-over a smaller quantity, and no more than it has requested in its true-up period report. The quantity of ERUs valid for CP1 that the Party requests to carry-over will be reported in the Party's true-up period report and checked for correctness and consistency by the ERT during the true-up period review.

This means that the maximum quantity ERUs valid for CP1 that a Party can carry over is any of the following, whichever yields the lowest quantity:

- Quantity requested in the true-up period report, as reviewed by the ERT;
- Quantity of ERUs valid for CP1 held on its holding accounts as at the cut-off date;
- Quantity of ERUs valid for CP1 held in its holding accounts, as checked for correctness and consistency by the ERT during the true-up period review (see paragraph 89(b) of the annex to decision 22/CMP.1);
- 2.5% of its initial assigned amount;
- Quantity of ERUs valid for CP1 held in its holding accounts at the time the Party performs its carry over.

Q16 What is the timeframe for carry-over of units?

A16 Carry over can start as soon as the final C&A report of the Party concerned is published. There is no deadline set for completion of the carry over. The carry-over of a Party will be considered to be complete when the ITL administrator receives a notification from the Party concerned that it has completed its carry over. It is expected that carry-over of Kyoto Protocol units valid for CP1 are completed before the end of the second commitment period of the Kyoto Protocol.

Q17 What is the timeframe for the mandatory cancellation of units valid for the first commitment period after carry-over has taken place?

A17 As soon as a Party completes its carry over, it must transfer the remaining units valid for CP1 to the mandatory cancellation account of that Party national registry. See paragraph 36 of the annex to decision 13/CMP.1.

Q18 Can a Party voluntarily cancel units valid for CP1 after the cut-off date?

A18 A Party can transfer units valid for CP1 to the voluntary cancellation account in its national registry after the cut-off date and until its carry over is completed. After carry over is complete, the Party must transfer all remaining units valid for CP1 to the mandatory cancellation account in its national registry.

Q19 What are the quantities for carry-over of AAUs, CERs and ERUs valid for CP1 that will be checked by the international transaction log (ITL)?

A19 The quantities that will be checked by the ITL are those recorded in the review report of the true-up period report and in the compilation and accounting database (CAD) for each Party. Those quantities will be set by the ERT during the review of the true-up period report of each Party.

Q20 How will Parties report on transactions of units valid for CP1 that occur after the cut-off date?

A20 Parties are strongly encouraged to continue to report their standard electronic format tables for CP1 until they complete all transactions involving units valid for CP1. It should be noted that carry over transactions are reported in the SEF for CP2.

Q20 bis Will the required level of the commitment period reserve (CPR) for CP1 still apply after the cut-off date?

A20 bis No, the CPR only applies until the end of the true-up period.

True-up Period (TUP) Report template

Q21 Paragraphs 5 and 6 of the TUP Report template (provided by the secretariat to Parties) instruct Parties to provide reference/link to where the SEF tables for 2014 and the reports R2-R5 for 2014 can be found. Is it sufficient for a Party to provide the link to the UNFCCC website where these documents are available? What if the respective documents have not been previously submitted?

A21 Yes, it is sufficient to provide the link to the UNFCCC website where these documents are available. If any of the documents requested have not been previously submitted, the respective Party has to submit them together with the TUP Report.

Q22 Paragraphs 14 and 16 of the TUP Report template instruct Parties to provide reference/link to where the serial numbers of units in the retirement account and the serial numbers of the units requested to be carried over can be found. What is the basis for requesting a reference to the serial numbers of units?

A22 According to paragraph 49 of annex to decision 13/CMP.1, “upon expiration of an additional period for fulfilling commitments, each Party included in Annex I shall report to the secretariat and **make available to the public**, in a standard electronic format, the [...] total quantity and **serial numbers** of ERUs, CERs, AAUs and RMUs in its retirement account; and the total quantity and **serial numbers** of ERUs, CERs and AAUs which the Party requests to be carried over to the subsequent commitment period.” This information can be published separately from the report, e.g. on a webpage made available by the Party and referenced in the report.

Q23 Can a Party add annexes to the TUP Report?

A23 Yes, a Party may add annexes to its TUP Report in order to provide any relevant additional information.

Q24 What should a Party report in the event that there were no discrepancies and/or unfulfilled notifications?

A24 The Party should provide clear indication in the TUP Report that no discrepancies and/or unfulfilled notifications occurred in the reporting period.