A6.4-SBM022-AA-A05

Draft Procedure

Article 6.4 mechanism registry

Version 06.0

United Nations
Framework Convention on
Climate Change

COVER NOTE

1. Procedural background

1. The Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (CMA), through decision 3/CMA.3,[1] adopted the rules, modalities and procedures (RMPs) for the mechanism established by Article 6, paragraph 4, of the Paris Agreement (the Article 6.4 mechanism), as contained in the annex to the decision. The decision requested the Supervisory Body of the Article 6.4 mechanism to develop provisions for various processes necessary to operate the mechanism, including the registry for the mechanism (hereinafter referred to as the mechanism registry). Requirements of the mechanism registry are provided throughout the RMPs, including, but not limited to, in chapters V.H, V.J, V.K, VI, VIII and XI.B.[2] This decision provided that a levy of 5 per cent and 2 per cent of issued A6.4ERs are to be provided to the Adaptation Fund, and the cancellation account for overall mitigation, respectively.[3]

2. The CMA, through decision 7/CMA.4, annex I, further elaborated the requirements for the mechanism registry, including, but not limited to, in sections II.A, II.B, IV and VI.[4]

3. At its fifteenth meeting, the Supervisory Body adopted the “Procedure: Article 6.4 mechanism registry” (A6.4-PROC-REGS-001) (registry procedure). At its seventeenth meeting the Supervisory Body adopted a revised version of the registry procedure.[5]

4. At its eighteenth meeting (SBM 018) the Supervisory Body considered a further revised version of the registry procedure and agreed to continue its consideration of revisions at a future meeting.

5. The Supervisory Body, considered a further version of the procedure at its twenty first meeting (SBM 021) and requested the secretariat to:

    (a) Prepare a revised procedure, taking into account the discussion at this meeting;

    (b) Launch a call for public input, using the revised version of the procedure mentioned above; and

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[1] Decision 3/CMA.3. “Rules, modalities and procedures for the mechanism established by Article 6, paragraph 4, of the Paris Agreement” Available at: https://unfccc.int/sites/default/files/resource/cma2021_10a01E.pdf#page=25.

[2] Ibid., paragraph 5.

[3] Ibid., Sections VII and VIII.

[4] Decision 7/CMA.4, Annex I. “Elaboration of the processes defined in the rules, modalities and procedures for the mechanism established by Article 6, paragraph 4, of the Paris Agreement.” Section II. Available at: https://unfccc.int/sites/default/files/resource/cma2023_10a02E.pdf#page=39.

[5] See https://unfccc.int/sites/default/files/resource/A6.4-PROC-REGS-001.pdf.

(c) Present a revised procedure, taking into account public inputs and discussion at this meeting, for consideration by the Supervisory Body at the next meeting.

6. The secretariat launched the call for inputs referred to in paragraph 5 above from 23 June through 7 July 2026[6].

2. Purpose

7. This cover note has been prepared to provide the SBM with a summary of the inputs received in response to the call for inputs on the registry procedure, referred to in paragraph 6 above. The secretariat recommends the SBM review the inputs directly, and use this information note to assist their consideration of the matters.

3. Call for inputs on the registry procedure

8. The SBM received 7 inputs in response to the call for inputs on the revised registry procedure, referred to in paragraph 6 above. These inputs are available on the UNFCCC calls for input webpage[7]. The table below provides the persons and organizations that submitted input.

Table 1. Submissions received

Submitter	Date of Submissions
1. Climate Impact X (CIX)	6 July 2026
2. Max Planck Institute for Innovation and Competiton	6 July 2026
3. ECOEYE Co. Ltd.	7 July 2026
4. BURN	7 July 2026
5. Ireland on behalf of the EU and its 27 member states (EU)	7 July 2026
6. Ukraine	7 July 2026
7. Alliance of Small Island States (AOSIS)	9 July 2026

4. Compilation of stakeholder inputs received on the draft procedure: Article 6.4 mechanism registry

9. This revised compilation expands the previous summary by including, where applicable, the proposed changes or specific requests made by submitters. It consolidates the inputs from the seven submitters and organizes them by section of the draft procedure and by submitter.

10. The summary below is intended to support the Supervisory Body's consideration of the inputs. It should be read together with the original submissions as some submitters provided detailed drafting proposals or alternative operational approaches.

[6] https://unfccc.int/process-and-meetings/the-paris-agreement/article-6/article-64-pacm/stakeholder-engagement/calls-for-input/sbm021-registry-procedure.

[7] https://unfccc.int/process-and-meetings/the-paris-agreement/article-64-mechanism/calls-for-input.

4.1. Cross-cutting / all sections:

11. EU:

(a) Welcomed the draft procedure but considered that it still requires considerable improvements because, in the submitter’s view, elements contradict CMA decisions, could lead to double counting, are not fully consistent with the communication standards for interoperability, and show internal inconsistencies.

(i) Proposed change/request: ensure the procedure is internally consistent and aligned with the Communication standards for interoperability and CMA decisions, so that the mechanism registry and the international registry apply the same procedures and generate the same AEF information for the same types of transactions.

(b) The procedure does not address contributions to the Reversal Risk Buffer Pool Account (and is not yet applicable to A6.4ERs subject to reversal risk), and it addresses post-authorization changes only to a limited extent, with no guidance for cases where a host Party has established terms and conditions for authorization changes after first transfer. These limitations should be clarified in section 2 in a new section on applicability.

(i) Proposed change/request: Add a new section 2.3 named "Applicability," stating this version applies only to A6.4ERs not subject to reversal risk and does not address post-first-transfer authorization changes

12. AOSIS:

(a) Considered that the draft does not yet fully or transparently operationalize decision 6/CMA.6, paragraphs 12–14, on post-issuance authorization, including requirements relating to corresponding adjustments for units forwarded as share of proceeds and for OMGE cancellation, and the treatment of Adaptation Fund proceeds as authorized A6.4ERs rather than MCUs.

(i) Proposed change/request. Two alternative proposed changes:

a. Either, where a Party submits a paragraph 11(c) statement reserving the option to later authorize issued MCUs as AERs, the shares forwarded to the Adaptation Fund and cancelled for OMGE should be forwarded/cancelled as authorized AERs that are first transferred.

b. or, in connection with post-issuance authorization, related MCUs already forwarded for SOP and still in the Adaptation Fund account should be updated as first transferred AERs, additional AERs should be forwarded from activity participant accounts to replace MCUs already monetized by the Adaptation Fund, and previously cancelled OMGE units should similarly be updated as first transferred AERs.

4.2. Section 2: Scope, applicability and entry into force:

13. EU:

(a) Stated that the procedure is limited in scope because it does not address contributions to the Reversal Risk Buffer Pool Account and does not sufficiently address post-authorization changes where a host Party has terms and conditions for changes after first transfer.

(i) Proposed change/request: add a new section 2.3 on “Applicability”, stating that this version applies only to A6.4ERs not subject to reversal risk and does not address post-first-transfer authorization changes, with references to methodology A6.4-AMM-002 paragraph 2 and decision 6/CMA.4 paragraph 7.

4.3. Section 3: Terms and definitions

14. EU:

(a) Requested correction of singular/plural usage in the definition of “Participating Party”.

(i) Proposed change: revise the wording to “a Party that has submitted an initial report in respect of its participation in the Article 6.4 mechanism.”

(b) Considered “Participating Party registry” unused and potentially confusing.

(i) Proposed change: delete the subparagraph.

(c) Considered the term “authorized entity” confusing in the definition of account holder.

(i) Proposed change: add a definition of “Authorized entity” as a public or private entity authorized by a Party to hold an account, and revise “Account holder” to mean a Party or authorized entity that holds an account in the mechanism registry.

(d) Asked for the procedure cross-reference in paragraph 8(o) to follow style-guide usage.

(i) Proposed change/request: update the cross-reference accordingly.

(e) Considered the definition of “forwarding” inconsistent with paragraphs 56 and 57.

(i) Proposed change: define forwarding as movement of A6.4ERs from the pending account to another account, or clarify that the term excludes movements constituting first transfer if the current definition is retained.

(f) Noted that authorization purpose can only be provided by the first transferring Party, not any Participating Party.

(i) Proposed change: add a definition of “First transferring Party” and revise “First transfer” accordingly.

(g) Considered “other transfer” unused and the term “transfer” inconsistently applied.

(i) Proposed change: define “Transfer” broadly as movement of A6.4ERs or CERs from an account that is not the pending account to another account, and apply terms consistently throughout.

15. BURN:

(a) Noted that “entity account” and “entity account holder” are used throughout, including in suspension and termination provisions, but are not separately defined.

(i) Proposed change/request: add a definition of “entity account” and clarify its relationship to “authorized entity account”, “non-activity-participant authorized entity account” and “activity participant account”.

16. AOSIS:

(a) Stated that the definition of “Forwarding” appears to exclude movements from the pending account that are not first transfers, while some movements from the pending account, such as forwarding authorized A6.4ERs to the Adaptation Fund for SOP, can constitute a first transfer.

(i) Proposed change/request: clarify the definition so that it accurately reflects movements from the pending account and their possible first-transfer implications.

4.4. Section 4: General

17. BURN:

(a) Stated that account holders have no recourse if a transfer fails because of a registry-side fault.

(i) Proposed change/request: add an error-correction process for transfers affected by confirmed registry system error, with a fixed timeline for investigation and reversal or remedy, clearly distinguished from user error.

18. Climate Impact X (CIX):

(a) Requested clarity on whether the registry supports batch or high-volume processing, including bulk transfers, bulk retirements, file/API uploads, processing limits, queuing and operational performance standards.

(b) Requested clarification that registry actions, transaction events and state changes are kept in a complete immutable audit trail, including access rights, retention periods and audit-log contents for authorized users, administrators and Parties.

(c) Requested clarity on which registry attributes determine fungibility or eligibility for standardized contracts, and whether units with different host Parties, vintages, authorization types or first-transfer status may be commingled in exchange-traded products.

(i) Proposed change/request: add or clarify operational capability, audit-trail and fungibility provisions to support predictable use of the registry by market participants.

4.5. Section 5: Accounts

19. EU:

(a) Stated that use towards international mitigation purposes is treated as “cancellation” in the draft procedure, while the communication standard treats it as “use”.

(i) Proposed change: establish a dedicated “Account for use of AERs towards international mitigation purposes (IMP)” and delete the existing subparagraph covered by the new IMP account and voluntary cancellation account.

(b) Requested that suspension notices go not only to the entity account holder but also to the Party that authorized the entity.

(i) Proposed change: revise paragraph 24 accordingly.

(c) Requested involvement of relevant Parties and account holders in resolving suspensions under paragraph 22(a)–(c).

(i) Proposed change: add a paragraph stating that the registry administrator will seek to resolve the issue in close cooperation with relevant parties and/or entities.

(d) Stated that paragraph 27 does not specify conditions or decision-making authority for returning from suspended to active status.

(i) Proposed change: replace it with process provisions setting those conditions and responsibilities.

(e) Requested adding “status” to the section 5.1.3 header.

(i) Proposed change: rename as “Suspended pending termination status”.

(f) Considered paragraphs 28–32 unclear on triggers for suspended-pending-termination status.

(i) Proposed change: rewrite the section to clarify conditions for the status change, potentially moving paragraph 39 into that section.

(g) Stated that paragraph 31 lacks conditions and decision-making authority for return from suspended-pending-termination to active.

(i) Proposed change: replace with provisions defining the process and decision-maker.

(h) Stated that direct movement from active to terminated status should not occur for breaches or exceptional circumstances; suspension should occur first to stop irregularity and allow investigation.

