

## Decision ~~13~~X/CMP.18

### Modalities for the accounting of assigned amounts under Article 7, paragraph 4, of the Kyoto Protocol for the second commitment period

The Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol, Recalling Article 7, paragraph 4, of the Kyoto Protocol, Recalling decision 19/CP.7,

Being aware of its decisions 2/CMP.1, 3/CMP.1, 9/CMP.1, 11/CMP.1, 15/CMP.1, 16/CMP.1, 19/CMP.1, 20/CMP.1, and 22/CMP.1, ~~27/CMP.1, 1/CMP.7, 2/CMP.7, 3/CMP.7, 4/CMP.7, 5/CMP.7, 8/CMP.8 and decision 24/CP.7,~~

*Comment: decision 24/CP.7 is a reference to a draft decision on procedures and mechanisms relating to compliance under the KP. This should be replaced by a reference to decision 27/CMP.1 (final compliance decision)*

1. ~~Adopt~~s the modalities for the accounting of assigned amounts under Article 7, paragraph 4, of the Kyoto Protocol for the second commitment period, as contained in the annex to the present decision;

~~2.~~ ~~Decides that Parties included in Annex I shall apply the modalities for the accounting of assigned amounts under Article 7, paragraph 4, of the Kyoto Protocol as contained in the annex to the present decision starting from 1 January 2013 and that decision 13/CMP.1 shall continue to apply to the implementation of commitments of Parties included in Annex I for the first commitment period until the assessment of compliance at the end of the first commitment period is completed.~~

~~2-3.~~ ~~Decides that each Party included in Annex I with a commitment inscribed in Annex B for the second commitment period shall submit to the secretariat, by 15 April 2015 prior to 1 January 2007 or one year after the entry into force of the Kyoto Protocol for that Party, whichever is later, the report referred to in paragraph 6 of the annex to the present decision in conjunction with the inventory submission for the first year of the second commitment period. The review under Article 8 of this report shall be conducted jointly with the inventory review for the first year of the second commitment period. After completion of the initial review under Article 8 and resolution of any question of implementation relating to adjustments under Article 5, paragraph 2, or its assigned amount pursuant to Article 3, paragraphs 7bis, 8 and 8bis, the assigned amount pursuant to Article 3, paragraphs 7bis, 8 and 8bis, of each Party shall be recorded in the database for the compilation and accounting of emissions and assigned amounts referred to in paragraph 50 of the annex to the present decision and shall remain fixed for the commitment period;~~

~~3-4.~~ ~~Decides that each Party included in Annex I with a commitment inscribed in Annex B shall submit to the secretariat, upon expiration of the additional period for fulfilling commitments, the report referred to in paragraph 49 of the annex to the present decision;~~

~~4-5.~~ ~~Requests the secretariat to begin publishing the annual compilation and accounting reports for the second commitment period referred to in paragraph 61 of the annex to the present decision after completion of the initial review under Article 8 and resolution of any question of implementation relating to adjustments under Article 5, paragraph 2, or its assigned amount pursuant to Article 3, paragraphs 7bis, 8 and 8bis, and to forward them to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol, the Compliance Committee and each Party concerned;~~

~~5-6.~~ ~~Requests the secretariat to publish, after the additional period for fulfilling commitments, the final compilation and accounting reports for the second commitment period referred to in paragraph 62 of the annex to the present decision and forward them to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol, the Compliance Committee and each Party concerned.~~

## ANNEX

**Modalities for the accounting of assigned amounts  
under Article 7, paragraph 4, of the Kyoto Protocol  
for the second commitment period<sup>1</sup>**

**I. Modalities**

**A. Definitions**

1. An "emission reduction unit" or "ERU" is a unit issued pursuant to the relevant provisions in these modalities for the accounting of assigned amounts for the second commitment period and is equal to one metric tonne of carbon dioxide equivalent, calculated using global warming potentials defined by decision 2/CP.3.4/CMP:7 for the second commitment period, or as subsequently revised in accordance with Article 5.
2. A "certified emission reduction" or "CER" is a unit issued pursuant to Article 12 and requirements thereunder, as well as the relevant provisions in the annex to decision 3/CMP.1 for the second commitment period, and is equal to one metric tonne of carbon dioxide equivalent, calculated using global warming potentials defined by decision 2/CP.3.4/CMP:7 for the second commitment period or as subsequently revised in accordance with Article 5.
3. An "assigned amount unit" or "AAU" is a unit issued pursuant to the relevant provisions in these modalities for the accounting of assigned amounts for the second commitment period and is equal to one metric tonne of carbon dioxide equivalent, calculated using global warming potentials defined by decision 2/CP.3.4/CMP:7 for the second commitment period or as subsequently revised in accordance with Article 5.
4. A "removal unit" or "RMU" is a unit issued pursuant to the relevant provisions in these modalities for the accounting of assigned amounts for the second commitment period and is equal to one metric tonne of carbon dioxide equivalent, calculated using global warming potentials defined by decision 2/CP.3.4/CMP:7 for the second commitment period or as subsequently revised in accordance with Article 5.

**B. Calculation of the assigned amounts pursuant to Article 3, paragraphs 7bis, 8 and 8bis**

5. The assigned amount pursuant to Article 3, paragraphs 7bis, 8 and 8bis, for the first-second commitment period, ~~from 2008 to 2012~~, for each Party included in Annex I with a commitment inscribed in the third column of the table contained in Annex B to the Kyoto Protocol<sup>2</sup> shall be equal to the percentage inscribed for it in the third column of the table contained in Annex B of its aggregate anthropogenic carbon dioxide equivalent emissions of the greenhouse gases, and from the sources, listed in Annex A to the Kyoto Protocol in the base year or period, multiplied by the duration of the commitment period in years five, taking into account the following:
  - (a) The base year shall be 1990 except for those Parties undergoing the process of transition to a market economy that have selected a historical base year or period other than 1990, in accordance with Article 3, paragraph 5, and for those Parties that have selected 1995 as the base year for total emissions of hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride and for those Parties that have selected 1995

<sup>1</sup> "Article" in these modalities refers to an article of the Kyoto Protocol, unless otherwise specified.

<sup>2</sup> Hereinafter referred to as a "Party included in Annex I".

or 2000 as the base year for nitrogen fluoride, in accordance with Article 3, paragraphs 8 and 8bis;

- (b) Those Parties for which land-use change and forestry (all emissions by sources and removals by sinks under category 5 of the *Revised 1996 IPCC Guidelines for National Greenhouse Gas Inventories*) constituted a net source of greenhouse gas emissions in the base year or period shall include in their emissions during that year or period the aggregate anthropogenic carbon dioxide equivalent emissions by sources minus removals by sinks in that year or period from land-use change (all emissions by sources minus removals by sinks reported in relation to the conversion of forests (deforestation))
- (c) (e) Those Parties that have reached an agreement in accordance with Article 4 to fulfil their commitments under Article 3 jointly for the second commitment period shall use the respective emission level allocated to each of the Parties in that agreement instead of the percentage inscribed for it in Annex B.

