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Document reference number and title: (Recommendation from the MEP to SBM020)
Draft procedure: Article 6.4 mechanism registry (SBM 021 post-meeting version)

Item	Section no. (as indicated in the document)	Paragraph/Table/Figure no. (as indicated in the document)	Comment (including justification for change)	Proposed change (including proposed text)
1	7. Transfers	76, 77, 79, 80, 81	Sections 7.3–7.4 repeatedly state that "Authorized entities may transfer AERs/MCUs/CERs from their holding account to the retirement/cancellation account of their authorizing Party." As currently drafted, this could be interpreted to mean that AERs, CERs, or MCUs may only be transferred to the 'authorizing Party's' retirement or cancellation accounts, and not to any other Party's retirement or cancellation accounts.	If transfers of AERs and MCUs are intentionally restricted to the 'authorizing Party's' retirement or cancellation accounts, it would be helpful to explain the rationale for this restriction.
2	7. Transfers	86, 88	These paragraphs refer to "paragraph 16(d), (h), (i) and (m)." However, paragraph 16 does not contain subparagraph (m); it only extends to subparagraph (k), which is "Administrative cancellation account."	The reference to paragraph 16(m) should be clarified, or corrected if it is a typographical error.

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3	Appendix 2. Business rules for processes relating to authorization	No. 5	The first paragraph refers to "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." It is important to clarify exactly when the "initiation of the review" occurs. For example, the UNFCCC FAQ Implementing the Enhanced Transparency Framework states that, in practice, if a BTR is submitted on 31 December, the first review week would not take place until at least mid-April of the following year. However, the guidance also states that the secretariat must immediately initiate the preparation of the technical expert review (TER) process upon submission of the BTR.	It would be helpful to clarify whether the "initiation of the review" refers to the commencement of the review preparation process upon BTR submission or to the actual start of the review week.

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4	Appendix 2. Business rules for processes relating to authorization	No. 5	Based on the definition of first transfer, an AER that has not previously been first transferred for purposes such as SoP or OMGE could still be regarded as first transferred if it is transferred to the NDC AER retirement account. Accordingly, it appears that an AER intended for use towards a Party's 2030 NDC could be transferred to the NDC AER retirement account at any time before the initiation of the review of the first BTR covering the end year of the NDC period (which, in practice, could be around mid-April 2033). However, this appears to create potential ambiguity when compared with the corresponding adjustment principle in Decision 2/CMA.3, Annex I, paragraph 8, which requires Parties to: "Subtract the quantity of ITMOs used ... for the calendar year in which the mitigation outcomes are used towards the implementation and achievement of the NDC, ensuring that the mitigation outcomes are used within the same NDC implementation period as when they occurred." If an AER generated during the 2030 NDC implementation period is only transferred to the NDC AER retirement account during 2031–2033, it is unclear whether such a transfer would still be considered as use within the same NDC implementation period(2030) in which the mitigation outcome occurred.	As there appears to be potential inconsistency between the mechanism registry procedures and the CMA guidance on corresponding adjustments, it would be helpful to clarify the latest point at which an AER may be transferred to the NDC AER retirement account (i.e. regarded as being used towards the NDC).
5	Appendix 2. Business rules for processes relating to authorization	No. 5	The second paragraph refers to "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." It is unclear why, for authorizations covering OIMP, the deadline is tied to the submission of the BTR, whereas for authorizations covering NDC only, the relevant deadline is linked to the initiation of the review of the BTR.	It would be helpful to explain the rationale for applying different deadlines for updating non-first transferred AERs to MCUs under NDC-only authorizations and OIMP authorizations, particularly why the deadline is earlier for OIMP authorizations.