(i) Proposed change: revise paragraphs 35 and 37 so termination follows only after issues could not be resolved within a defined period, e.g. 360 days, and upon Supervisory Body approval.

(i) Requested alignment of Party account types with the proposed IMP account.

(i) Proposed change: update paragraph 43(d) to “Account for use of AERs towards international mitigation purposes (IMP)”.

(j) Requested greater predictability when identity checks fail.

(i) Proposed change: include a process for negative identity-verification results and inform the Party/entity generally of the negative result.

(k) Requested clearer account-opening processes for non-activity participants and activity participants, including DNA authorization and secretariat checks.

(i) Proposed change: specify requests through the DNA, completeness checks, identity verification, invoicing and account opening upon payment; apply similar changes for activity participants.

20. BURN:

(a) Considered suspension grounds too discretionary and lacking independent review or wrongful-suspension safeguards.

(i) Proposed change/request: define suspension grounds objectively, give account holders an opportunity to respond before or shortly after suspension, set a maximum suspension period and establish an appeal mechanism.

(b) Noted that Party-requested suspension under paragraph 22(d)–(e) lacks stated grounds, unlike paragraphs 22(a)–(c).

(i) Proposed change: clarify whether Party-requested suspensions must be based on equivalent circumstances, or require the request to specify reasons and provide notification to the account holder.

(c) Noted no timeline for identity verification and invoicing before opening entity accounts.

(i) Proposed change: set a maximum processing period, such as 20 business days from complete submission, with escalation to the Supervisory Body if exceeded.

21. Climate Impact X (CIX):

(a) Requested clarification on whether exchanges, trading venues, clearing brokers, settlement agents or market infrastructure providers may participate directly, and whether the account and transfer model supports exchange trading and post-trade settlement.

(b) Asked whether omnibus, nominee, custodial, sub-account or client-segregated account structures are supported and how beneficial ownership is treated against legal account holding.

(c) Requested a general event-driven notification framework covering transfers, issuances, retirements, cancellations, account status changes, security events and failed or rejected actions, including channels, recipients and timing.

(d) Requested minimum security, access-control and resilience standards or cross-reference to a separate standard, including MFA, role-based access, encryption, backup, disaster recovery, RTO/RPO, availability, incident response and business-continuity testing.

(i) Proposed change/request: clarify account participation, account structures, notifications and security/resilience requirements for market infrastructure and account holders.

22. Max Planck Institute for Innovation and Competition:

(a) Considered “exceptional circumstances” undefined and too discretionary in provisions on account suspension or termination.

(i) Proposed change/request: define “exceptional circumstances”, with evidentiary thresholds, objective criteria, procedural safeguards, notification requirements and administrative review/appeal before suspension or termination except where immediate action is necessary for registry integrity.

(b) Noted that no public record remains visible for account suspension or termination.

(i) Proposed change: publish notices of account suspensions and terminations, subject to confidentiality, including legal basis, effective date and current account status.

(c) Noted that administrative cancellation is not accompanied by publication of affected units, quantity, legal basis or reason.

(i) Proposed change: publicly record every administrative cancellation with serial numbers, quantity, legal basis, reason and date, maintaining an immutable public audit trail.

23. Ukraine:

(a) Requested consideration of an account type for units that contribute to the host Party NDC, noting that Ukrainian law withholds at least 2 per cent of units from authorization to contribute to Ukraine’s NDC.

(b) Proposed change/request: consider a Host Party NDC contribution or NDC reserve account to hold and transparently track units withheld from authorization for the host Party’s NDC.

(c) Considered the authorization steps in section 5.5 potentially administratively burdensome and not expressly prescribed by governing decisions.

(i) Proposed change: simplify section 5.5 implementation of authorization steps.

(d) Noted that Article 6.4(b) authorization is of the entity, not the account.

(i) Proposed change: reformulate paragraph 50 so an entity authorized by a Party may open a holding account in respect of that authorization; entities authorized by more than one Party may hold multiple accounts corresponding to different Party authorizations.

(e) Stated that direct entity application could be allowed with electronic DNA approval rather than requiring DNA submission of forms.

(i) Proposed change: allow entities to apply through the registry interface, with DNA approval constituting authorization where applicable.

(f) Questioned why activity participants must attach Host Party approval/authorization forms where those forms have already been submitted and are held in the mechanism information system.

(i) Proposed change/request: avoid unnecessary re-upload or explain why it is required.

4.6. Section 6: A6.4ERs and CERs

24. EU:

(a) Identified issuance/distribution inconsistencies, including completeness versus validity checks, immediate issuance versus assessment before issuance, partial issuance, proportional forwarding to AF/OMGE accounts, status of issued units as AERs/MCUs, first-transfer status and account-status validation.

(i) Proposed change/request: restructure paragraphs 56–59 into a sequence in which the registry administrator assesses issuance instructions, notifies focal points, receives full or partial distribution forms, validates accounts including suspended-pending-termination/terminated/invalid/ineligible accounts, issues A6.4ERs, assigns authorization and first-transfer status where applicable, and forwards proportional shares to Adaptation Fund and OMGE accounts.

(b) Suggested moving paragraphs 60–62 closer to the issuance instruction.

(i) Proposed change: move them after the proposed new paragraph 56 and before paragraph 56bis.

(c) Noted possible difference between host Party and first transferring Party, and potential ambiguity in “calendar year”.

(i) Proposed change: add a first transferring Party identifier and clarify the vintage-year wording.

(d) Requested clarification that MCU PI/NPI information is retrieved from the authorization statement.

(i) Proposed change: clarify that each MCU is assigned PI/NPI based on the authorization statement under decision 6/CMA.6 paragraph 11.

(e) Stated that Parties should be able to identify another cooperative approach under which Article 6.4 is used.

(i) Proposed change: add an identifier for any other cooperative approach under which the Article 6.4 mechanism is used by the Parties involved.

(f) Suggested editorial improvements to the C/NC flags.

(i) Proposed change: clarify the wording of flags for whether terms/conditions for post-first-transfer authorization changes have been provided.

(g) Requested a flag tracking how the first transferring Party defines first transfer for OIMP.

(i) Proposed change: add an A/I/UC flag indicating whether first transfer is defined as authorization, issuance, or use/cancellation.

(h) Considered the post-issuance authorization provisions inconsistent with decision 6/CMA.6 paragraphs 12 and 14.

(i) Proposed change: where post-issuance authorization is confirmed, update eligible MCUs in activity participant accounts to AERs, determine and update corresponding MCUs already forwarded to Adaptation Fund and OMGE cancellation accounts to AERs with first-transferred status or forward shortfalls from holding accounts.

25. BURN:

(a) Noted that issuance of the balance of A6.4ERs depends on “focal points” completing a distribution form, but “focal point” is undefined and rejection notices are discretionary (“as appropriate”).

(i) Proposed change/request: define “focal point” in section 3 and require direct notification to activity participants specifying deficiencies where a distribution form is rejected.

26. Max Planck Institute for Innovation and Competition:

(b) Stated that distribution forms determine initial allocation but are not publicly available.

(i) Proposed change/request: publish completed distribution forms or an equivalent public distribution summary, including recipient accounts, quantities and distribution dates, while protecting legitimately confidential commercial information.

(c) Noted that rejected issuance instructions, distribution requests and transfers are not publicly reported.

(i) Proposed change: publish anonymized statistics on rejected requests and categorized reasons for rejection in annual registry reporting.

(d) Considered registry metadata too limited.

(i) Proposed change: expand publicly available metadata to include methodology identifier/version, project type and location, host Party, activity participants, authorization date/history, first transfer date, corresponding-adjustment status, current registry location, retirement beneficiary/purpose, cancellation purpose and reversal-risk status where applicable.

(e) Noted that C/NC flags do not disclose authorization conditions themselves.

(i) Proposed change: publish the substance of authorization conditions or link to the authorization statement.

(f) Stated that post-issuance authorization and changes need an immutable public record.

(i) Proposed change: require immutable public authorization history for every A6.4ER, with timestamps, authorization statements, modifications and justification.

27. Ukraine:

(a) Stated that unique identifying information should include a serial number and the identifier of the first transferring Party, in line with annex I to decision 6/CMA.4.

(i) Proposed change/request: add serial number and first transferring Party identifier to the information assigned to each A6.4ER.

28. AOSIS:

(a) Stated that footnote 34 should not imply all MCUs remaining in activity participant accounts are eligible for post-issuance authorization, and that footnote 36 should be deleted because NPI units should not be eligible for later authorization.

(i) Proposed change/request: reformulate footnote 34 to say post-issuance authorization is only possible for MCUs distributed to and still held in an activity participant account and subject to decision 6/CMA.6; delete footnote 36; set out a clear step-by-step process in section 6.2.

(b) Considered paragraphs 63–65 and footnote 38 insufficient to operationalize decision 6/CMA.6 paragraphs 11–14, including SOP/Adaptation Fund and OMGE consequences.

(i) Proposed change/request: replace paragraphs 63–64 with a process under which, upon valid post-issuance authorization of eligible MCUs, the administrator updates related MCUs previously forwarded for SOP and still held by the Adaptation Fund as first transferred AERs; forwards additional AERs from activity participant accounts to the Adaptation Fund equal to any shortfall where MCUs were monetized; and updates MCUs cancelled for OMGE as first transferred AERs.

4.7. Section 7: Transfers

29. EU:

(a) Requested paragraph 72 clarify that account holders may transfer only from active accounts, with suspended-pending-termination transfers handled separately by the registry administrator.

(i) Proposed change/request: revise paragraph 72 to distinguish account-holder transfers from transfers manually handled by the registry administrator for suspended-pending-termination accounts.

(b) Considered sections 7.2 and 7.3 problematic because they may allow transfers leading to double counting and inconsistency with CMA decisions and communication standards.

(i) Proposed change/request: replace paragraphs 76–82 with a new “7.2 Valid transactions” section listing permitted transaction types and conditions for Parties and authorized entities, and adding a rule that any transaction not specified is invalid.

(c) Considered first-transfer identification incomplete or incorrect, including treatment of retirement and paragraph 87(c).

(i) Proposed change: rename section 7.4 and redraft it to define actions/transactions constituting first transfer, including issuance, authorization, transfer to another holding account, transfer to Adaptation Fund, OMGE cancellation and use/cancellation-defined transfers.

(d) Suggested paragraph 84 should be moved to section 6.1, paragraph 62(d)

(i) Proposed change: merge it with paragraph 62(d).

30. BURN:

(a) Noted no maximum response period for recipient acceptance of transfers, leaving units potentially encumbered indefinitely.

(i) Proposed change/request: introduce a maximum response window, e.g. 21 business days, after which the transfer automatically expires and reverts to the sender with notice to both parties.

(b) Emphasized the need for the registry to support a global marketplace and private-sector retirement use cases such as CORSIA or ETS systems.

(i) Proposed change/request: explain how the CORSIA use case and private-entity trading/retirement of AERs will work, and outline OIMP use cases in the transfer section.

31. Climate Impact X (CIX) :

(a) Requested a richer transaction lifecycle and transfer status model, including initiated, pending recipient acceptance, pending registry validation, awaiting approval, withdrawn, rejected, failed, expired, completed and voided.

(b) Suggested a single retirement account for AERs to allow seamless retirement and fields identifying organizations or Parties on whose behalf AERs are retired.

(i) Proposed change/request: add transaction statuses visible to relevant account holders and simplify retirement arrangements with beneficiary/on-behalf-of information.

32. ECOEYE:

(a) Noted that paragraphs 76, 77, 79, 80 and 81 could be read as allowing authorized entities to transfer units only to the retirement/cancellation account of their authorizing Party.