~~6. Each Party included in Annex I shall facilitate the calculation of its assigned amount pursuant to Article 3, paragraphs 7bis, 8 and 8bis, for the second commitment period and demonstrate its capacity to account for its emissions and assigned amount. To this end, each Party shall submit a report in conjunction with its inventory submission, in two parts, containing the following information specified in paragraphs 7 and 8 below:~~

~~7. Part one of the report referred to in paragraph 6 above shall contain the following information, or references to such information where it has been previously submitted to the secretariat:~~

- (a) ~~Complete inventories of anthropogenic emissions by sources and removals by sinks of greenhouse gases not controlled by the Montreal Protocol for all years from 1990, or another approved base year or period under Article 3, paragraph 5, to the most recent year available, prepared in accordance with Article 5, paragraph 2, and relevant decisions of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (COP/MOP), taking into account any relevant decisions of the Conference of the Parties~~
- ~~(b) Comment: the EU assumes that the information for the calculation of assigned amount specified here is reported together with the inventory submission by 15 April 2013. If this information is submitted in conjunction with the inventory, subparagraph a can be deleted.~~
- (b) Identification of its selected base year for hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride in accordance with Article 3, paragraph 8 and of its selected base year for nitrogen trifluoride in accordance with Article 3, paragraph 8bis. For the second commitment period, the base year for hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride in accordance with Article 3, paragraph 8 shall be the same as the base year identified for the first commitment period, where applicable.
- Comment: The identification of selected base year for HFC, PFCs and SF6 should continue to be included because Annex I Parties not listed in Annex B for the first commitment period may join the second commitment period.*
- (c) The agreement under Article 4 for the second commitment period, where the Party has reached such an agreement to fulfil its commitments under Article 3 jointly with other Parties
- (d) Calculation of its assigned amount pursuant to Article 3, paragraphs ~~7bis, and 8 and 8bis~~, on the basis of its inventory of anthropogenic emissions by sources and removals

by sinks of greenhouse gases not controlled by the Montreal Protocol due by 15 April 2013. The inventories shall include recalculated time series of emissions by sources and removals by sinks of greenhouse gases, including base year emissions for the second commitment period in accordance with paragraph 17 of decision 4/CMP.7.

~~8. — Part two of the report referred to in paragraph 6 above shall contain the following information, or references to such information where it has been previously submitted to the secretariat:~~

- (e) Calculation of its commitment period reserve in accordance with

Option 1 [decision 11/CMP.1]

Option 2 [decision X/CMP.8]

*Disclaimer: The EU is in favor of option 1. However option 2 is discussed under AWG-KP. In order to reflect all potential options in a draft revised legal text, both options are presented in this subparagraph. The discussion how the CPR is calculated should be resolved within AWG-KP and subsequently only the agreed option should be kept in this subparagraph.*

- (f) Identification of its selection of single minimum values for tree crown cover, land area and tree height for use in accounting for its activities under Article 3, paragraphs 3 and 4, for those Parties included in Annex I that did not select a definition of forest for the first commitment period for the second commitment period together with a justification of the consistency of those values with the information that has been historically reported to the Food and Agriculture Organization of the United Nations or other international bodies, and in the case of difference, an explanation of why and how such values were chosen, in accordance with decision 16/CMP.1 and ~~2XX/CMP.7~~ (LULUCF). For those Parties that selected its forest definition for the first commitment period, the definition for the second commitment period shall be maintained.
- (g) Identification of its election of activities under Article 3, paragraph 4, for inclusion in its accounting for the ~~second~~first commitment period, in addition to those activities under Article 3, paragraph 4 that were already elected in the first commitment period together with information on how its national system under Article 5, paragraph 1, will identify land areas associated with ~~the all additional elected activities~~ activities and how it ensures that land that was accounted for under Article 3, paragraphs 3 and 4 in the first commitment period continues to be accounted in subsequent commitment periods, in accordance with decision 16/CMP.1 and ~~2XX/CMP.7~~ (LULUCF)
- ~~(h)~~ Identification of whether, for each activity under Article 3, paragraphs 3 and 4, it intends to account annually or for the entire commitment period.
- ~~(i)~~ Identification of how it intends to account for ~~of~~ emissions and removals from the harvested wood products pool in the second commitment period pursuant to paragraphs 16, 276 to 32 of decision 2/CMP.7.
- ~~(j)~~ Identification of whether it intends to exclude from the accounting in the second commitment period emissions from natural disturbances in areas under afforestation and reforestation under ~~a~~Article 3, paragraph 3 and under forest management under ~~a~~Article 3, paragraph 4, that in any single year exceed the background level in accordance with paragraph 33 of decision 2/CMP.7. If A Party intends to exclude such emissions from the accounting in the second commitment period, it shall provide information on the calculated background levels, how these levels were estimated and how it intends to avoid the expectation of net credits or net debits during the commitment period, including through the use of a margin and how it will ensure that

any subsequent removals during the commitment period on the lands affected will also be excluded from the accounting in accordance with paragraph 22 of decision 2/CMP.7

- (a) A description of its national system in accordance with Article 5, paragraph 1, reported in accordance with the guidelines for the preparation of the information required under Article 7 of the Kyoto Protocol for those Annex I Parties which did not have a quantified emission limitation and reduction target in the first commitment period.

~~(j)~~(k) *Comment: Is already reported and reviewed as part of inventory submission continuously during CPI, no need to review again apart from regular inventory review*

- (f) A description of its national registry, reported in accordance with the guidelines for the preparation of the information required under Article 7 of the Kyoto Protocol for those Annex I Parties which did not have a quantified emission limitation and reduction target in the first commitment period.

*Comment: Is already reported and reviewed as part of inventory submission continuously during CPI, no need to review again apart from regular inventory review*

#### **C. Recording of the assigned amounts pursuant to Article 3, paragraphs 7bis, 8 and 8bis**

9. After the initial review under Article 8 and resolution of any questions of implementation relating to adjustments or the calculation of its assigned amount pursuant to Article 3, paragraphs 7bis, 8 and 8bis for the second commitment period, the assigned amount pursuant to Article 3, paragraphs 7bis, 8 and 8bis, of each Party shall be recorded in the database for the compilation and accounting of emissions and assigned amounts referred to in paragraph 50 below.

