

Commission Regulation (EC) No 2216/2004 of 21 December 2004 for a standardised and secured system of registries pursuant to Directive 2003/87/EC of the European Parliament and of the Council and Decision No 280/2004/EC of the European Parliament and of the Council (Text with EEA relevance) (repealed)

CHAPTER I

SUBJECT MATTER AND DEFINITIONS

Article 1

Subject matter

This Regulation lays down general provisions, functional and technical specifications and operational and maintenance requirements concerning the standardised and secured registries system consisting of registries, in the form of standardised electronic databases containing common data elements, and the Community independent transaction log. It also provides for an efficient communication system between the Community independent transaction log and the UNFCCC independent transaction log.

Article 2

Definitions

For the purposes of this Regulation, the definitions laid down in Article 3 of Directive 2003/87/EC shall apply. The following definitions shall also apply:

- (a) '2005-2007 period' means the period from 1 January 2005 to 31 December 2007 as referred to in Article 11(1) of Directive 2003/87/EC;
- (b) '2008-2012 period and subsequent five-year periods' means the period from 1 January 2008 to 31 December 2012 plus consecutive five-year periods as referred to in Article 11(2) of Directive 2003/87/EC;
- (c) 'account holder' means a person who holds an account in the registries system;
- (d) 'assigned amount' means the amount of greenhouse gas emissions in tonnes of carbon dioxide equivalent calculated in accordance with the emission levels determined pursuant to Article 7 of Decision No 280/2004/EC;
- (e) 'assigned amount unit' (AAU) means a unit issued pursuant to Article 7(3) of Decision No 280/2004/EC;
- (f) 'authorised representative' means a natural person authorised to represent the Central Administrator, a registry administrator, an account holder or a verifier pursuant to Article 23;
- (g) 'CDM registry' means the clean development mechanism registry established, operated and maintained by the executive board of the clean development mechanism pursuant to Article 12 of the Kyoto Protocol and the decisions adopted pursuant to the UNFCCC or the Kyoto Protocol;

- (h) ‘Central Administrator’ means the person designated by the Commission pursuant to Article 20 of Directive 2003/87/EC to operate and maintain the Community independent transaction log;
- (i) ‘Community independent transaction log’ means the independent transaction log provided for in Article 20(1) of Directive 2003/87/EC for the purpose of recording the issue, transfer and cancellation of allowances, and established, operated and maintained in accordance with Article 5;
- (j) ‘competent authority’ means the authority or authorities designated by a Member State pursuant to Article 18 of Directive 2003/87/EC;
- (k) ‘discrepancy’ means an irregularity detected by the Community independent transaction log or UNFCCC independent transaction log whereby the proposed process does not conform to the requirements specified under Directive 2003/87/EC as elaborated in this Regulation and the requirements elaborated pursuant to the UNFCCC or the Kyoto Protocol;
- (l) ‘force majeure allowance’ means a force majeure allowance issued pursuant to Article 29 of Directive 2003/87/EC;
- (m) ‘inconsistency’ means an irregularity detected by the Community independent transaction log or UNFCCC independent transaction log whereby the information regarding allowances, accounts or Kyoto units provided by a registry as part of the periodic reconciliation process differs from the information contained in either independent transaction log;
- (n) ‘Kyoto unit’ means an AAU, RMU, ERU or CER;
- (o) ‘process’ means any one of the processes referred to in Article 32;
- (p) ‘registry’ means a registry established, operated and maintained pursuant to Article 6 of Decision No 280/2004/EC, incorporating a registry established pursuant to Article 19 of Directive 2003/87/EC;
- (q) ‘registry administrator’ means the competent authority, persons or person, designated by the Member State or the Commission, that operates and maintains a registry in accordance with the requirements of Directive 2003/87/EC, Decision No 280/2004/EC and this Regulation;
- (r) ‘removal unit’ (RMU) means a unit issued pursuant to Article 3 of the Kyoto Protocol;
- (s) ‘temporary CER’ (tCER) is a CER issued for an afforestation or reforestation project activity under the CDM which, subject to the decisions adopted pursuant to the UNFCCC or the Kyoto Protocol, expires at the end of the commitment period following the one during which it was issued;
- (t) ‘long-term CER’ (lCER) is a CER issued for an afforestation or reforestation project activity under the CDM which, subject to the decisions adopted pursuant to the UNFCCC or the Kyoto Protocol, expires at the end of the crediting period of the afforestation or reforestation project activity under the CDM for which it was issued;
- (u) ‘third country registry’ means a registry established, operated and maintained by a country listed in Annex B to the Kyoto Protocol which has ratified the Kyoto Protocol and is not a Member State;