(i) Proposed change/request: if that restriction is intentional, explain the rationale; otherwise clarify the ability to transfer to other Parties’ relevant accounts.

(b) Identified that paragraphs 86 and 88 refer to paragraph 16(m), while paragraph 16 ends at subparagraph (k).

(i) Proposed change: correct or clarify this cross-reference.

33. Max Planck Institute for Innovation and Competition:

(a) Stated that first-transfer status alone does not show whether the associated corresponding adjustment has actually been reflected in host Party accounting.

(i) Proposed change/request: introduce a publicly visible flag confirming whether the corresponding adjustment associated with first transfer has been reflected by the host Party, including the accounting period where feasible.

34. Ukraine:

(a) Noted that paragraph 79 refers to “account for cancellation of AERs for international mitigation purposes” while paragraph 16(h) refers to “other international mitigation purposes”.

(i) Proposed change: replace “international mitigation purposes” with “other international mitigation purposes”.

(b) Stated that paragraph 85 appears to assume authorization before issuance, while post-issuance authorization is also possible.

(i) Proposed change: clarify that the paragraph applies only where authorization precedes issuance or amend to say the AER is identified as first transferred immediately upon authorization or issuance, as applicable.

35. AOSIS:

(a) Stated that AERs transferred by Parties to retirement accounts for NDC use must be first transferred AERs to avoid double counting.

(i) Proposed change/request: revise paragraph 76 to say Parties may transfer first transferred AERs from their holding account to their retirement account.

4.8. Section 8: Interaction with other systems

36. EU:

(a) Questioned why automated pulling/viewing is limited to holdings and action history of AERs and to instances where the Party itself has an account.

(i) Proposed change/request: expand the scope to include Parties with accounts or authorized entities holding accounts, enabling transfer of AERs to the international registry and supporting Article 6.2 functions.

37. Climate Impact X (CIX):

(a) Asked whether private market infrastructure providers can connect to the registry via APIs or other interfaces for holdings checks, transfer initiation, settlement confirmation, reporting and reconciliation.

(i) Proposed change/request: clarify the availability and scope of private market infrastructure API/technical interface access.

38. Max Planck Institute for Innovation and Competition:

(a) Stated that interoperability depends on common metadata, machine-readable information and comparable transparency standards.

(i) Proposed change/request: adopt common metadata standards, immutable transaction histories, standardized data formats and machine-readable public interfaces, including APIs where appropriate, for interoperability with Party registries, the international registry and voluntary carbon market registries.

(b) Requested recognized digital interoperability standards.

(i) Proposed change: require standards based on persistent identifiers, open APIs, standardized metadata and downloadable datasets.

4.9. Section 9: Reporting and transparency

39. EU:

(a) Stated that paragraph 97(a) should cover use towards IMP and clarify the reporting timeline.

(i) Proposed change/request: include AERs used for IMP in reported totals and add a paragraph clarifying that paragraph 97(a) information is reported both for the reporting period and cumulatively since the first report.

40. BURN:

(a) Noted monthly holdings and transaction reports go to DNAs, not directly to authorized entity account holders who bear commercial exposure.

(i) Proposed change/request: extend monthly reporting, or an equivalent account-level report, directly to authorized entity account holders for their own accounts.

(b) Stated that the “as-is” registry provision and finality of transfer leave account holders without recourse in confirmed breach or system-side failure.

(i) Proposed change/request: establish an incident-response procedure for confirmed security breaches or registry-attributable system errors, including fixed-period notification, e.g. 72 hours, record reconciliation and a remediation pathway.

41. Max Planck Institute for Innovation and Competition:

(a) Considered paragraphs 96–99 less comprehensive than current best practice in major voluntary carbon market registries.

(i) Proposed change/request: publish complete unit-level lifecycle information for every A6.4ER, including serial numbers, authorization status and history, first-transfer status, transaction history, retirement and cancellation records and links to project documentation.

(b) Suggested the registry could become a global transparency platform.

(i) Proposed change: expand the public interface to show project location, methodology, activity participants, authorization dates, first-transfer dates, retirement dates, cancellation purpose, corresponding-adjustment status, authorization history and supporting-document links.

(c) Noted absence of downloadable datasets, machine-readable public information and APIs.

(i) Proposed change: provide downloadable datasets and documented public APIs for non-confidential registry information, subject to security safeguards.

(d) Noted absence of reporting on registry performance.

(i) Proposed change: include uptime, transaction processing times, failed transactions, cybersecurity incidents, planned maintenance and operational performance indicators in annual reporting.

42. Ukraine:

(a) Questioned the footnote 65 reference to paragraph 14(b) of decision 6/CMA.6 in relation to monthly DNA reports, because that provision relates to corresponding-adjustment timing for post-issuance authorization.

(i) Proposed change/request: confirm and explain the intended link or delete/revise the footnote, since paragraph 47 of annex I to decision 7/CMA.4 already provides the operative basis.

4.10. Appendix 2: Business rules for processes relating to authorization

43. EU:

(a) Expressed concern that business rule 5 is inconsistent with CMA decisions and may lead to double counting; also noted that paragraph 12 of the annex to decision 2/CMA.3 refers to “prior to” initiation of review, while the draft uses “upon”.

(i) Proposed change/request: delete business rule 5 because paragraph 69 already covers the matter and the rule is inconsistent with CMA decisions.

44. ECOEYE:

(a) Requested clarification of when “initiation of the review” occurs for the first BTR: upon submission and start of technical expert review preparation or at the actual review week.

(i) Proposed change/request: specify which date is meant by “initiation of the review”.

(b) Noted ambiguity on latest timing for AER transfer to NDC retirement account.

(i) Proposed change: clarify the latest point at which an AER may be transferred to the NDC AER retirement account and regarded as used towards the NDC.

(c) Questioned why deadlines differ between NDC-only authorizations and OIMP authorizations.

(i) Proposed change: explain the rationale for applying different deadlines for updating non-first-transferred AERs to MCUs.

4.11. Additional / unspecified account-holder transparency comment

45. Max Planck Institute for Innovation and Competition:

(a) Noted that the registry records account holders and authorized representatives but does not require disclosure of beneficial ownership, parent companies or controlling interests.

(i) Proposed change/request: require disclosure of ultimate beneficial owners, parent entities where applicable and controlling interests for legal entities holding registry accounts, or maintain a publicly accessible beneficial ownership register for account holders.

5. Changes made pursuant to feedback

46. The table below summarises the actions taken pursuant to the feedback received.

Table 2. Summaries of actions taken from feedback received

Topics	Action taken
Post-issuance authorizations	No changes were made pursuant to comments requesting enhanced detail on post-issuance authorizations. This version provides the text as-agreed by the Supervisory Body in previous versions which is neutral towards outstanding political matters (i.e., whether post-issuance authorizations may be applied to MCUs that have been on-transferred by the Adaptation Fund).
Reversal Risk Buffer Pool account	No changes were made pursuant to comments about the Reversal Risk Buffer Pool account, noting the Supervisory Body's request for all matters relating to the Reversal Risk Buffer Pool account be left out of this revision of the procedure.
Authorized entity definitions	The definitions and references to authorized entities were changed to introduce two subsets of authorized entities: 1. Approved entities: entities that are authorized and approved by a Party for holding an account in the Article 6.4 mechanism (MCU and CER transacting only); 2. Authorized entities under the Article 6.2 framework: entities that are authorized and approved by a Party for holding an account in the Article 6.4 mechanism, and authorized as entities to a Participating Party's cooperative approach pursuant to Article 6.2 (able to transact MCUs, CERs and AERs).

Topics	Action taken
Distinction between forwarding, transferring and first transferring	The definitions and framing of forwarding, transferring and first transferring have been changed to provide enhanced clarity on these actions whereby the two possible ‘actions’ are: Forwarding: the movement of an A6.4ER from the pending account Transfer: the movement of an A6.4ER between any other account that is not the pending account Changes to the procedure were made to provide clarity that either of these actions may also trigger the identification of an A6.4ER as ‘first transferred’ depending on the authorization and destination account.
Account opening process and account statuses	Changes were made to the account opening process whereby references to forms were removed and the section refers to the use of the online interface. Where an entity account holder requests an account, this may now be submitted through the interface with the designated Party notified for authorization and approval to enable the account to be opened and associated to the Party, pursuant to CMA. Upon providing their approval, the draft procedure now provides that where the Party is a Participating Party, they must specify whether the entity is also authorized as an entity in their cooperative approach. This will determine whether the entity is an ‘approved entity’ or an ‘authorized entity under the Article 6.2 framework’, as discussed above. The reporting and transparency section was changed to introduce a quarterly report from the Registry Administrator on the status of each account in the mechanism registry. Lastly, an addition was made to provide that entities will be informed of the outcomes of any applicable identity verification processes. No changes were made pursuant to feedback suggesting activity participants should also be approved by a Party DNA to open accounts in the mechanism registry, as this DNA approval process is already included in activity cycle and would be duplicative to introduce in the draft procedure. No changes were made pursuant to feedback suggesting additional account types were created for host Parties for contribution to their own NDC. The account types in the registry are provided by the CMA. At the user level, registry will enable Party’s to name their account types.

Topics	Action taken
References to first transfer identification and the issuance process	Changes were made to the procedure to reduce duplication in references to when A6.4ERs will be identified as first transferred, as this was identified as a cause of confusion in the procedure's interpretation. Specifically, the issuance section was changed to provide only procedural steps relating to issuance in the order in which they occur, with any resulting first transfer implications addressed in the first transfer section. Additionally, the issuance section was updated to provide enhanced clarity on the process for issuance whereby the A6.4ERs for the SOP and OMGE levies are issued and forwarded first upon receipt of the issuance instruction, with the bulk of the A6.4ERs only issued upon receipt of the distribution instruction.
Matters relating to first transfer from a Party that is not the host Party	No changes were made pursuant to feedback regarding first transfers from a Party that is not a host Party. The technical complexities of this and their implications on the current rules and procedures of the mechanism need further political consideration.
Matters relating to the use of the mechanism under a cooperative approach that is not CA001	No changes were made pursuant to feedback regarding the use of the mechanism under a cooperative approach that is not CA001. This matter needs further political consideration.

Topics	Action taken
Suspension, reactivation and termination	Changes were made pursuant to comments on suspension, reactivation and termination, including to: - Add the suspension type ‘suspended pending clarification’ and clarified in which circumstances accounts may be updated to the various suspended statuses - Add that the Registry Administrator will take reasonable measures to gather information from entities with a view to resolving the issue where their accounts have been suspended pending clarification - Clarify that the Supervisory Body will be responsible for determining either the reactivation or termination of accounts that have been suspended pending clarification, for which the Registry Administrator will make a recommendation. No changes were made pursuant to feedback suggesting that the ability of Parties to terminate or suspend entity accounts should be limited to specific circumstances. It is a CMA requirement that all entity account holders are approved and authorized by a Party, therefore the procedure must provide for no-cause suspension and termination reflecting the Party’s ability to withdraw that authorization/approval.
Transfers	No changes were made pursuant to feedback suggesting a maximum response time period for acceptance or rejection of transfers, as the currently proposed text already enables the transferring account holder to cancel the proposed transfer at anytime prior to acceptance or rejection from the recipient account holder, which effectively serves the same purpose of avoiding indefinitely encumbered units.
Matters relating to reporting and transparency	Changes were made pursuant to feedback to provide that publicly available reported information shall be provided both for the reporting period and cumulatively, and a section was added providing that account holders may request reports on their holdings. Additionally, as above, a quarterly report was also introduced on the status of each account in the registry. No changes were made pursuant to feedback on matters relating to enhanced transparency on A6.4ER’s related project information, as this information is already provided by the Mechansim Information System.
Typos and minor edits to enhance readability	All typos and other minor editorial changes which needed correcting, as raised by submitters, were corrected.