10. Once recorded in the compilation and accounting database referred to in paragraph 50 below, the assigned amount pursuant to Article 3, paragraphs 7bis, 8 and 8bis, of each Party shall remain fixed for the commitment period.

#### **D. Additions to, and subtractions from, the assigned amounts pursuant to Article 3, paragraphs 7bis, 8 and 8bis, for the accounting of the compliance assessment**

11. At the end of the additional period for fulfilling commitments, the following additions to the assigned amount pursuant to Article 3, paragraphs 7bis, 8 and 8bis, of a Party shall be made in accordance with Article 3, paragraphs 3, 4, 10, 12 and 13, for the accounting of the compliance assessment for the second commitment period:

- (a) Acquisitions by the Party of ERUs in accordance with Articles 6 and 17
- (b) Net acquisitions by the Party of CERs, where it acquires more CERs in accordance with Articles 12 and 17 than it transfers in accordance with Article 17.
- (c) Acquisitions by the Party of AAUs in accordance with Article 17
- (d) Acquisitions by the Party of RMUs in accordance with Article 17
- (e) Issuance by the Party of RMUs on the basis of its activities under Article 3, paragraph 3, of forest management under Article 3.4, and its elected activities under Article 3, paragraph 4, and from forest management in the second commitment period where such activities result in a net removal of greenhouse gases, as reported in accordance with Article 7, reviewed in accordance with Article 8, taking into account any adjustments applied under Article 5, paragraph 2, accounted in accordance with decision 2/CMP.7 (LULUCF) and subject to any question of implementation relating to those activities having been resolved.

- (f) Acquisitions of units generated from approved activities generated from market-based mechanisms to be established under the Convention or its instruments.<sup>3</sup>
- (g) **Option 1:** Carry-over by the Party of ERUs, CERs and/or AAUs from the previous commitment period, in accordance with paragraph 15 below.
- (h) **Option 2 (G77 proposal):** Carry-over by the Party of CERs from the previous commitment period, in accordance with paragraph 15 below
- (i) Addition of units retired from a Party's Previous Period Surplus Reserve account during the additional period for fulfilling commitments of the second commitment in accordance with paragraph 15 below..

*Disclaimer: The inclusion of option 2 here does not imply that the EU supports this option. Option 2 was proposed under AWG-KP. In order to reflect all potential options in a draft revised legal text, both options are presented in this subparagraph. The discussion how carry-over may occur should be resolved within AWG-KP and subsequently only the agreed option should be kept in this subparagraph.*

~~(f)~~

12. At the end of the additional period for fulfilling commitments, the following subtractions from the assigned amount pursuant to Article 3, paragraphs 7**bis**, 8 and 8**bis**, of a Party shall be made in accordance with Article 3, paragraphs 3, 4 and 11, for the accounting of the compliance assessment for the second commitment period:

- (a) Transfers by the Party of ERUs in accordance with Articles 6 and 17
- (b) Transfers by the Party of AAUs in accordance with Article 17
- (c) Transfers by the Party of RMUs in accordance with Article 17
- ~~(e)~~(d) (f) Transfers by the Party units generated from approved activities generated from market-based mechanisms to be established under the Convention or its instruments.
- ~~(d)~~(e) Cancellation by the Party of ERUs, CERs, AAUs and/or RMUs on the basis of its activities under Article 3, paragraph 3, of forest management under Article 3.4 and its elected activities under Article 3, paragraph 4, where such activities result in a net source of greenhouse gas emissions, as reported in accordance with Article 7, reviewed in accordance with Article 8, taking into account any adjustments applied under Article 5, paragraph 2 and accounted in accordance with decision 2/CMP.7 (LULUCF).
- (f) Cancellation by the Party of ERUs, CERs, AAUs and/or RMUs corresponding to the deduction calculated in accordance with paragraph 5 of decision 27/CMP.1 following determination by the Compliance Committee that the Party was not in compliance with its commitment under Article 3, paragraph 1, for the previous commitment period, in accordance with decision 2427/CMP.1P.7

<sup>3</sup> Future decisions on new types of units may need to be integrated in several parts in this decision. Such future decisions are recognized in those parts of this decision that are related to compliance of Parties included in Annex I for the second commitment period while technical issues such as definitions, transaction procedures or issues related to registries should be incorporated in such future decisions.

- (g) Cancellation by the Party of ERUs, CERs, AAUs and/or RMUs for the purposes of replacing tCERs prior to expiry in accordance with decision 5/CMP.1 and for the purposes of replacing ICERs in accordance with decision 5/CMP.1
- (h) Cancellation by the Party of ERUs, CERs, AAUs and/or RMUs upon request of the CDM Executive Board in the event of net reversal of storage for CCS project activities or the lack of certification reports in accordance with decision 10/CMP.7.
- (e) —
- (i) Other cancellations by the Party of ERUs, CERs, AAUs and/or RMUs.

12bis: After compliance assessment for a commitment period is completed at the end of the additional period for fulfilling commitments of a commitment period, all units held in a Party's registry that are not carried over to a subsequent commitment period [Option 2: and all units held in the Party's Previous Period Surplus Reserve Account of that commitment period] shall be cancelled.

Disclaimer: The inclusion of option 2 here does not imply that the EU supports this option. Option 2 was proposed under AWG-KP. In order to reflect all potential options in a draft revised legal text, both options are presented in this subparagraph. The discussion how carry-over may occur should be resolved within AWG-KP and subsequently only the agreed option should be kept in this subparagraph..

#### E. Basis for the compliance assessment

13. Each Party included in Annex I shall retire ERUs, CERs, AAUs and/or RMUs and units generated from approved activities generated from market-based mechanisms to be established under the Convention or its instruments for the purpose of demonstrating its compliance with its commitment under Article 3, paragraph 1bis.

14. The assessment, after the expiration of the additional period for fulfilling commitments, of the compliance of a Party included in Annex I with its commitment under Article 3, paragraph 1bis, shall be based on the comparison of the quantity of ERUs, CERs, AAUs and/or RMUs and units from approved activities generated from market-based mechanisms to be established under the Convention or its instruments, valid for the commitment period in question, retired by the Party in accordance with paragraph 13 above, with its aggregate anthropogenic carbon dioxide equivalent emissions of the greenhouse gases, and from the sources, listed in Annex A to the Kyoto Protocol during the commitment period as reported in accordance with Article 7 and reviewed in accordance with Article 8, taking into account any adjustments in accordance with Article 5, paragraph 2, as recorded in the compilation and accounting database referred to in paragraph 50 below.

