

Agenda item 3.5.

Paragraph 18 of the annotated agenda, Annex 5

Procedure: Article 6.4 mechanism registry

Article 6.4 Supervisory Body – 22nd meeting

Bonn, Germany, 27 to 30 July 2026



➤ **CMA decisions**

- ❖ 3/CMA.3, 7/CMA.4 and 6/CMA.6.
- ❖ 2/CMA.3, 6/CMA.4 and 4/CMA.6 with regard to A6.4ERs that are ITMOs and the connection to the international registry.

➤ **SBM decisions**

- ❖ SBM015: “Procedure: Article 6.4 mechanism registry” adopted
- ❖ SBM017 revised version of the Procedure.
- ❖ SBM021 SBM:
 - ✓ Considered a draft revised version of the Registry Procedure
 - ✓ Requested the secretariat to prepare a revised version, taking into account the discussions held at the meeting
 - ✓ Requested the secretariat to launch a call for public input on the revised version
 - ✓ Requested the secretariat to present the subsequent revised version of the procedure, taking into account both the public input received and the discussions at SBM 021.



Purpose

The purpose of this revision is to update the Registry Procedure in accordance with the request from the SBM to the secretariat to continue the development of the mechanism registry.



Call for public input

- In response to the call for inputs on the draft revised Procedure, the Supervisory Body received 7 inputs from:
 - ❖ Climate Impact X (CIX)
 - ❖ Max Planck Institute for Innovation and Competition
 - ❖ ECOEYE Co. Ltd.
 - ❖ BURN
 - ❖ Ireland on behalf of the EU and its 27 member states
 - ❖ Ukraine
 - ❖ AOSIS

- A compilation of these inputs is provided in the cover note to the revised Procedure.



Key issues raised and actions taken in revised registry procedure

➤ **Post issuance authorizations**

No changes made; existing Supervisory Body–agreed text retained (approved version 2.1), remaining neutral on outstanding political issues.

➤ **Reversal Risk Buffer Pool account**

No changes made, consistent with the Supervisory Body’s request to exclude all related matters from this revision of the procedure

➤ **Authorized entity definitions**

Authorized entities are now divided into two categories:

- ✓ Approved entities: Authorized by a Party to hold an Article 6.4 mechanism account and transact MCUs and CERs.
- ✓ Article 6.2 authorized entities: Approved entities that are also authorized under a Participating Party’s cooperative approach, enabling transactions of MCUs, CERs and A6.4ERs (AERs).



➤ **Distinction between forwarding, transferring and first transferring**

❖ Definitions clarified:

- ✓ Forwarding: movement of an A6.4ER from the pending account.
- ✓ Transfer: movement of an A6.4ER between any non-pending accounts.
- ✓ First transfer status: Forwarding or transfer may trigger identification of an A6.4ER as first transferred, depending on authorization and destination account.

➤ **Transfers**

- ❖ No changes were made pursuant to feedback suggesting a maximum response time period for acceptance or rejection of transfers.
- ❖ Existing safeguard retained: Transferring account holders may cancel a proposed transfer at any time before the recipient accepts or rejects it, preventing units from remaining indefinitely encumbered.



Key issues raised and actions taken in revised registry procedure

➤ **First transfer and the issuance process**

- ❖ Reduced duplication: References to when A6.4ERs become first transferred were consolidated to improve clarity and avoid misinterpretation.
 - ❖ Clear separation of processes:
 - ✓ Issuance section now focuses solely on issuance steps.
 - ✓ First transfer implications are addressed separately in the first transfer section.
 - ❖ Issuance sequence clarified: A6.4ERs for SOP and OMGE levies are issued and forwarded first upon issuance instruction, while the remaining A6.4ERs are issued upon receipt of the distribution instruction.
- ### ➤ **First Transfer from a Non-Host Party**
- ❖ No changes adopted regarding first transfers initiated by a Party that is not the host Party.
 - ❖ Issue deferred: The technical complexities and potential implications for existing Article 6.4 rules and procedures require further political consideration.

Key outcome: Current provisions retained pending broader policy guidance.



➤ **Account opening process and account statuses**

- ❖ Digitalized account opening: References to forms removed; all requests submitted through the online interface.
- ❖ Party authorization enhanced: When approving an entity account, Participating Parties must indicate whether the entity is authorized under Article 6.2, determining its status as an approved entity or authorized entity.
- ❖ Enhanced transparency: Quarterly Registry Administrator reports introduced; entities informed of identity verification outcomes.
- ❖ No changes adopted on:
 - ✓ Additional DNA approval for activity participants (already covered in the activity cycle).
 - ✓ New account types for host Parties (account types are CMA-defined; Parties may customize account names at user level).



Key issues raised and actions taken in revised registry procedure

➤ **Matters relating to the use of the mechanism under a cooperative approach that is not CA001**

No changes adopted regarding the use of the Article 6.4 mechanism under cooperative approaches other than CA001. This matter needs further political consideration.

➤ **Suspension, reactivation and termination of accounts**

- ❖ New suspension status introduced: “Suspended pending clarification”, with clearer criteria for applying suspension statuses.
- ❖ Enhanced follow-up process: Registry Administrator will take reasonable steps to obtain information from entities and help resolve issues underlying suspensions.
- ❖ Clear decision-making roles: Registry Administrator will provide recommendations, while the Supervisory Body will decide on the reactivation or termination of accounts suspended pending clarification.
- ❖ No changes adopted to limit the circumstances under which Parties may suspend or terminate entity accounts.
- ❖ Current approach retained: As entity account holders must be approved and authorized by a Party under CMA guidance, Parties may suspend or terminate accounts if they withdraw that authorization or approval.



Key issues raised and actions taken in revised registry procedure

➤ **Matters relating to reporting and transparency**

- ❖ Changes were made pursuant to feedback that publicly available reported information shall be provided for the reporting period and cumulatively
- ❖ a section was added providing that account holders may request reports on their holdings.
- ❖ A quarterly report was introduced on the status of each account in the registry.
- ❖ No changes on matters relating to enhanced transparency on A6.4ER's related project information (available in MIS).

➤ **Technical comments on transfer processes, error recourses, operational performance standards, immutable audit trails and other related matters**

No changes to very technical detailed matters: more appropriate for a manual and/or for further development of the registry.



➤ **Identification of accounts and A6.4ERs to ensure alignment to Communications Standard and CMA**

- ❖ Changes were made to align account names and A6.4ER identifying information to the Communications Standard and 7/CMA.4 and 4/CMA.6.
- ❖ No changes were made pursuant to feedback suggesting A6.4ERs should be identified with whether the corresponding adjustment associated with a first transferred AER has occurred in the Party accounting. This matter needs further political consideration.

➤ **Contract standardisation matters**

No changes made to matters of contract standardization and fungibility determinations as more appropriate for contractual relations between Parties/entities and could be incorporated on a later version of the procedure.

➤ **Typos and minor edits to enhance readability**

All typos and other minor editorial changes which needed correcting, as raised by submitters, were corrected.



Recommendations to the Supervisory Body

The secretariat recommends that the Supervisory Body mandates the secretariat to revise procedures and standards to implement paragraph 14 of the Baku decision, consideration by the Supervisory Body at a future meeting.

The secretariat also recommends that the Supervisory Body considers the registry procedure and adopts it, with the understanding that the procedure will be further revised in the next iterations.