Topics	**Action taken**
Technical comments on transfer processes, error recourses, operational performance standards, immutable audit trails and other related matters	No changes were made pursuant to very technical detailed matters which were determined more appropriate for a manual and/or for which further information will be provided upon further development of the registry with the vendor. This includes detailed information on what may be published from the registry and in reports to users or authorized access holders. Notably, much of the information requested in the feedback to be made publicly available will already be made available either by the Mechanism Information System (MIS) or 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 were made pursuant to matters of contract standardisation and fungibility determinations. These matters were determined more appropriate for contractual relations between Parties/entities and will be incorporated if needed on a later version of the procedure~~.~~

6. Recommendations to the Supervisory Body

47. The secretariat recommends that the Supervisory Body take note of the inputs received on the draft procedure, including the proposed changes and clarification requests summarized above, with a view to considering the revised procedure at this meeting.

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1. Introduction

1.1. Background

1. The Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (hereinafter referred to as the CMA), at its third session, adopted rules, modalities and procedures (hereinafter referred to as the RMPs) for the mechanism established by Article 6, paragraph 4, of the Paris Agreement (hereinafter referred to as the mechanism).[1]

2. The RMPs define general functions of the registry for the Article 6.4 mechanism (hereinafter referred to as the mechanism registry).[2] The CMA, at the same session, requested the Supervisory Body of the Article 6.4 mechanism to develop provisions for various processes necessary to operate the Article 6.4 mechanism, including those for the operation of the mechanism registry.[3]

3. The CMA, in decision 7/CMA.4, elaborated on the requirements for the mechanism registry, in terms of its form and functions, transaction procedure, and connection with the international registry.[4]

4. The CMA, in decision 6/CMA.6 “Further guidance on the mechanism established by Article 6, paragraph 4, of the Paris Agreement”, provided further requirements for the mechanism registry connection with the international registry, Party registries and the availability of the mechanism registry to all Parties.[5] In decision 4/CMA.6, “Matters relating to cooperative approaches referred to in Article 6, paragraph 2, of the Paris Agreement”, the CMA also provided guidance on the authorization of internationally transferred mitigation outcomes[6] which impact authorized Article 6.4 emission reductions (hereinafter referred to as AERs) in the mechanism registry.

1.2. Objective

5. The objective of the “Procedure: Article 6.4 registry” (hereinafter referred to as this procedure) is to set out key components and procedural steps and requirements relating to the functioning and the use of the mechanism registry.

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[1] Decision 3/CMA.3. “Rules, modalities and procedures for the mechanism established by Article 6, paragraph 4, of the Paris Agreement.” Annex. Available at: https://unfccc.int/sites/default/files/resource/cma2021_10a01E.pdf#page=29.

[2] Ibid. Including, but not limited to, sections V.H, V.J, V.K, VI, VIII and XI.B.

[3] Ibid, paragraph 5(a).

[4] Decision 7/CMA.4 “Guidance on the mechanism established by Article 6, paragraph 4, of the Paris Agreement.” Annex I. Available at: https://unfccc.int/sites/default/files/resource/cma2023_10a02E.pdf#page=37.

[5] Decision 6/CMA.6. “Further guidance on the mechanism established by Article 6, paragraph 4, of the Paris Agreement.” Available at: https://unfccc.int/sites/default/files/resource/cma2024_17a01E.pdf#page=34.

[6] Decision 4/CMA.6. “Matters relating to cooperative approaches referred to in Article 6, paragraph 2, of the Paris Agreement.” Available at: https://unfccc.int/sites/default/files/resource/cma2024_17a01E.pdf#page=16.

2. Scope, applicability, and entry into force

2.1. Scope

6. This procedure describes the administrative steps to follow for Parties, public and private entities, the Supervisory Body and the United Nations Framework Convention on Climate Change (UNFCCC) secretariat for the issuance of A6.4ERs, the distribution, transfer, retirement and cancellation of A6.4ERs and certified emission reductions, as applicable, interactions of the mechanism registry with the international registry, and the reporting and public availability of the information and data generated by the mechanism registry.

2.2. Entry into force

7. This version of the procedure enters into force on DD MM YYYY.

3. Terms and definitions

8. The following terms apply in this procedure:

(a) “Shall” is used to indicate requirements which must be followed;

(b) “Should” is used to indicate that among several possibilities, one course of action is recommended as particularly suitable;

(c) “May” is used to indicate what is permitted;

(d) "Party” means any Party to the Paris Agreement;

(e) “Participating Party” means a Party that has submitted an initial report in respect of ~~their~~ its participation in the Article 6.4 mechanism;[7]

~~(f) “Participating Party registry” means the registry nominated as a Participating Party’s registry in its initial report.[8]~~

(g) “Account holder” refers to a Party or ~~a~~an authorized entity ~~public or private entity~~ that ~~has been authorized by a Party to~~ holds~~s~~ an account in the mechanism registry ~~(also referred to as an authorized entity)~~;

(h) “Activity participant” refers to an activity participant in an activity registered to the Article 6.4 mechanism.

(i) “Authorized entity” refers to refers to a public or private entity which has been authorized by a Party to open an account in the mechanism registry.

(j) “Authorized entity under the Article 6.2 framework” refers to a public or private entity which has been authorized by a Participating Party under the Article 6.2 framework to open an account in the mechanism registry for holding CERs, MCUs and AERs;

[7] Decision 4/CMA.6. “Matters relating to cooperative approaches referred to in Article 6, paragraph 2, of the Paris Agreement.” Paragraph 5.

~~[8] Decision 6/CMA.6. “Further guidance on the mechanism established by Article 6, paragraph 4, of the Paris Agreement.” Paragraph 17.~~

(k) “Approved entity” refers to a public or private entity which has been authorized by a Party to open an account in the mechanism registry for holding CERs and MCUs only;

(l) “Entity account” refers to an account of an authorized entity in the mechanism registry;

(m) “Focal point” is any entity, or entities, as described in the “Glossary Article 6.4 mechanism terms” [9].

(n) “AERs” refer to A6.4ERs authorized by the host Party of the Article 6.4 mechanism activity for which the A6.4ERs are issued, for use towards the achievement of nationally determined contributions (hereinafter referred to as NDCs) of Parties and/or for other international mitigation purposes (hereinafter referred to as OIMP) pursuant to paragraph 42 of the RMPs;

(o) “MCUs” or “mitigation contribution A6.4ERs” refer to A6.4ERs not specified as authorized for use towards the achievement of NDCs of Parties and/or for other international mitigation purposes which may be used, inter alia, for results-based climate finance, domestic mitigation pricing schemes or domestic price-based measures, for the purpose of contributing to the reduction of emission levels in the host Party, pursuant to paragraph 29(b) of annex I to 7/CMA.4;[10]

(p) “A6.4ERs” refer to AERs and MCUs collectively;

(q) “CERs” refer to certified emission reductions issued under the clean development mechanism (CDM) under the Kyoto Protocol that are eligible for use towards achievement of an NDC and have been transferred from the CDM registry to the mechanism registry in accordance with paragraph 75(b) of the RMPs;[11]

(r) “Registry administrator” refers to the secretariat acting in its role to maintain and operate the mechanism registry under the supervision of the Supervisory Body in accordance with paragraph 65 of the RMPs;[12]

(s) “International registry” refers to the international registry referred to in paragraphs 30−31 of the annex to decision 2/CMA.3;[13]

(t) “CARP” ~~is the~~ refers to the centralized accounting and reporting platform referred to in chapter VI.C of the annex to decision 2/CMA.3;[14]

[9] As per “Glossary Article 6.4 mechanism terms”.

[10] Decision 7/CMA.4 “Guidance on the mechanism established by Article 6, paragraph 4, of the Paris Agreement.” Annex I, paragraph 29(b).

[11] Decision 3/CMA.3 “Rules, modalities and procedures for the mechanism established by Article 6, paragraph 4, of the Paris Agreement.” Annex, section XI. B.

[12] Ibid.

[13] Decision 2/CMA.3 “Guidance on cooperative approaches referred to in Article 6, paragraph 2, of the Paris Agreement.” Annex, paragraph 30-31. Available at: https://unfccc.int/sites/default/files/resource/cma2021_10a01E.pdf#page=15.

[14] Ibid., chapter VI.C.

(u) "Activity cycle procedures" refers to the "Article 6.4 activity cycle procedure for projects" and the "Article 6.4 activity cycle procedure for programmes of activities" adopted by the Supervisory Body, as applicable;[15]

(v) "Forwarding" refers to the movement of A6.4ERs from the pending account ~~which is not a first transfer~~;

(w) "Transfer" refers to the movement of A6.4ERs or CERs from an account which is not the pending account;

(x) "First transfer" refers to a forwarding, transfer, or other~~n~~ action with respect to AERs that triggers the corresponding adjustment to the accounting of the ~~host~~ first transferring Party as referred to in paragraph 2 of the annex to decision 2/CMA.3~~;~~[16][17]i.e. (i) for AERs authorized by a Participating Party for use towards the achievement of an NDC, the first international transfer of the AER; or (ii) for AERs authorized by a Participating Party for use for other international mitigation purposes, either (1) the authorization; (2) the issuance; or (3) the use or cancellation of the mitigation outcome, as specified by the Participating Party~~)~~;[18]

(y) "First transferring Party" refers to the Participating Party in which the mitigation outcome was generated;~~"Other transfer" or "transfer" refers to the movement of A6.4ERs or CERs from an account which is not the pending account, unless that transfer is a first transfer as defined in subparagraph (s) above;~~

(z) "UNFCCC" or "secretariat" refers to the United Nations Framework Convention on Climate Change secretariat;

(aa) "Adaptation Fund account" refers to the share of proceeds for adaptation account, which receives A6.4ERs in accordance with paragraph 58 of the RMPs;

(bb) "Mandatory cancellation for OMGE account" refers to the account for the mandatory cancellation of A6.4ERs for OMGE in accordance with paragraph 59 of the RMPs;

(cc) "Voluntary cancellation for OMGE account" refers to the account for the voluntary cancellation of AERs for OMGE in accordance with paragraph 70 of the RMPs;

(dd) "Administrative cancellation account" refers to the account for administrative cancellation of A6.4ERs and CERs tracked in the mechanism registry for corrective actions and other purposes, as necessary;

(ee) "OMGE" refers to overall mitigation of global emissions;

[15] Relevant regulations available here: https://unfccc.int/process-and-meetings/bodies/constituted-bodies/article-64-supervisory-body/rules-and-regulations.

[16] Decision 2/CMA.3 "Guidance on cooperative approaches referred to in Article 6, paragraph 2, of the Paris Agreement." Annex.

[17] Glossary: Article 6.4 mechanism terms". Available at: https://unfccc.int/sites/default/files/resource/A6.4-Glossary.pdf.

[18] Where an AER is authorized for multiple uses, the AER shall be transferred upon the first applicable first transfer triggering event.

(ff) "2/CMA.3" refers to the annex to decision 2/CMA.3;[19]

(gg) "RMPs" refers to the annex to decision 3/CMA.3;[20]

(hh) "7/CMA.4" refers to annex I to decision 7/CMA.4;[21]

(ii) "4/CMA.6" refers to decision 4/CMA.6.[22]

4. General

9. The registry administrator shall develop and maintain a transactional information system that supports the functioning of the mechanism registry in accordance with this procedure, with a view to automating its functions wherever possible to ensure the accurate and timely functioning of the mechanism registry.