#### F. Carry-over

15. Option 1: After expiration of the additional period for fulfilling commitments and where the final compilation and accounting report referred to in paragraph 62 below indicates that the quantity of ERUs, CERs, AAUs and/or RMUs retired by the Party in accordance with paragraph 13 above is at least equivalent to its anthropogenic carbon dioxide equivalent emissions of the greenhouse gases, and from the sources, listed in Annex A to the Kyoto Protocol for that commitment period, the Party may carry over to the subsequent commitment period:

- (a) Any ERUs held in its national registry, which have not been converted from RMUs and have not been retired for that commitment period or cancelled, to a maximum of 2.5 per cent of the assigned amount pursuant to Article 3, paragraphs 7bis and 8\_ and 8bis, of that Party

Formatted: Not Highlight

(a)(b) Any CERs held in its national registry, which have not been retired for that commitment period or cancelled, to a maximum of 2.5 per cent of the assigned amount pursuant to Article 3, paragraphs 7bis, ~~and 8~~ and 8bis, of that Party

(c) Any AAUs held in its national registry, which have not been retired for that commitment period or cancelled.

**Option 2: Reflects G77 proposal:**

Formatted: Not Highlight

**F. Carry-over and Previous Period Surplus Reserve**

15. After expiration of the additional period for fulfilling commitments of a commitment period and where ERUs, CERs or AAUs remain in a Party's holding account after final assessment of compliance, the Party may

(a) carry over to the subsequent [second] commitment period any CERs held in its national registry, which have not been retired for that [the first] commitment period or cancelled, to a maximum of 2.5 per cent of the assigned amount pursuant to Article 3, paragraphs 7bis, and 8 and 8bis, of that Party.

(b) transfer any ERUs held in its national registry, which have not been converted from RMUs and have not been retired for the [first] commitment period or cancelled, and any AAUs held in its national registry, which have not been retired for that [the first] commitment period or cancelled, to a Previous Period Surplus Reserve Account for the subsequent [second] commitment period.

*Disclaimer: The inclusion of option 2 here does not imply that the EU supports this option. Option 2 was proposed under AWG-KP. In order to reflect all potential options in a draft revised legal text, both options are presented in this subparagraph. The discussion how carry-over may occur should be resolved within AWG-KP and subsequently only the agreed option should be kept in this subparagraph.*

(a)(c) \_\_\_\_\_

RMUs may not be carried over to the subsequent commitment period.

## II. Registry requirements

### A. National registries

17. Each Party included in Annex I shall establish and maintain a national registry to ensure the accurate accounting of the issuance, holding, transfer, acquisition, cancellation and retirement of ERUs, CERs, AAUs and RMUs and the carry-over of ERUs, CERs and AAUs.

18. Each Party shall designate an organization as its registry administrator to maintain the national registry of that Party. Any two or more Parties may voluntarily maintain their respective national registries in a consolidated system, provided that each national registry ~~remains distinct~~ retains its national administrator and fulfills the requirements set out in this decision.

19. A national registry shall be in the form of a standardized electronic database which contains, inter alia, common data elements relevant to the issuance, holding, transfer, acquisition, cancellation and retirement of ERUs, CERs, AAUs and RMUs and the carry-over of ERUs, CERs and AAUs. The structure and data formats of national registries shall conform to technical standards ~~to be~~ adopted by decision 24/CP.8 the COP/MOP, for the purpose of ensuring the accurate, transparent and efficient exchange of data between national registries, the clean development mechanism (CDM) registry and the international transaction log.

20. Each ERU, CER, AAU and RMU shall be held in only one account in one registry at a given time.

21. Each national registry shall have the following accounts:
- (a) At least one holding account for the Party
  - (b) At least one holding account for each legal entity authorized by the Party to hold ERUs, CERs, AAUs and/or RMUs under its responsibility
  - (c) At least one cancellation account for each commitment period for the purposes of cancelling ERUs, CERs, AAUs and/or RMUs under paragraph 12 (d) above
  - (d) One cancellation account for each commitment period for the purposes of cancelling ERUs, CERs, AAUs and/or RMUs under paragraph 12 (e) above
  - ~~(e)~~ At least ~~two~~ ~~one~~ distinct cancellation accounts for each commitment period for the purposes of cancelling ERUs, CERs, AAUs and/or RMUs under paragraph 12 (~~fg~~) above. one for the purposes of replacing tCERs and one for the purpose of replacing ICERs.
  - ~~(f)~~ At least one cancellation account for each commitment period for the purposes of cancelling ERUs, CERs, AAUs and/or RMUs under paragraph 12 (f) above
  - ~~(g)~~ At least one cancellation account for each commitment period for the purposes of cancelling ERUs, CERs, AAUs and/or RMUs under paragraph 12 (h) above
  - ~~(h)~~ At least one cancellation account for each commitment period for the purposes of cancelling ERUs, CERs, AAUs and/or RMUs under paragraph 12bis above
  - ~~(e)~~ **Option 2 (G77 proposal for carry-over): One Previous Period Surplus Reserve Account to hold units transferred from the first commitment period to be used for retirement during the additional period for fulfilling commitments of the second commitment period in accordance with paragraph 15 above.**
  - ~~(i)~~ One retirement account for each commitment period.

*Disclaimer: The inclusion of option 2 here does not imply that the EU supports this option. Option 2 was proposed under AWG-KP. In order to reflect all potential options in a draft revised legal text, both options are presented in this subparagraph. The discussion how carry-over may occur should be resolved within AWG-KP and subsequently only the agreed option should be kept in this subparagraph..*

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

- (a) Party identifier: the Party in whose national registry the account is maintained, identified by means of the two-letter country code defined by the International Organization for Standardization (ISO 3166)
- (b) A unique number: a number unique to that account for the Party in whose national registry the account is maintained.

**B. Issuance of ERUs, AAUs and RMUs**

23. Each Party included in Annex I shall, prior to any transactions of its AAUs taking place for that commitment period, issue a quantity of AAUs equivalent to its assigned amount pursuant to Article 3, paragraphs 7bis, 8 and 8bis, calculated and recorded in accordance with paragraphs 5 to 10 above, in its national registry.

