



Session 6: International Registry (A6.2)

27-10-2023

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6.1: What are the types of accounts that all registries should have? **Not all registries perform the same functions.**

Type A) Mechanism or emissions trading system registries.

Examples: 6.4 mechanism registry; S&P Global / Markit IHS Environmental Registry; *Some national registries (optional).*

- Track registered mitigation activities + documentation
- Serialize/issue, assign legal ownership, enable and track transfer, retirement/cancellation of tradable units (ERs or allowances)
- Underpinned by rules-based framework governing ER / allowance creation and use (i.e., ER certification standard or regulation)
- Administrative oversight, monitoring: For data security / integrity, account access/KYC/use restrictions (as appropriate for financial instruments)

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Type B) Meta-data registries *describing* underlying system info.

Examples: All 6.2 national registries (*core info*), 6.2 Int'l Registry, CORSIA CCR, CA Compliance Instrument Tracking System Service

- Aggregate, track meta-data about instruments (ERs or allowances)
- May / may not link with underlying systems to enable real-time data transfer
- Provide public reports; optionally enable download, sort / search / analysis of data, depending on domestic regulations, e.g., consumer or trade protections
- Administrative oversight, including automated or manual periodic / spot checks for cross-platform data integrity

Account types that are relevant to ALL registries can only be those that support the most granular functions Type B registries (meta-data).

- Article 6.2 guidance cannot regulate, directly or in detail, the functionalities and features of Party or non-Party registries, or require Parties to do so.
- Underlying mechanism and ETS registries are too diverse, in terms of accounts, account structure, registry access and transparency (including for sake of consumer protection and data security), security protocols, etc. Many of them are already subject to (even based on) existing regulations or regulator oversight.
- The same is true for Party registries, some of which are already in the process of being developed based on two years-worth of dedicated CMA decisions.
- Restraint is needed now: to preserve feasibility and minimize cost of Party Registries and minimize capacity required of / burden on participating Parties.

6.1: What are the types of accounts that all registries should have? Which types need to be supported by the international registry?

Account types in a registry system are appropriate for the purpose and administration / regulation of that system.

- For mechanism or ETS registries (transaction registries), accounts are based on the system and administrator rules; accounts for, e.g.,
 - Registry administrator(s).
 - Also, jurisdiction(s') designated public official(s), i.e., regulators, and/or
 - Approved entities (best practice: legally incorporated businesses / entities or their designees; not unassociated private individuals)
 - ...to *enable* transparent ER or allowance creation and holding; transactions, e.g., transfers, retirement or cancellation; and/or aggregation of meta-data; also, oversight / regulation / audit / monitoring as needed.

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The purpose of the 6.2 Int'l Registry agreed by all Parties is “tracking and recording ITMOs” (6/CMA.4, Annex I, A.1(b))

- This describes a meta-data registry (information registry). Parties have **not** agreed that “issuance”, “transaction” or use toward OIMP are ITMO actions, or that the int'l registry will issue or receive ERs. Guidance *does* accommodate accounts, e.g.,
 - for System administrator(s), technical support {6.2IR: FCCC Secretariat}
 - for a Party {each Party using 6.2IR + any of their designees for purposes described below (“...to enable...”)}
 - May also include accounts for registered entities for the purposes of, e.g., downloading, sorting, searching meta-data (unit-level *or* aggregated).
 - ...to enable reporting/tracking/accounting/analysis of ITMOs.

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“Account” could also describe the actions referred to in 6/CMA.4, Annex I, Section A, paragraph 1(b).

- “(b) Records the actions relating to ITMOs, including authorization, first transfer, transfer, acquisition, use towards NDCs, authorization for use towards other international mitigation purposes and voluntary cancellation (including for overall mitigation in global emissions, if applicable)”.
- These fields could be structured as discrete “accounts”, though this is not required for stand-alone Party registry systems. Parties agreed that accounts “shall enable the tracking and recording of information *in relation to the ITMO actions they record*” (Annex I, 6/CMA.4, Section C, paragraph 16).
- Should opt for simplest approach that aligns with 2/CMA.3 and 6/CMA.4.

Other questions relate to work program item on the 6.2 International Registry.

6.2 Can mitigation outcomes be recorded in national registries or the international registry prior to authorization?

A: If “mitigation outcomes” refer to ERs,

- Party registries: Optionally / if desired
- 6.2 International registry: Depending on conclusions of work program item on 6.2 International Registry. Currently, added procedures needed for ensuring that the ERs are created on basis of an underlying rules-based certification standard, framework, regulation designed for ER creation and market-based transactions; also, for distinguishing this added, optional service from 6.2 international registry in CMA.3 and CMA.4 decisions and Article 6.2 mandates.

6.3 What should be the role of the international registry administrator in the identification of authorized entities?

A: Confirming they are a Party or Party designee for purpose of Art 6.2 tracking