10. In accordance with best practices for operating registries, actions undertaken by users in the mechanism registry will be processed automatically when they are made, provided all requirements for the action are met.

11. Users are solely responsible for ensuring the accuracy of all actions they undertake in the mechanism registry. Transfers in the mechanism registry are final, and the registry administrator does not warrant that transfers can be reversed.

12. The mechanism registry administrator shall not allow the processing of actions where that action would cause an invalidity in the mechanism registry.

13. All actions in the mechanism registry will be recorded in Coordinated Universal Time.

14. All actions by account holders specified in this procedure are to be undertaken on the registry interface, unless otherwise specified.

15. The secretariat shall host and maintain the mechanism registry and act as its administrator.

5. Accounts

5.1. Account types and statuses

16. The mechanism registry shall include the following account types:

(a) Pending account, to which all A6.4ERs shall be issued;

(b) Holding account, which may acquire A6.4ERs or CERs tracked in the mechanism registry;

[19] Decision 2/CMA.3 "Guidance on cooperative approaches referred to in Article 6, paragraph 2, of the Paris Agreement." Annex.

[20] Decision 3/CMA.3 "Rules, modalities and procedures for the mechanism established by Article 6, paragraph 4, of the Paris Agreement." Annex.

[21] Decision 7/CMA.4 "Guidance on the mechanism established by Article 6, paragraph 4, of the Paris Agreement." Annex I.

[22] Decision 4/CMA.6 "Matters relating to cooperative approaches referred to in Article 6, paragraph 2, of the Paris Agreement".

(c) Adaptation Fund account;

(d) Mandatory cancellation for OMGE account;

(e) Voluntary cancellation for OMGE account;

(f) Retirement account for AERs used towards the achievement of NDC;

(g) Retirement account for CERs used towards the achievement of the first or first updated NDC;

(h) Account for ~~cancellation~~ use of AERs for other international mitigation purposes;

(i) Account for ~~voluntary~~ cancellation of AERs for other purposes;

(j) Account for ~~voluntary~~ cancellation of MCUs and CERs for other purposes;

(k) Administrative cancellation account;

17. Each account shall be identifiable by a unique account number, designated either upon the establishment of the mechanism registry or at the time the account is opened in accordance with this procedure, as applicable.

18. Accounts in the registry shall carry one of the following statuses:

(a) Active;

(b) Suspended;

(c) Suspended pending clarification;

(d) Suspended pending termination;

(e) Terminated.

5.1.1. Active status

19. When an account has an active status, transfers may be initiated and received in respect of the account.

20. When opened, all accounts have an active status.

5.1.2. Suspended status

21. When an account has a suspended status, no transfers may be initiated or received by the account.

22. Entity accounts may be updated from active status to suspended status in the following circumstances:

~~(a) When an irregularity is found in the operation or use of the registry, which reasonably requires the account to be updated to suspended status;~~

~~(b) When the account holding entity has breached, or is reasonably expected to have breached, the relevant terms and conditions, and the registry administrator determines it is appropriate to update the status of the account to suspended status;~~

~~(c) In exceptional circumstances which provide reasonable basis for the account to be updated to suspended status;~~

(d) When the account holding entity requests the account be updated to suspended status;

(e) When the account holding entity's authorizing Party requests the account be updated to suspended status;

23. Party accounts may be updated from active status to suspended status in the following circumstances:

~~(a) When an irregularity is found in the operation or use of the registry which reasonably requires the account to be updated to suspended status;~~

~~(b) In exceptional circumstances which provide reasonable basis for the account to be updated to suspended status;~~

(c) When the Party requests the account be updated to suspended status.

24. Where an entity account has been updated to suspended status in accordance with 22(a) above, the registry administrator will notify their authorizing Party.

25. Where an entity account has been updated to suspended status in accordance ~~with 22(a),~~ (b)~~, 22 (c) and 22(e)~~ with 22(e)~~ above~~, the registry administrator will notify the entity account holder.

~~26. Where a Party account has been updated to suspended status in accordance with 23(a)23(b) above, the registry administrator will notify the Party account holder.~~

~~27.~~ Accounts that have a suspended status may be updated to active status where entity or Party that requested the update to suspended status, as applicable, requests the account be updated to active status. ~~the basis of the account's update to suspended status is resolved and the registry administrator or the Supervisory Body, as applicable, determines that updating the account to active status is appropriate.~~

28. Accounts that have a suspended status may be updated to a terminated status in accordance with this procedure.

5.1.3. Suspended pending clarification status

29. When an account has a suspended pending clarification status, no transfers may be initiated or received by the account.

30. Entity accounts may be updated from active status to suspended pending clarification status in the following circumstances:

(a) When an irregularity is found in the operation or use of the registry, which reasonably requires the account to be updated to suspended status;

(b) When the account holding entity has breached, or is reasonably expected to have breached, the relevant terms and conditions, and the registry administrator determines it is appropriate to update the status of the account to suspended status;

(c) In exceptional circumstances which provide reasonable basis for the account to be updated to suspended status;

31. Party accounts may be updated from active status to suspended pending clarification status in the following circumstances:

(a) When an irregularity is found in the operation or use of the registry which reasonably requires the account to be updated to suspended status;

(b) In exceptional circumstances which provide reasonable basis for the account to be updated to suspended status;

32. Where an entity account has been updated to suspended status in accordance with 29(a)-(c) the registry administrator will notify the entity account holder and their authorizing Party and take measures to gather information from the account holder with a view to resolving the basis for suspension.

33. Where a Party account has been updated to suspended status in accordance with31(a)31(b), the registry administrator will notify the Party account holder and take measures to gather information from the account holder with a view to resolving the basis for suspension.

34. Where reasonable measures have been taken to gather information pursuant to the basis for suspension, the registry administrator shall advise the Supervisory Body on the recommended course of action for the respective account status.

35. Accounts that have a suspended pending clarification status may be updated to active status where the basis for suspension is resolved and the Supervisory Body decides to update the account status to active.

36. Accounts that have a suspended pending clarification status may be updated to a terminated status, or suspended pending termination, where applicable, where the entity account holder or their respective authorizing Party requests the account status be updated to terminated, or where the Supervisory Body decides to update the account status to terminated.

5.1.4. Suspended pending termination status

37. When an account has a suspended pending termination status, no transfers may be initiated or received by the account except transfers undertaken for the purpose of terminating the account or for administrative cancellation (which are to be manually processed by the registry administrator upon request by the account holder).

38. Entity accounts and Party accounts ~~may~~ shall be updated from active status, ~~or~~ suspended status or suspended pending clarification status to suspended pending termination status when ~~the~~ the account is requested for termination but A6.4ERs or CERs are held in the account. ~~pending an update to termination status;~~

~~39.~~ Where an account is updated to suspended pending termination status, the registry administrator shall notify the account holder and their respective authorizing Party, as applicable. ~~an account is updated to suspended pending termination status pursuant to circumstances provided in 34(a), 35(a)35(b) and 37 below, the registry administrator shall notify the affected account holder.~~

40. Where the registry administrator does not receive instructions for the transfer of held A6.4ERs or CERs within 6 months of the account status update to suspended pending termination, the registry administrator shall transfer all held A6.4ERs and CERs to the administrative cancellation account.

~~41. Accounts that have a suspended pending termination status may be updated to active status where the account is no longer pending termination.~~

~~42.~~ Accounts that have a suspended pending termination status shall be updated to terminated status once no A6.4ERs or CERs are held in the account ~~may be updated to a terminated status in accordance with this procedure.~~

5.1.5. Terminated status

43. When an account has a terminated status, no transfers may be initiated or received by the account. Accounts that have a terminated status may not have further status updates.

44. Except for cancellation accounts, use accounts and retirement accounts, accounts may only be updated to terminated status when they hold no A6.4ERs or CERs.

45. Entity accounts may be updated from active status, suspended status, suspended pending clarification status, or ~~or~~ suspended pending termination status to terminated status in the following circumstances:

    (a) When the entity account holder's authorizing Party requests the account be updated to terminated status;

    (b) When the entity account holder requests the account be updated to terminated status.

    (c) When the Supervisory Body decides to update the account status to terminated pursuant to 36 above;

    (d) When the account has a suspended pending termination status no A6.4ERs or CERs are held in the account.

~~46. Upon approval by the Supervisory Body, entity accounts may be updated from active status, suspended status, or suspended pending termination status to terminated status in the following circumstances:~~

    ~~(a) When the entity account holder has breached, or is reasonably suspected to have breached, the relevant terms and conditions for use of the registry, and the registry administrator determines that updating the account to terminated status is appropriate;~~

    ~~(b) In exceptional circumstances which provide reasonable basis for the account to be updated to terminated status;~~

~~47.~~ Party accounts may be updated from active status, suspended status, suspended pending clarification status or suspended pending termination status to terminated status when the Party requests the account be updated to terminated status or where the account was updated to suspended pending clarification status pursuant to 31(b), upon decision by the Supervisory Body..

~~48. Upon approval by the Supervisory Body, Party accounts may be updated from active status, suspended status, or suspended pending termination status to terminated status in exceptional circumstances which provide reasonable basis for the account to be updated to terminated status;~~

~~49. Except for cancellation accounts and retirement accounts, accounts may only be updated to terminated status when they hold no A6.4ERs or CERs.~~

~~50. When an account which is not a cancellation or retirement account is requested to be updated to terminated status but it holds A6.4ERs and/or CERs, the registry administrator will update the account to suspended pending termination status until the A6.4ERs and/or CERs are transferred pursuant to section 7.1 below and notify the account holder accordingly. If the registry administrator does not receive a request for transfer of held A6.4ERs and CERs in the account within 6 weeks, the registry administrator will schedule to transfer the held A6.4ERs or CERs to the administrative cancellation account and update the account to terminated status.~~

51. ~~Approved updates~~Status updates to terminated status shall be processed on the 10th of each month.

5.2. Accounts held by the registry administrator

52. The registry administrator shall open the following accounts upon the establishment of the mechanism registry:

(a) The Pending account, as referred to in paragraph 16(a) above;

(b) The Mandatory cancellation for OMGE account;

(c) The Voluntary cancellation for OMGE account;

(d) The Administrative cancellation account;

5.3. The Adaptation Fund account

53. The registry administrator shall open the Adaptation Fund account and designate the Adaptation Fund Trustee as the account holder. Representatives of the Adaptation Fund Trustee may administer the account upon successful completion of applicable identity verification processes.

5.4. Party accounts

54. Parties may request to open the following accounts in the mechanism registry:

(a) Holding account, as referred to in paragraph 16(b) above;

(b) Retirement account for AERs, as referred to in paragraph 16(f) above;

(c) Retirement account for CERs, as referred to in paragraph 16(g) above;

(d) Account for the ~~cancellation~~ use of AERs for other international mitigation purposes, as referred to in paragraph 16(h) above;

(e) Account for the ~~voluntary~~ cancellation of AERs for other purposes, as referred to in paragraph 16(i) above;

(f) Account for the ~~voluntary~~ cancellation of CERs and MCUs for other purposes, as referred to in ~~16~~16(j) above.

55. Parties, via their DNA, may request to open accounts in the mechanism registry via the online interface. ~~To open an account, a Party must, via their DNA, submit the applicable form on the designated interface on the UNFCCC website.~~ This must include designating at least two representatives who shall be subject to identity verification processes of the Article 6.4 mechanism, and who shall assume the authority and responsibility for all actions related to the account.

56. The registry administrator will treat Party account holders as having considered all rules and regulations related to the mechanism registry, and any other information provided to them with respect to the mechanism registry, prior to opening an account.