24. Each AAU shall have a unique serial number comprising the following elements:
- (a) Commitment period: the commitment period for which the AAU is issued
  - (b) Party of origin: the Party issuing the AAU, identified by means of the two-letter country code defined by ISO 3166
  - (c) Type: an element identifying the unit as an AAU
  - (d) Unit: a number unique to the AAU for the identified commitment period and Party of origin.
25. Each Party included in Annex I shall issue in its national registry RMUs equivalent to the net removals of anthropogenic greenhouse gases resulting from its activities under Article 3, paragraph 3, ~~from forest management under Article 3, paragraph 4 in the second commitment period~~ and ~~from its elected activities under Article 3, paragraph 4 in the second commitment period~~, accounted in accordance with decision ~~2/CMP.7-16/CMP.1~~ as reported under Article 7, paragraph 1, following completion of the review in accordance with Article 8, taking into account any adjustments applied in accordance with Article 5, paragraph 2, and resolution of any questions of implementation relating to the reported net removals of anthropogenic greenhouse gases. Each Party shall elect for each activity, ~~as part of the information in the report referred to in paragraph 7 above prior to the start of the commitment period~~, to issue such RMUs annually or for the entire commitment period. The decision of a Party shall remain fixed for the ~~first~~-commitment period ~~to which it relates~~.
26. Where a question of implementation is identified by an expert review team under Article 8 in relation to the calculation of the net removals of greenhouse gases from the activities of a Party under Article 3, paragraph 3 or 4, or where adjustments exceed thresholds to be decided according to paragraph 2 of decision ~~22/CP.7.18/CMP.1~~, the Party shall not issue the RMUs relating to the reported net removals of anthropogenic greenhouse gases for each activity under Article 3, paragraph 3, ~~from forest management in the second commitment period~~ and for each elected activity under Article 3, paragraph 4, until the question of implementation is resolved.
27. Each RMU shall have a unique serial number comprising the following elements:
- (a) Commitment period: the commitment period for which the RMU is issued
  - (b) Party of origin: the Party included in Annex I issuing the RMU, identified by means of the two-letter country code defined by ISO 3166
  - (c) Type: an element identifying the unit as an RMU
  - (d) Activity: the type of activity for which the RMU was issued
  - (e) Unit: a number unique to the RMU for the identified commitment period and Party of origin.
28. Each Party included in Annex I shall ensure that the ~~total~~ quantity of RMUs issued into its registry ~~for forest management activities under pursuant to~~ Article 3, paragraph 4, for the commitment period does not exceed the limits established for that Party as set out in ~~paragraph 13 of decision 2/CMP.7 for the second commitment period~~ ~~16/CMP.1~~.
29. Prior to their transfer, each Party shall issue ERUs ~~for the second commitment period~~ into its national registry by converting AAUs or RMUs previously issued by that Party ~~for the second commitment period~~ and held in its national registry. An AAU or RMU 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 or RMU shall remain unchanged. The project identifier shall identify the specific Article 6 project for which the ERU is issued, using a number

unique to the project for the Party of origin, including whether the relevant reductions in anthropogenic emissions by sources or enhancements of anthropogenic removals by sinks were verified under the Article 6 Supervisory Committee.

### C. Transfer, acquisition, cancellation, retirement and carry-over

30. ERUs, CERs, AAUs and RMUs may be transferred between registries in accordance with decisions 3/CMP.1, 9/CMP.1, 11/CMP.1 and ~~162/CMP.7~~, and may be transferred within registries.

31. Each Party included in Annex I shall ensure that its net acquisitions of CERs from afforestation and reforestation activities under Article 12 for the ~~second~~<sup>first</sup> commitment period do not exceed the limits established for that Party as set out in paragraph 19 of decision 16/CMP.4~~CMP.7~~.

32. Each Party included in Annex I shall cancel CERs, ERUs, AAUs and/or RMUs equivalent to the net emissions of anthropogenic greenhouse gases resulting from its activities under Article 3, paragraph 3, from forest management in the second commitment period and from its elected activities under Article 3, paragraph 4, accounted in accordance with decision 2/CMP.7 (LULUCF) ~~16/CMP.4~~ as reported under Article 7, paragraph 1, following completion of the review in accordance with Article 8, taking into account any adjustments applied in accordance with Article 5, paragraph 2, and resolution of any questions of implementation relating to the reported net emissions of anthropogenic greenhouse gases, in accordance with paragraph 12 (d) above, by transferring the ERUs, CERs, AAUs and/or RMUs to the appropriate cancellation account in its national registry. Each Party shall cancel ERUs, CERs, AAUs and/or RMUs for each activity for the same period for which it has elected to issue RMUs for that activity.

33. Each Party included in Annex I may cancel ERUs, CERs, AAUs and/or RMUs so they cannot be used in fulfilment of commitments under Article 3, paragraph 1~~is~~<sup>bis</sup>, in accordance with paragraph 12 (~~is~~)<sup>bis</sup> above, by transferring ERUs, CERs, AAUs and/or RMUs to a cancellation account in its national registry. Legal entities, where authorized by the Party, may also transfer ERUs, CERs, AAUs and RMUs into a cancellation account.

34. Prior to the end of the additional period for fulfilling commitments, each Party included in Annex I shall retire ERUs, CERs, AAUs and/or RMUs valid for that commitment period for use towards meeting its commitments under Article 3, paragraph 1~~is~~<sup>bis</sup>, in accordance with paragraph 13 above, by transferring ERUs, CERs, AAUs and/or RMUs to the retirement account for that commitment period in its national registry.

35. ERUs, CERs, AAUs and RMUs transferred to cancellation accounts or the retirement account for a commitment period may not be further transferred or carried over to the subsequent commitment period. ERUs, CERs, AAUs and RMUs transferred to cancellation accounts may not be used for the purpose of demonstrating the compliance of a Party with its commitment under Article 3, paragraph 1~~is~~<sup>bis</sup>.

~~36.~~ Each Party included in Annex I may carry over ERUs, CERs and/or AAUs held in its registry, that have not been cancelled or retired for a commitment period, to the subsequent commitment period in accordance with paragraph 15 above. Each ERU, CER and/or AAU carried over in this manner shall maintain its original serial number and shall be valid in the subsequent commitment period. ERUs, CERs, AAUs and RMUs of a previous commitment period held in the registry of a Party which have not been carried over in this manner shall be cancelled in accordance with paragraph 12~~is~~<sup>bis</sup> (~~is~~)<sup>bis</sup> above once the additional period for fulfilling commitments has ended.

*Comment: Paragraph 12(f) refers to other cancellations by the Party that should be subtracted from the assigned amount at the end of the additional period for fulfilling commitments for the compliance assessment. This reference does not fit to paragraph 12(f) because it happens after compliance assessment. This mistake was clarified by introducing a new subparagraph 12bis for cancellations after the end of a commitment period.*

37. Where the Compliance Committee determines that the Party is not in compliance with its commitment under Article 3, paragraph 1 ~~bis~~, for ~~the second a~~ commitment period, the Party shall transfer the quantity of ERUs, CERs, AAUs and/or RMUs corresponding to the deduction calculated in accordance with paragraph 5 of decision 27/CMP.1 ~~calculated in accordance with decision 24/CP.7~~ into the relevant cancellation account, in accordance with paragraph 12\_(e) above.

#### D. Transaction procedures

38. The secretariat shall establish and maintain an international transaction log to verify the validity of transactions, including issuance, transfer and acquisition between registries, cancellation and retirement of ERUs, CERs, AAUs and RMUs and the carry-over of ERUs, CERs and AAUs.

39. A Party included in Annex I shall initiate issuance of AAUs or RMUs by directing its national registry to issue AAUs or RMUs into a specific account within that registry. The Executive Board of the CDM shall initiate issuance of CERs by directing the CDM registry to issue CERs into its pending account in accordance with the requirements in Article 12 and requirements thereunder, as well as the relevant provisions in the annex to decision 3/CMP.1. A Party included in Annex I shall initiate issuance of ERUs by directing its national registry to convert specified AAUs or RMUs into ERUs within an account of that national registry. Subject to notification by the transaction log that there are no discrepancies pertaining to the issuance, the issuance shall be completed when specific ERUs, CERs, AAUs or RMUs are recorded in the specified account and, in the case of ERUs, the specified AAUs or RMUs are removed from the account.

40. A Party included in Annex I shall initiate any transfer of ERUs, CERs, AAUs or RMUs, including those to cancellation and retirement accounts, by directing its national registry to transfer specified ERUs, CERs, AAUs or RMUs to a specific account within that registry or another registry. The Executive Board of the CDM shall initiate any transfer of CERs held in the CDM registry by directing it to transfer specified CERs to a specific account within that registry or another registry. Subject to notification by the transaction log, where applicable, that there are no discrepancies pertaining to the transfer, the transfer shall be completed when the specified ERUs, CERs, AAUs or RMUs are removed from the transferring account and are recorded in the acquiring account.

41. Upon the initiation of any issuance, transfer between registries, cancellation or retirement of ERUs, CERs, AAUs or RMUs, and prior to the completion of those transactions:

- (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 initiating the transaction (using the two-letter country code defined by ISO 3166); and a number unique to that transaction for the commitment period and initiating Party;
- (b) The initiating registry shall send a record of the proposed transaction to the transaction log and, in the case of transfers to another registry, to the acquiring national registry. The record shall include: the transaction number; the transaction type (issuance, transfer, cancellation or retirement, further distinguished in accordance with the categories in paragraphs 11 and 12 above); the serial numbers of the relevant ERUs, CERs, AAUs or RMUs; and the relevant account numbers.

42. Upon receipt of the record, the transaction log shall conduct an automated check to verify that there is no discrepancy, with regard to:

- (a) In all transactions: units previously retired or cancelled; units existing in more than one registry; units for which a previously identified discrepancy has not been resolved; units improperly carried over; units improperly issued, including those which infringe upon the limits contained in decision ~~decision 2/CMP.7 (LULUCF)+6/CMP.1~~; and the authorization of legal entities involved to participate in the transaction;

- (b) In the case of transfers between registries: the eligibility of Parties involved in the transaction to participate in the mechanisms; and infringement upon the commitment period reserve of the transferring Party;
- (c) In the case of acquisitions of CERs from land use, land-use change and forestry projects under Article 12: infringement of the limits contained in decision [2/CMP.7 \(LULUCF\)](#) ~~16/CMP.4~~ for the second commitment period;
- ~~(d)~~ In the case of a retirement of CERs: the eligibility of the Party involved to use CERs to contribute to its compliance under Article 3, paragraph 1 bis.
- ~~(e)~~ In the case of cancellations specified in paragraph 12 (d), (e), (f) and (g): infringement of a notification from ITL to cancel the specified quantity of units within 30 days.
- ~~(d)(f)~~

43. Upon completion of the automated check, the transaction log shall notify the initiating and, in the case of transfers to another registry, the acquiring registry of the results of the automated check. Depending on the outcome of the check, the following procedures shall apply:

- (a) If a discrepancy is notified by the transaction log, the initiating registry shall terminate the transaction, notify the transaction log and, in the case of transfers to another registry, the acquiring registry of the termination. The transaction log shall forward a record of the discrepancy to the secretariat for consideration as part of the review process for the relevant Party or Parties under Article 8
- (b) In the event of a failure by the initiating registry to terminate the transaction, the ERUs, CERs, AAUs or RMUs involved in the transaction shall not be valid for use towards compliance with commitments under Article 3, paragraph 1 bis, until the problem has been corrected and any questions of implementation pertaining to the transaction have been resolved. Upon resolution of a question of implementation pertaining to a Party's transactions, that Party shall perform any necessary corrective action within 30 days
- (c) If no discrepancy is notified by the transaction log, the initiating registry and, in the case of transfers to another registry, the acquiring registry shall complete or terminate the transaction and send the record and a notification of completion or termination of the transaction to the transaction log. In the case of transfers to another registry, the initiating and acquiring registries shall also send their records and notifications to each other
- (d) The transaction log shall record, ~~and make publicly available~~, all transaction records and the date and time of completion of each transaction. The secretariat shall provide summarized information and recommendations related to transactions for which discrepancies occurred as part of the SIAR reports to the review -under Article 8.

#### E. Publicly accessible information

44. Each national registry shall make non-confidential information publicly available on the website of its registry and provide a publicly accessible user interface through the Internet that allows interested persons to query and view it.

45. The information referred to in paragraph 44 above shall include up-to-date information for each account number in that registry on the following:

- (a) Account name: the holder of the account
- (b) Account type: the type of account (holding, cancellation or retirement)

- (c) Commitment period: the commitment period with which a cancellation or retirement account is associated
- (d) Representative identifier: the representative of the account holder, using the Party identifier (the two-letter country code defined by ISO 3166) and a number unique to that representative within the Party's registry
- (e) ~~Representative name and contact information: the full name, mailing address, telephone number, facsimile number and e-mail address of the representative of the account holder.~~

46. The information referred to in paragraph 44 above shall include the following Article 6 project information, for each project identifier against which the Party has issued ERUs:

- (a) Project name: a unique name for the project
- (b) Project location: the Party and town or region in which the project is located
- (c) Years of ERU issuance: the years in which ERUs have been issued as a result of the Article 6 project
- (d) Reports: downloadable electronic versions of all publicly available documentation relating to the project, including proposals, monitoring, verification and issuance of ERUs, where relevant, subject to the confidentiality provisions in decision 9/CMP.1.