57. Upon receipt of an account opening request ~~the applicable form~~ from a DNA, the registry administrator shall, within a reasonable timeframe, undertake any applicable identity verification processes[23]. The registry administrator shall notify the requesting Party of the outcome of the identity verification processes. Upon successful completion of the verification processes, the registry administrator shall open the requested Party account(s).

5.5. Authorized entity accounts

~~58. Subject to the acceptance and continued compliance with the relevant terms and conditions and the successful completion of any applicable identity verification processes,[24] authorized entities may open holding account(s) in the mechanism registry. The opening and maintenance of authorized entity accounts is subject to fees in accordance with the fee schedule contained in Appendix 1.~~

~~59. All authorized entities (including activity participants) must designate at least two authorized representatives who assume the authority and responsibility for all actions regarding all accounts of the entity in the mechanism registry.~~

~~60. Upon receipt of the applicable form for opening the entities account from their authorizing Party's DNA or the activity participant, as applicable per 5.5.1 and 5.5.2 below, the registry administrator shall undertake any applicable identity verification processes. Upon successful completion of the verification processes, the registry administrator shall invoice the authorized entity for any applicable fees. Upon receipt of any applicable fees, the registry administrator shall open the requested account(s).~~

~~61. Each holding account may only be authorized by one Party. Entities may be account holders of multiple holding accounts, each authorized by a different Party.~~

5.5.1. Non-activity participant authorized entity accounts

62. Subject to the acceptance and continued compliance with the relevant terms and conditions and the successful completion of any applicable identity verification

[23] Which shall include "know-your-customer" measures developed for the mechanism registry.

~~[24] Ibid.~~

processes,[25] non-activity participant entities which have been authorized by a Party may open holding account(s) in the mechanism registry.

63. The opening and maintenance of non-activity participant authorized entity accounts is subject to fees in accordance with the fee schedule contained in 0.

64. Non-activity participant authorized entities must designate at least two authorized representatives who assume the authority and responsibility for all actions regarding all accounts of the entity in the mechanism registry.

65. Non-activity participant entities may request to open accounts in the mechanism registry via the online interface. Upon receipt of such a request, the registry administrator shall notify the designated authorizing Party for authorization and approval of the entity to open accounts associated to the Party in the mechanism registry. Where the Party is a Participating Party, the Party must specify whether it also authorizes the entity as an authorized entity under the Article 6.2 framework.

66. Upon authorization and approval from the designated authorizing Party, the registry administrator shall, within a reasonable timeframe, undertake any applicable identity verification processes. The registry administrator shall notify the requesting entity of the outcome of the identity verification processes.

67. Upon successful completion of the verification processes, the registry administrator shall invoice the authorized entity for any applicable fees. Upon receipt of any applicable fees, the registry administrator shall open the requested account(s) and provide relevant holding permissions for the account pursuant to its authorization information.

68. Each holding account may only be authorized by one Party. Entities may be account holders of multiple holding accounts, each authorized by a different Party pursuant to 65-67 above.

~~69. To open a holding account in the mechanism registry, entities that are not activity participants shall submit, via the DNA representative of the Party authorizing the entity, the applicable form through a dedicated UNFCCC website interface.~~

5.5.2. Activity participant entity accounts

70. Activity participants accounts in the mechanism registry shall be opened subject to the acceptance and continued compliance with the relevant terms and conditions and the successful completion of any applicable identity verification processes[26].

71. The opening and maintenance of activity participant accounts is subject to the fees for authorized entity accounts in accordance with the fee schedule contained in 0.

72. Activity participant's must designate at least two authorized representatives who assume the authority and responsibility for all actions regarding all accounts of the entity in the mechanism registry.

73. To open a holding account in the mechanism registry, activity participants must the request via the online interface ~~submit the applicable form directly to the registry~~

[25] Ibid.

[26] Ibid.

~~administrator. This form does not need to be submitted via the activity participant's authorizing DNA; instead, activity participants must~~ attaching ~~it to~~ the submission of their *Host Party approval and authorization of activity participants form for Article 6.4 projects (A6.4-FORM-GOV-010)* [27] and/or *Authorization of activity participants by other participating parties form for Article 6.4 projects (A6.4-FORM-GOV-011).*[28]

74. Upon receipt of the request from the activity participant, the registry administrator shall, within a reasonable timeframe, undertake any applicable identity verification processes. The registry administrator shall notify the activity participant of the outcome of the identity verification processes.

75. Upon successful completion of the verification processes, the registry administrator shall invoice the activity participant for any applicable fees. Upon receipt of any applicable fees, the registry administrator shall open the requested account(s) and provide relevant holding permissions for the account pursuant to whether the entity is an authorized entity under the Article 6.2 framework.

6. A6.4ERs and CERs

76. Each A6.4ER shall be indivisible and equal to 1 tCO_2-e pursuant to paragraph 1(b) of the RMPs.[29]

77. Each A6.4ER and/or CER shall be held in only one account in the mechanism registry at any given time.

6.1. Issuance of A6.4ERs

78. Upon approval of a request for issuance of A6.4ERs by the Supervisory Body in accordance with the "Procedure: Article 6.4 activity cycle procedure", the registry administrator will receive an issuance instruction[30] containing the specification and quantity of A6.4ERs to be issued.[31]

[27] Host Party approval and authorization of activity participants form for Article 6.4 projects (A6.4-FORM-GOV-010) or, for programmes of activities, Host Party approval and authorization of activity participants form for Article 6.4 programmes of activities (A6.4-FORM-GOV-014).

[28] Authorization of activity participants by other participating parties form for Article 6.4 projects (A6.4-FORM-GOV-011) or, for programmes of activities, Authorization of activity participants by other participating parties form for Article 6.4 programmes of activities (A6.4-FORM-GOV-015).

[29] Decision 3/CMA.3 "Rules, modalities and procedures for the mechanism established by Article 6, paragraph 4, of the Paris Agreement." Annex.

[30] The issuance instruction is automatically communicated from the Mechanism Information System and delivered to the registry administrator. The issuance instruction contains all data fields necessary to form the unique identifier of A6.4ERs to be issued and the modalities of communication with activity participants on matters related to issuance and distribution.

[31] Provided in accordance with the "Procedure: Article 6.4 activity cycle procedure for projects" (A6.4-PROC-AC-002). Available at: https://unfccc.int/sites/default/files/resource/A6.4-PROC-AC-002.pdf or the "Procedure: Article 6.4 activity cycle procedure for programmes of activities" (A6.4-PROC-AC-003). Available at: https://unfccc.int/sites/default/files/resource/A6.4-PROC-AC-003.pdf.

79. The registry administrator shall review the issuance instruction for completeness, and if deemed complete and valid, the registry administrator shall effect the issuance in the mechanism registry, which shall trigger the following:

(a) Notification to the focal points of the final approval of issuance;

(b) The mechanism registry shall issue and forward a 5 per cent share of the MCUs and/or AERs, as applicable, ~~A6.4ERs~~ to the Adaptation Fund account, unless the host Party is a least developed country or a small island developing State using the exemption from the share of proceeds for adaptation[32]; ~~pursuant to paragraph 20 of decision 6/CMA.6, "Further guidance on the mechanism established by Article 6, paragraph 4, of the Paris Agreement"[33],[34];~~

(c) The mechanism registry shall issue and forward a 2 per cent share or a higher per cent share if specified by the activity participants in their request for issuance, of the ~~A6.4ERs~~MCUs and/or AERs, as applicable, to the mandatory cancellation for OMGE account;

~~(d) If the A6.4ERs forwarded in accordance with (b) and (c) above are authorized,[35] they shall be issued as AERs. Upon forwarding to the Adaptation Fund account and the mandatory cancellation for OMGE account, the respective AERs shall be marked as "first transferred";~~

~~(e) If the A6.4ERs forwarded in accordance with (b) and (c) above are not authorized, they shall be issued as MCUs;~~

(f) The distribution form[36] is sent to the focal points for their completion to inform the registry administrator on which accounts the remaining A6.4ERs shall be distributed upon issuance.[37]

80. Upon receipt of the distribution ~~form~~ instruction via the online interface from the ~~focal points~~activity participant ~~via the online interface~~, the mechanism registry shall automatically issue the remaining MCUs and/or AERs ~~A6.4ERs~~ into the pending account and immediately forward them according to the distribution instruction[38]. The focal points may submit the distribution ~~form~~ instruction for partial issuance and distribution of the total quantity of A6.4ERs approved for issuance ~~by the registry administrator~~.

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[32] Pursuant to paragraph 20 of decision 6/CMA.6, "Further guidance on the mechanism established by Article 6, paragraph 4, of the Paris Agreement"

~~[33] Decision 6/CMA.6. "Further guidance on the mechanism established by Article 6, paragraph 4, of the Paris Agreement".~~

~~[34] Communicated through their activity approval in accordance with the section 4.4 of the "Procedure: Article 6.4 activity cycle procedure" (A6.4-PROC-AC-002) or section 4.4 of the "Procedure: Article 6.4 activity cycle procedure for programmes of activities" (A6.4-PROC-AC-003).~~

~~[35] A statement of authorization has been provided in accordance with the activity cycle procedures, which authorizes the respective A6.4ERs.~~

[36] Article 6.4 mechanism registry distribution request form. Available at: https://unfccc.int/sites/default/files/resource/A6.4-FORM-REGS-005.pdf.

[37] See paragraph 81 on invalid issuance instructions.

[38] Activity participants should note that post-issuance authorization is only possible for MCUs distributed to and still held in an account of the activity participant.

81. The registry administrator shall deem a distribution form invalid if any of the accounts to which the A6.4ERs are to be distributed are suspended, suspended pending clarification, suspended pending termination, terminated, invalid, or ineligible to receive the proposed A6.4ERs.

82. If the registry administrator deems an issuance instruction or a distribution form to be incomplete, incorrect, or invalid, the actions provided in paragraph 79 and/or 80 above shall not be executed and the registry administrator shall notify the focal points as appropriate.

83. Upon their issuance, each A6.4ER shall be assigned uniquely identifying information that shall remain immutable throughout the lifetime of an A6.4ER, comprising:

(a) "UN01", designating the mechanism registry as the issuing registry;

(b) The host Party identifier as per the common nomenclature of Parties, as published on the UNFCCC website;[39]

(c) The calendar year in respect of which the A6.4ER is issued (vintage year).

84. In addition to the uniquely identifying information provided in paragraph 83 above, each MCU shall be assigned a flag to identify whether the MCU may be post-issuance authorized pursuant to the statement of authorization provided by the host Party, as follows:

(a) "PIA", indicating that it may be post-issuance authorized, or;

(b) "NPIA", indicating that it may not be post-issuance authorized.[40]

85. In addition to the uniquely identifying information provided in paragraph 83 above, each AER shall be assigned the following information:

(a) "CA0001", identifying that the AER is issued in respect of the cooperative approach designated under the common nomenclature of Article 6.2 cooperative approaches, corresponding to the use of the Article 6.4 mechanism between Parties to the Paris Agreement;

(b) A flag to indicate the AER's~~n~~ authorization, ~~type flag or flags, as applicable,~~ as follows:

(i) "NDC", if the AER is authorized for use towards an NDC only, or;

(ii) "OIMP" if the AER is authorized for use towards international mitigation purposes only, or;

(iii) "IMP" if the AER is authorized for use towards international mitigation purposes only, or;

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[39] Relevant link to the Common Nomenclatures list is available here: https://unfccc.int/process-and-meetings/the-paris-agreement/the-paris-agreement/cooperative-implementation/carp-submission-portal/common-nomenclatures-0. ~~Note, where the A6.4ER is an AER, this shall be the first transferring participating Party in which the mitigation outcome was generated~~.