47. The information referred to in paragraph 44 above shall include the following holding and transaction information relevant to the national registry, by serial number<sup>4</sup>, for each calendar year (defined according to Greenwich Mean Time):

- (a) The total quantity of ERUs, CERs, AAUs and RMUs and units from approved activities generated from market-based mechanisms to be established under the Convention or its instruments in each account type as specified in Table 1 of the SEF at the beginning of the year.
- (b) The total quantity of AAUs issued on the basis of the assigned amount pursuant to Article 3, paragraphs 7 and 8
- (c) The total quantity of ERUs issued on the basis of Article 6 projects
- (d) The total quantity of ERUs, CERs, AAUs and RMUs acquired from other registries and the identity of the transferring ~~accounts and~~ registries
- (e) The total quantity of RMUs issued on the basis of each activity under Article 3, paragraphs 3 and 4
- (f) The total quantity of ERUs, CERs, AAUs and RMUs transferred to other registries and the identity of the acquiring ~~accounts and~~ registries

---

<sup>4</sup> In the provision of publicly available information, the 'unit' identifier of the serial numbers does not need to display the unique numeric value of the unit serial number individually for each unit, however other parts of the serial number such as unit type, Party of origin or commitment period include relevant information for the identification and query of units and are therefore essential for the presentation of information.

- (g) The total quantity of ERUs, CERs, AAUs and RMUs cancelled on the basis of activities under Article 3, paragraphs 3 and 4 where such activities result in a net source of greenhouse gas emissions
- (h) The total quantity of ERUs, CERs, AAUs and RMUs cancelled following determination by the Compliance Committee that the Party is not in compliance with its commitment under Article 3, paragraph 1**bis**
- (i) The total quantity of ERUs, CERs, AAUs and RMUs cancelled for the purposes of replacing tCERs prior to expiry in accordance with decision 5/CMP.1 and for the purposes of replacing lCERs in accordance with decision 5/CMP.1 for the purposes of replacing tCERs prior to expiry in accordance with decision 5/CMP.1 and for the purposes of replacing lCERs in accordance with decision 5/CMP.1
- ~~(h)~~(j) The total quantity of ERUs, CERs, AAUs and RMUs cancelled in the event of net reversal of storage for CCS project activities or the lack of certification reports in accordance with decision 10/CMP.7
- (i) The total quantity of other ERUs, CERs, AAUs and RMUs cancelled
- (j) The total quantity of ERUs, CERs, AAUs and RMUs retired
- (k) **Option 1:** The total quantity of ERUs, CERs, and AAUs carried over from the previous commitment period
- Option 2:** The total quantity of CERs carried over from the previous commitment period and the total quantity of ERUs and AAUs in the Previous Period Surplus Reserve account.
- Disclaimer: The inclusion of option 2 here does not imply that the EU supports this option. Option 2 was proposed under AWG-KP. In order to reflect all potential options in a draft revised legal text, both options are presented in this subparagraph. The discussion how carry-over may occur should be resolved within AWG-KP and subsequently only the agreed option should be kept in this subparagraph..*
- (l) Current holdings of ERUs, CERs, AAUs and RMUs and any units from approved activities generated from market-based mechanisms to be established under the Convention or its instruments in each account.

48. The information referred to in paragraph 44 above shall include a list of legal entities authorized by the Party to hold ERUs, CERs, AAUs and/or RMUs under its responsibility.

### III. Compilation and accounting of emission inventories and assigned amounts

#### A. Report upon expiration of the additional period for fulfilling commitments

49. 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 following information. This information shall only include ERUs, CERs, AAUs and RMUs valid for the commitment period in question:

- (a) The total quantities of the categories of ERUs, CERs, AAUs, ~~and~~ RMUs and units generated from approved activities generated from market-based mechanisms to be established under the Convention or its instruments listed in paragraph 47 (a) to (j) above, for the current calendar year until the end of the additional period for fulfilling commitments (defined according to Greenwich Mean Time)

- (b) The total quantity ~~and serial numbers~~ of ERUs, CERs, AAUs, ~~and~~ RMUs ~~and units generated from approved activities generated from market-based mechanisms to be established under the Convention or its instruments~~ in its retirement account
- (c) The total quantity ~~and serial numbers~~ of ERUs, CERs and AAUs which the Party requests to be carried over to the subsequent commitment period.

### B. Compilation and accounting database

50. The secretariat shall establish a database to compile and account for emissions and assigned amounts pursuant to Article 3, paragraphs 7bis, 8 and 8bis, and additions to, and subtractions from, assigned amounts pursuant to Article 3, paragraphs 7bis, 8 and 8bis, for the accounting of the compliance assessment, in accordance with paragraphs 11 and 12 above. The purpose of this database is to facilitate the assessment of the compliance of each Party included in Annex I with its commitment under Article 3, paragraph 1bis. The information of this database shall be publicly available at the UNFCCC website following the annual review under Article 8, the application of any adjustment under Article 5, paragraph 2, and the resolution of any relevant questions of implementation.

51. A separate record shall be maintained in the database for each Party included in Annex I for each commitment period. Information on ERUs, CERs, AAUs, ~~and~~ RMUs ~~and units generated from approved activities generated from market-based mechanisms to be established under the Convention or its instruments~~ shall only include units valid for the commitment period in question and shall be recorded separately for each type of unit.

52. The secretariat shall record in the database for each Party included in Annex I the following information:

- (a) The assigned amount pursuant to Article 3, paragraphs 7bis, 8 and 8bis
- (b) ~~For the first commitment period, the total allowable issuances of RMUs resulting from forest management activities under Article 3, paragraph 4, and limits on net acquisitions of CERs from afforestation and reforestation activities under Article 12 pursuant to decision 2/CMP.7 (LULUCF)16/CMP.1.~~
- ~~(b)~~(c) During the second commitment period any changes to the total allowable issuance of RMUs resulting from forest management activities under Article 3, paragraph 4 due to technical corrections to forest management reference levels -reported by a Party in accordance with paragraphs 14 and 15 of decision 2/CMP.7 and reviewed under Article 8 in accordance with decision 2/CMP.7.

53. The secretariat shall record in the database, for each Party included in Annex I, whether it is eligible to transfer and/or acquire ERUs, CERs, AAUs and RMUs pursuant to decisions 9/CMP.1 and 11/CMP.1 and to use CERs to contribute to its compliance under Article 3, paragraph 1bis, pursuant to decision 3/CMP.1.

- (a) The secretariat shall annually record the following information relating to emissions for each Party included in Annex I, following the annual review under Article 8, the application of any adjustment under Article 5, paragraph 2, and the resolution of any questions of implementation pertaining to emission estimates:
- (b) Aggregate annual anthropogenic carbon dioxide equivalent emissions of the greenhouse gases, and from the sources, listed in Annex A to the Kyoto Protocol for each year of the commitment period that has been reported in accordance with Article 7
- (c) Any adjustments under Article 5, paragraph 2, recorded as the difference, in carbon dioxide equivalent terms, between the adjusted estimate and the inventory estimate reported under Article 7

- (d) Aggregate anthropogenic carbon dioxide equivalent emissions in the commitment period, calculated as the sum of the amounts in subparagraphs (a) and (b) above for all years of the commitment period to date.