[40] Note, this flag will update in accordance with the MCUs eligibility for post-issuance authorization pursuant to CMA guidance.

(iv) "OP" if the AER is authorized for use towards other purposes only, or;

(v) "NDC and OIMP" if the AER is authorized for use towards NDC and use towards other international mitigation purposes only, or;

(vi) "NDC and IMP" if the AER is authorized for use towards NDC and use towards international mitigation purposes only, or;

(vii) "NDC and OP" if the AER is authorized for use towards NDC and other purposes only.

(c) If the AER is authorized for OIMP, a flag to indicate the first transfer definition as follows:

(i) "Authorization" if the Party has specified the first transfer definition as its authorization, or;

(ii) "Issuance" if the Party has specified the first transfer definition as its issuance, or;

(iii) "Use or cancellation" if the Party has specified the first transfer definition as its use or cancellation.

~~(iv) "I", if the AER is authorized for use towards international mitigation purposes;~~

~~(v) "O", if the AER is authorized for use towards other purposes;~~

(d) A flag to indicate whether the Party has provided terms and conditions in its authorization specifying circumstances for changes to the authorization after the first transfer of the mitigation outcomes, as follows:

~~(i)~~ "C", if the Party has provided terms and conditions in the statement of authorization of the AERs ~~authorization~~ specifying circumstances for changes to the AERs authorization after its first transfer, or;

(ii) "NC", if the Party has not provided terms and conditions in the statement of authorization of the AERs ~~the AERs authorization~~ specifying circumstances for changes to the AERs authorization after its first transfer.

(e) If the AER has been first transferred: The flag "FT".

6.2. Post-issuance authorization

86. If a host Party submits a post-issuance authorization of its issued MCUs in accordance with the Activity cycle procedures, the registry administrator shall verify that the relevant conditions for providing such authorization are satisfied.[41]

87. If it is confirmed that the conditions referred to in paragraph 86 above are satisfied and the post-issuance authorization can be processed[42], the registry administrator shall update the eligible affected MCUs to be AERs accordingly.

[41] Conditions referred to in the activity cycle procedures.

[42] The post-issuance authorization does not create an invalidity in the mechanism registry.

88. If the registry administrator identifies that the conditions related to providing a post-issuance authorization of the affected MCUs are not satisfied, or the proposed post-issuance authorization would create an invalidity in the mechanism registry, the registry administrator shall not process the proposed post-issuance authorization and shall notify the host Party accordingly.

6.3. Post-issuance change of authorization

89. If a host Party submits a change of authorization statement in accordance with Activity cycle procedures with respect to issued A6.4ERs~~, and the affected A6.4ERs are held in the mechanism registry~~, the registry administrator shall verify that the relevant conditions for providing such change of authorization are satisfied.[43]

90. If the conditions referred to in paragraph 89 above are confirmed to be satisfied, the affected A6.4ERs are held in the mechanism registry, and the change of authorization is able to be processed, the mechanism registry administrator shall update the eligible affected A6.4ERs accordingly.

91. If the mechanism registry administrator identifies that the conditions related to providing a post-issuance change of authorization of the affected A6.4ERs are not satisfied, or the proposed change of authorization would create an invalidity in the mechanism registry, the registry administrator shall not process the proposed post-issuance authorization and shall notify the host Party accordingly.

6.4. Updates to A6.4ERs after the final date for first transfer

92. Where an AER has not been first transferred by the final date for its first transfer, upon this date, it shall be updated to be an MCU.[44]

6.5. Receipt of CERs from the CDM registry

93. CERs may be received by account holders in the mechanism registry (from account holders in the CDM registry) in accordance with paragraph 115 below.

94. Upon its receipt into the mechanism registry, each CER shall be assigned unique information, comprising:

(a) A “CER” flag;

(b) A “2020” flag, indicating that the CER corresponds to a pre-2021 emission reduction;

(c) The Kyoto Protocol serial number assigned to the CER as transferred from the CDM registry.[45]

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[43] Conditions referred to in the Activity cycle procedures.

[44] In accordance with paragraph 12 of the annex to decision 2/CMA.3 and paragraph 14 of decision 4/CMA.6, as applicable.

[45] Decision 7/CMA.4 “Guidance on the mechanism established by Article 6, paragraph 4, of the Paris Agreement” Annex I, paragraph 19.

7. Transfers

7.1. General

95. When a holding account status is active or suspended pending termination status, the account holder may transfer held A6.4ERs and/or CERs to other account(s) by specifying at a minimum:

   (a) The unique identifiers of the A6.4ERs or CERs for transfer, as applicable;

   (b) The destination account(s).

96. When one account holder requests to transfer A6.4ERs or CERs to another account holder, the registry administrator shall notify the recipient account holder of the request for transfer for their acceptance or rejection. Until the recipient account holder accepts or rejects the transfer, the transferring account holder may withdraw the request at any time. If the recipient account holder accepts the transfer, the respective A6.ERs and/or CERs shall be automatically transferred in accordance with the specifications in the transfer request. If the recipient account holder rejects the transfer, the registry administrator shall notify the account holder that requested the transfer, and void the request.

97. When an account holder requests to transfer A6.4ERs or CERs between its own accounts, the A6.ERs and/or CERs shall be automatically transferred in accordance with the specifications in the transfer request.

98. A6.4ERs or CERs held in cancellation or retirement accounts may not be transferred to any other account.

7.2. Transfer to an account for use towards nationally determined contributions (Retirement)

99. Participating Parties may transfer AERs from their holding account to their retirement account corresponding to the applicable NDC period (referred to in paragraph ~~16~~16(f) above). Authorized entities may transfer AERs from their holding account to the retirement account corresponding to the applicable NDC period of their authorizing Party.

100. Parties may transfer CERs from their holding account to their CER retirement account for use towards its first or first updated NDC (referred to in paragraph ~~16~~16(g) above). Authorized entities may transfer CERs from their holding account to the CER retirement account for use towards its first or first updated NDC of their authorizing Party.

7.3. Transfer to an account for cancellation or use (Cancellation or use)

101. Participating Parties and authorized entities may transfer AERs from their holding account to the voluntary cancellation for OMGE account.

102. Participating Parties may transfer AERs from their holding account to an account opened by them for ~~cancellation~~ use of AERs for international mitigation purposes (referred to in paragraph 16(h) above). Authorized entities may transfer AERs from their holding account to an account for ~~cancellation~~ use of AERs for international mitigation purposes (referred to in paragraph 16(h) above) of their authorizing Party.

103. Participating Parties may transfer AERs from their holding account to an account opened by them for ~~voluntary~~ cancellation of AERs for other purposes in the mechanism registry (referred to in paragraph 16(i) above). Authorized entities may transfer AERs from their holding account to an account for ~~voluntary~~ cancellation of AERs for other purposes in the mechanism registry (referred to in paragraph 16(i) above) of their authorizing Party.

104. Parties may transfer MCUs and CERs from their holding account to an account opened by them for ~~voluntary~~ cancellation of MCUs and CERs in the mechanism registry (referred to in paragraph 16(j) above). Authorized entities may transfer MCUs and CERs from their holding account to an account for ~~voluntary~~ cancellation of MCUs and CERs in the mechanism registry (referred to in paragraph 16(j) above) of their authorizing Party.

105. The registry administrator may transfer A6.4ERs and/or CERs held in an account with a suspended pending termination status to an account upon the instruction from the account holder, pursuant to paragraph 37 above, or to the Administrative cancellation account, pursuant to paragraph 40 above. Transfers to the Administrative cancellation account shall not constitute a first transfer.

7.4. First transfer

106. In accordance with decision 2/CMA.3[46] and decision 6/CMA.4,[47] where a participating Party has authorized an A6.4ER for use towards other international mitigation purposes, it must specify in its authorization the specification of “first transfer” for the A6.4ER, which is to be provided in accordance with the Activity cycle procedures.

107. AERs shall be identified with their first transfer status, in addition to their unique identifier in accordance with paragraph 85 above. In accordance with section 9 below, the first transfer status of AERs shall be publicly available on the UNFCCC website and included in the reports to DNAs referred to in paragraph 125. This information may be utilized by Participating Parties for the purposes of paragraph 13 of 4/CMA.6.[48]

108. If the ~~participating~~ first transferring Party specifies the first transfer of a mitigation outcome as the authorization or issuance, the affected AER shall be identified as “first transferred” immediately upon its authorization or issuance, as applicable, in the mechanism registry.

~~109.~~ If the ~~participating~~ first transferring Party has authorized a mitigation outcome for other international mitigation purposes only, with the specification of first transfer as its use or cancellation, it shall be identified as first transferred upon its earliest transfer or forwarding, as applicable, to the Adaptation Fund account, or an account for retirement or cancellation, including the accounts provided by paragraph 16 (d), (h), (i) and excluding the administrative cancellation account. ~~and (m).~~

[46] Decision 2/CMA.3 “Guidance on cooperative approaches referred to in Article 6, paragraph 2, of the Paris Agreement” Annex, paragraph 30-31.

[47] Decision 6/CMA.4 “Matters relating to cooperative approaches referred to in Article 6, paragraph 2, of the Paris Agreement” Paragraph 5.

[48] Decision 4/CMA.6. “Matters relating to cooperative approaches referred to in Article 6, paragraph 2, of the Paris Agreement”

110. If the ~~participating~~ first transferring Party has authorized a mitigation outcome for use towards the achievement of an NDC only, it shall be identified as first transferred upon its earliest transfer or forwarding, as applicable, to:

(a) The Adaptation Fund account; or

(b) The mandatory cancellation for OMGE account; or

(c) A retirement account for AERs used towards the achievement of NDC; or

(d) An account held by or authorized by another participating Party.

111. If the ~~participating~~ first transferring Party has authorized a mitigation outcome for both use towards the achievement of an NDC or other international mitigation purposes, with the specification of first transfer as its use or cancellation, it shall be identified as first transferred upon its earliest transfer or forwarding, as applicable, to:

(a) The Adaptation Fund account;

(b) An account for cancellation, including the accounts provided by paragraph 16 (d), (h), (i), unless that account is the administrative cancellation account ~~and (m)~~;

(c) A retirement account for AERs used towards the achievement of NDC;

(d) An account held by or authorized by another participating Party.

112. The transfer of an AER to the ~~a~~Administrative cancellation account shall not trigger the identification of the AER as ~~"~~first transferred~~"~~.

8. Interaction with other systems

113. The mechanism registry shall interact with the following systems at a minimum, as required for its operation:

(a) The CARP;

(b) The international registry;

(c) The CDM registry;

(d) Participating Parties' registries;

(e) The Article 6.4 mechanism information system;

(f) The United Nations Enterprise Resource Planning System.

114. Regarding the interaction with the international registry, and pursuant to paragraph 49 of 7/CMA.4 and paragraph 23 of annex I to decision 6/CMA.4,[49] the mechanism registry shall be connected to the international registry. This connection shall:

(a) Allow for automated pulling and viewing of data and information on holdings and the action history of AERs for use by Parties participating in the Article 6.4 mechanism that have an account in the mechanism registry. In accordance with

[49] Decision 6/CMA.4 "Matters relating to cooperative approaches referred to in Article 6, paragraph 2, of the Paris Agreement" Annex I, paragraph 23.

paragraph 17 of decision 6/CMA.6,[50] it shall also enable the transfer of AERs to the international registry, consistent with the interoperability arrangements applicable to all registries described in section I.B of annex I to decision 6/CMA.4,[51] and support the execution of the functions listed in paragraph 29 of the annex to decision 2/CMA.3;[52]

(b) Enable the execution of the functions referred to in paragraphs 9–10 of annex I to decision 6/CMA.4.[53]

115. Regarding the interaction with the CDM registry:

(a) Pursuant to paragraph 75(b) of the RMPs,[54] the mechanism registry shall be able to receive data from the CDM registry for the purpose of transferring CERs;

(b) Pursuant to paragraph 18 of 7/CMA.4[55] the transfer data received by the mechanism administrator shall include the full serial numbers of the eligible CERs and the identification of the receiving account. All transfer data shall be subject to a reconciliation process to be developed and implemented by the registry administrators of the two registries (the secretariat). Pursuant to paragraph 19 of 7/CMA.4,[56] the registry administrator shall check the transfer data received from the CDM registry and shall record transferred eligible CERs in the receiving accounts as communicated by the CDM registry administrator;

(c) Pursuant to paragraph 20 of 7/CMA.4,[57] the mechanism registry may continue to receive transfers of CERs from the CDM registry until a date to be determined by the CMA.