55. The secretariat shall annually record in the database the following information for each Party included in Annex I relating to accounting for net emissions and removals of greenhouse gases resulting from its activities under Article 3, paragraph 3, for forest management, and its elected activities under Article 3, paragraph 4 following the annual review under Article 8, the application of any adjustment under Article 5, paragraph 2, and the resolution of any relevant questions of implementation:

- (a) — The calculation of whether the activities under Article 3, paragraphs 3 and 4, that have been reported in accordance with Article 7 result in net anthropogenic emissions or net anthropogenic removals of greenhouse gases pursuant to decision 2/CMP.7 (LULUCF)+6/CMP.4
- (b)(a) For those activities for which the Party has elected to account annually, the net anthropogenic emissions and removals of greenhouse gases pursuant to decision 2/CMP.7 (LULUCF)+6/CMP.4 for the calendar year and the accounting quantity for activities under Article 3.3 and 3.4.
- (b) For those activities for which the Party has elected to account for the entire commitment period, the net anthropogenic emissions and removals of greenhouse gases pursuant to decision 2/CMP.7 (LULUCF)+6/CMP.4 and the accounting quantity for activities under Article 3.3 and 3.4 for all years of the commitment period in the final year of the commitment period, the calendar year
- (c) Any adjustments under Article 5, paragraph 2, recorded as the difference in carbon dioxide equivalent terms between the adjusted estimate and the estimate reported under Article 7
- (d) The total net anthropogenic emissions and removals of greenhouse gases pursuant to decision 2/CMP.7 (LULUCF)+6/CMP.4 for the commitment period, calculated as the sum for all years of the commitment period to date of the amounts referred to in subparagraphs (b), (c) and (d) above and resulting total accounting quantities.

56. Where a Party submits recalculated estimates of emissions and removals of greenhouse gases for a year of the commitment period, subject to the review in accordance with Article 8, the secretariat shall make appropriate amendments to the information contained in the database including, where relevant, the removal of previously applied adjustments.

57. The secretariat shall record and update the required level of the commitment period reserve for each Party included in Annex I, in accordance with decision 11/CMP.1. For Parties for which the commitment period reserve is constant during the commitment period, the required level shall be recorded after the completion of the review of the initial report. For Parties for which the commitment period reserve requires annual updating, updated information shall be recorded after the completion of the inventory review for each year during the commitment period.

58. The secretariat shall annually record in the database for each Party included in Annex I the following information relating to transactions, for the previous calendar year and to date for the commitment period, following completion of the annual review under Article 8, including the application of any corrections, and resolution of any relevant questions of implementation:

- (a) Total transfers of ERUs, CERs, AAUs and RMUs
- (b) Total acquisitions of ERUs, CERs, AAUs and RMUs

- ~~(b)~~(c) Total acquisitions and transfers of any units from approved activities generated from market-based mechanisms to be established under the Convention or its instruments
- (b) Net acquisitions of CERs resulting from afforestation and reforestation activities under Article 12
- (d) Total issuances of RMUs relating to each activity under Article 3, paragraphs 3 and 4
- (e) Total issuances of ERUs on the basis of Article 6 projects
- (f) Total of ERUs, CERs and AAUs carried over from the previous commitment period
- (g) Total cancellations of ERUs, CERs, AAUs and RMUs relating to each activity under Article 3, paragraphs 3 and 4
- (h) Total cancellations of ERUs, CERs, AAUs and RMUs following determination by the Compliance Committee that the Party is not in compliance with its commitment under Article 3, paragraph 1bis
- (i) Total cancellations of ERUs, CERs, AAUs and RMUs cancelled for the purposes of replacing tCERs prior to expiry in accordance with decision 5/CMP.1 and for the purposes of replacing ICERs in accordance with decision 5/CMP.1
- (j) The total quantity of ERUs, CERs, AAUs and RMUs cancelled in the event of net reversal of storage for CCS project activities or the lack of certification reports in accordance with decision 10/CMP.7
- ~~(h)~~(k) \_\_\_\_\_
- (i) Total of any other cancellations of ERUs, CERs, AAUs and RMUs
- (j) Total retirements of ERUs, CERs, AAUs and RMUs.

59. Upon expiration of the additional period for the fulfilment of commitments, and following review under Article 8 of the report submitted by the Party under paragraph 49 above, including the application of any corrections, and the resolution of any relevant questions of implementation, the secretariat shall record in the database the following information for each Party included in Annex I:

- (a) The total additions to, or subtractions from, the assigned amount pursuant to Article 3, paragraphs 7, 7bis, 8 and 8bis, for the accounting of the compliance assessment, in accordance with paragraphs 11 and 12 above
- (b) The total quantity of ERUs, CERs, AAUs and RMUs and units from approved activities generated from market-based mechanisms to be established under the Convention or its instruments in the retirement account of the Party for that commitment period.

60. Upon completion of the Article 8 review of the annual inventory for the last year of the commitment period, and the resolution of any related question of implementation, the secretariat shall record in the database the aggregate anthropogenic carbon dioxide equivalent emissions of the greenhouse gases, and from the sources, listed in Annex A to the Kyoto Protocol of the Party for the commitment period.

### C. Compilation and accounting reports

61. The secretariat shall publish an annual compilation and accounting report for each Party included in Annex I and forward it to the COP/MOP, the Compliance Committee and the Party concerned.

62. After the commitment period and the additional period for fulfilling commitments, the secretariat shall publish a final compilation and accounting report for each Party included in Annex I and forward it to the COP/MOP, the Compliance Committee and the Party concerned, indicating:

- (a) The aggregate anthropogenic carbon dioxide equivalent emissions of the Party for the commitment period as recorded under paragraph 60 above;
- (b) The total quantity of ERUs, CERs, AAUs and RMUs and units from approved activities generated from market-based mechanisms to be established under the Convention or its instruments in the retirement account of the Party for the commitment period, as recorded under paragraph 59 (b) above;
- (c) **Option 1:** Where applicable, the quantities of ERUs, CERs and AAUs in the registry available for carry-over to the subsequent commitment period;  
**Option 2:** Where applicable, the quantities of CERs in the registry available for carry-over to the subsequent commitment period and the quantities of ERUs and AAUs for transfer to the Previous Period Surplus Account of the subsequent commitment period.
- ~~(d)~~ Where applicable, the quantity in tonnes by which the aggregate anthropogenic carbon dioxide equivalent emissions exceed the total quantity of ERUs, CERs, AAUs and RMUs in the retirement account of the Party for the commitment period.