116. Regarding the interaction with participating Parties' registries, pursuant to paragraph 17 of decision 6/CMA.6,[58] participating Parties' registries referred to in paragraph 29 of the annex to decision 2/CMA.3[59] may voluntarily connect to the mechanism registry. This

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[50] Decision 6/CMA.6. "Further guidance on the mechanism established by Article 6, paragraph 4, of the Paris Agreement" Paragraph 17.

[51] Decision 6/CMA.4 "Matters relating to cooperative approaches referred to in Article 6, paragraph 2, of the Paris Agreement" Annex I, section I.B.

[52] Decision 2/CMA.3 "Guidance on cooperative approaches referred to in Article 6, paragraph 2, of the Paris Agreement" Annex, paragraph 29.

[53] Decision 6/CMA.4 "Matters relating to cooperative approaches referred to in Article 6, paragraph 2, of the Paris Agreement" Annex I, paragraphs 9-10.

[54] Decision 3/CMA.3 "Rules, modalities and procedures for the mechanism established by Article 6, paragraph 4, of the Paris Agreement" Annex.

[55] Decision 7/CMA.4 "Guidance on the mechanism established by Article 6, paragraph 4, of the Paris Agreement" Annex I, paragraph 18.

[56] Ibid., paragraph 19.

[57] Decision 7/CMA.4 "Guidance on the mechanism established by Article 6, paragraph 4, of the Paris Agreement" Annex I, paragraph 19.

[58] Decision 6/CMA.6. "Further guidance on the mechanism established by Article 6, paragraph 4, of the Paris Agreement"

[59] Decision 2/CMA.3 "Guidance on cooperative approaches referred to in Article 6, paragraph 2, of the Paris Agreement" Annex, paragraph 29.

connection shall enable the transfer of AERs, consistent with decision 6/CMA.4, annex I, paragraphs 9–10, while ensuring the avoidance of double-counting, consistent with paragraph 18 of annex I to decision 6/CMA.4,[60] and the ability to pull and view data and information on holdings and the action history of AERs.

117. Regarding the interaction with the CARP, and pursuant to paragraph 46 of annex I to decision 7/CMA.4, the interaction shall enable the synchronization of common nomenclatures, automated prefilling of the agreed electronic format, and the fulfilment of other quantitative information requirements pursuant to chapter IV (Reporting) of the annex to decision 2/CMA.3.[61]

118. The registry administrator shall manage data exchanges between the mechanism registry and other systems in accordance with standards and recommended practices to be developed in accordance with decision 6/CMA.4.[62]

9. Reporting and transparency

9.1. Publicly available information

119. Pursuant to paragraph 48 of annex I to 7/CMA.4,[63] the registry administrator shall make non-confidential information relating to the activities of the mechanism registry publicly available and provide a publicly accessible interface on the UNFCCC website.

120. The mechanism registry shall stream information on the activities of the mechanism registry to the public in real time through the dedicated interface on the UNFCCC website in real time. This information shall include the information on, at minimum for both the reporting period and cumulative:

(a) The total quantity of:

(i) -AERs and MCUs issued;

(ii) AERs first transferred;

~~(iii)~~ AERs, MCUs and CERs cancelled, both mandatorily and voluntarily, by cancellation type and purpose; ~~and~~

(iv) AERs and CERs retired during the reporting period and cumulatively since the beginning of the first report;

(b) The quantity of AERs, MCUs and CERs held in each holding account, disaggregated by vintage year, authorization~~ status~~, and where applicable, whether they have been first transferred; ~~their first transfer status, as applicable.~~

[60] Decision 6/CMA.4 “Matters relating to cooperative approaches referred to in Article 6, paragraph 2, of the Paris Agreement.” Annex I, paragraph 18.

[61] Decision 2/CMA.3 “Guidance on cooperative approaches referred to in Article 6, paragraph 2, of the Paris Agreement”.

[62] Decision 6/CMA.4 “Matters relating to cooperative approaches referred to in Article 6, paragraph 2, of the Paris Agreement”.

[63] Decision 7/CMA.4 “Guidance on the mechanism established by Article 6, paragraph 4, of the Paris Agreement” Annex I, paragraph 48.

121. The registry administrator shall publish quarterly a report on the status of each account held in the mechanism registry, subject to confidentiality.

122. The registry administrator shall annually prepare:

(a) Input for inclusion in the annual report of the Supervisory Body to the CMA regarding the activities of the mechanism registry;

(b) Input for inclusion in the annual report of the secretariat to the CMA on the infrastructure, as per paragraph 36(c) of the annex to decision 2/CMA.3.[64]

123. Party-specific information as described in section 9.2 below, shall also be made available on the publicly accessible interface on the UNFCCC website.

9.2. Party-specific information

124. Pursuant to paragraph 46 of decision 7/CMA.4,[65] the registry administrator shall, for each Participating Party, prepare the automatic prefilling of the agreed electronic format and other quantitative information requirements pursuant to section IV (Reporting) of the annex to decision 2/CMA.3[66] in relation to AERs and the creation of records of internationally transferred mitigation outcomes in the accounts of the international registry so as to enable tracking pursuant to chapter VI.A (Tracking) of the annex to decision 2/CMA.3.[67] This information shall be delivered to the CARP in accordance with section 8 above.

125. Pursuant to paragraph 47 of 7/CMA.4,[68] the registry administrator shall produce and disseminate monthly reports to the DNAs of Parties participating in the Article 6.4 mechanism on the holdings and transaction history, including whether AERs have been first transferred~~the first transfer status of AERs~~, in relation to the accounts and transactions associated with the respective Parties.[69]

9.3. Account holder reports

126. Account holders may, via the online interface, request reports from the registry administrator on their current and historical account holdings. Upon receipt of such a request, the registry administrator shall produce and provide the report to the requesting account holder.

[64] Decision 2/CMA.3 “Guidance on cooperative approaches referred to in Article 6, paragraph 2, of the Paris Agreement” Annex, paragraph 36 c).

[65] Decision 7/CMA.4 “Guidance on the mechanism established by Article 6, paragraph 4, of the Paris Agreement” Annex I, paragraph 46.

[66] Decision 2/CMA.3 “Guidance on cooperative approaches referred to in Article 6, paragraph 2, of the Paris Agreement” Annex, section IV.

[67] Ibid. section VI.A.

[68] Decision 7/CMA.4 “Guidance on the mechanism established by Article 6, paragraph 4, of the Paris Agreement” Annex I, paragraph 47.

[69] ~~Decision 6/CMA.6. “Further guidance on the mechanism established by Article 6, paragraph 4, of the Paris Agreement.” Paragraph 14 (b).~~

10. Security of the mechanism registry

127. The mechanism registry shall be developed and operated according to best practice standards for registries, including in relation to its security and accessibility.

128. The registry administrator shall periodically conduct maintenance on the mechanism registry to ensure its continued security and proper functioning in accordance with best practice standards. During these times, access to the mechanism registry will be suspended for all (or all affected) users. Where possible, the registry administrator shall provide reasonable advance notice of any planned suspension of access.

129. The mechanism registry shall be provided to all users, on an ‘as-is’ basis. The registry administrator does not provide any warrant that the mechanism registry will be free from any viruses, malicious software or glitches; or that the information displayed on it is accurate, complete, or free from unauthorized alterations, including through malicious attacks or any other unauthorized third-party interventions.

130. Account holders are responsible for protecting their account login details from misuse or fraud and for promptly reporting any suspicious behaviour or functionality to the registry administrator via the dedicated interface on the UNFCCC website. If an account holder believes its account has been wrongfully accessed, they are responsible for contacting the registry administrator as soon as possible via the dedicated interface on the UNFCCC website or other official communication channels.

131. If the registry administrator suspects that there has been a breach of IT security or identifies a serious security risk that threatens the integrity of the system, it shall suspend all access to the mechanism registry. In such cases, account holders will be notified.

Fee schedule

1. The following fees shall apply to account holders of the registry for the mechanism established by Article 6, paragraph 4, of the Paris Agreement:

   (a) An account opening fee for all accounts opened:

      (i) USD 500 for the first account opened by an account holder;

      (ii) USD 800 for each additional account opened by the same account holder;

   (b) An annual account maintenance fee of USD 400 per account;

   (c) Connection and initialization fees for all connecting Party registries shall be determined separately.

2. The following exemptions shall apply:

   (a) Account holders that are also activity participants shall be exempt from the account opening fee for the first account associated with each authorizing Party that they open, as referenced in paragraph 1(a) above;

   (b) Account holders shall be exempt from the annual account maintenance fee referenced in paragraph 1(b) above~~)~~ for any account opened within the preceding 12 months;

   (c) Party account holders shall be exempt from all fees.

~~Business rules for processes relating to authorization~~

~~No. for reference~~	~~Business rule proposed~~
~~1~~	~~The mechanism registry shall issue A6.4ERs according to their vintage year~~
~~2~~	~~The mechanism registry shall implement a ceiling-based rounding system to transfers, including levy allocations~~
~~3~~	~~Where a Party provides a partial authorization via providing either a numerical value of A6.4ERs to be authorized, or a percentage of A6.4ERs to be authorized, the mechanism registry shall issue AERs foremost~~
~~4~~	~~As a consequence of rule 3, where a Party provides a partial authorization via providing either a numerical value of A6.4ERs to be authorized, or a percentage of A6.4ERs to be authorized, the levies shall be formed of AERs until all applicable AERs are exhausted~~
~~5~~	~~All non-first transferred A6.4ERs authorized for NDC use only and held in the mechanism registry shall be updated to be MCUs upon the initiation of the review of the first biennial transparency report that contains information on the end year or end of the NDC period in respect of which the A6.4ER was issued.~~ ~~*(pursuant to paragraph 12 of the annex to decision 2/CMA.3)*~~ ~~All non-first transferred A6.4ERs authorized for use for other international mitigation purposes and held in the mechanism registry shall be updated to be MCUs upon the submission of the biennial transparency report that contains information on the end year or end of the NDC period for the NDC period in respect of which the A6.4ER was issued~~ ~~*(pursuant to paragraph 14 of decision 4/CMA.6).*~~

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Document information

Version	*Date*	*Description*
06.0	21 July 2026	Published as annex to the annotations of the SBM 022. This version takes into account the inputs received in response to the call for inputs on this draft document. This document is pending editorial review.
05.0	4 May 2026	Published as annex to the annotations of the SBM 021. Due to the extent of changes in the document, yellow highlights have not been included. Revision to support the ongoing enhancement and maintenance of the mechanism registry.
04.0	29 September 2025	Revisions to clarify paragraphs 13bis, 21bis and 47quater, as well as adding a new paragraph: 59bis.
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Version	*Date*	*Description*
02.1	11 August 2025	Editorial revision of paragraph 28 to enhance clarity.
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