- (v) ‘transaction’ means the issue, transfer, acquisition, surrender, cancellation and replacement of allowances and the issue, transfer, acquisition, cancellation and retirement of ERUs, CERs, AAUs and RMUs and carry-over of ERUs, CERs and AAUs;
- (w) ‘UNFCCC independent transaction log’ means the independent transaction log established, operated and maintained by the Secretariat of the United Nations Framework Convention on Climate Change;
- (x) ‘verifier’ means a competent, independent, accredited verification body with responsibility for performing and reporting on the verification process, in accordance with the detailed requirements established by the Member State pursuant to Annex V of Directive 2003/87/EC;
- (y) ‘year’ means a calendar year, defined according to Greenwich Mean Time.

CHAPTER II

REGISTRIES AND TRANSACTION LOGS

Article 3

Registries

1 A registry in the form of a standardised electronic database shall be established by each Member State and the Commission by the day after the entry into force of this Regulation.

2 Each registry shall incorporate the hardware and software set out in Annex I, be accessible via the Internet, and conform to the functional and technical specifications required by this Regulation.

3 Each registry shall be capable of executing correctly all the processes concerning verified emissions and accounts set out in Annex VIII, the reconciliation process set out in Annex X and all the administrative processes set out in Annex XI by the day after the entry into force of this Regulation.

Each registry shall be capable of executing correctly all the processes concerning allowances and Kyoto units set out in Annex IX by the day after the entry into force of this Regulation, with the exception of the processes with process types 04-00, 06-00, 07-00 and 08-00.

Each registry shall be capable of executing correctly the processes concerning allowances and Kyoto units with process types 04-00, 06-00, 07-00 and 08-00 set out in Annex IX by 31 March 2005.

Article 4

Consolidated registries

A Member State or the Commission may establish, operate and maintain their registry in a consolidated manner together with one or more other Member States or the Community, provided that its registry remains distinct.

Article 5

The Community independent transaction log

1 The Community independent transaction log shall be established by the Commission in the form of a standardised electronic database by the day after the entry into force of this Regulation.

2 The Community independent transaction log shall incorporate the hardware and software set out in Annex I, be accessible via the Internet, and conform to the functional and technical specifications required by this Regulation.

3 The Central Administrator designated pursuant to Article 20 of Directive 2003/87/EC shall operate and maintain the Community independent transaction log in accordance with the provisions of this Regulation.

4 The Central Administrator shall provide the administrative processes referred to in Annex XI in order to facilitate the integrity of the data within the registries system.

5 The Central Administrator shall only perform processes concerning allowances, verified emissions, accounts or Kyoto units where necessary to carry out its functions as Central Administrator.

6 The Community independent transaction log shall be capable of executing correctly all the processes concerning allowances, verified emissions, accounts or Kyoto units set out in Annex VIII and Annex IX by the day after the entry into force of this Regulation.

The Community independent transaction log shall be capable of executing correctly the reconciliation process set out in Annex X and the administrative processes set out in Annex XI by the day after the entry into force of this Regulation.

Article 6

Communication link between registries and the Community independent transaction log

1 A communication link between each registry and the Community independent transaction log shall be established by 31 December 2004.

The Central Administrator shall activate the communication link after the testing procedures set out in Annex XIII and the initialisation procedures set out in Annex XIV have been completed successfully and notify the relevant registry administrator thereof.

2 From 1 January 2005 until the communication link referred to in Article 7 has been established, all processes concerning allowances, verified emissions and accounts shall be completed through the exchange of data via the Community independent transaction log.

3 The Commission may instruct the Central Administrator to temporarily suspend a process referred to in Annexes VIII and IX initiated by a registry if that process is not being executed in accordance with Articles 32 to 37.

The Commission may instruct the Central Administrator to temporarily suspend the communication link between a registry and the Community independent transaction log or to suspend all or some of the processes referred to in Annexes VIII and IX, if

that registry is not operated and maintained in accordance with the provisions of this Regulation.

Article 7

Communication link between the independent transaction logs

A communication link between the Community independent transaction log and the UNFCCC independent transaction log shall be established promptly after the UNFCCC independent transaction log has been established.

After such a link is established, all processes concerning allowances, verified emissions, accounts and Kyoto units shall be completed through the exchange of data via the UNFCCC independent transaction log and thereon to the Community independent transaction log.

Article 8

Registry administrators

1 Each Member State and the Commission shall designate a registry administrator to operate and maintain its registry in accordance with the provisions of this Regulation.

Member States and the Commission shall ensure that there is no conflict of interest between the registry administrator and its account holders or between the registry administrator and the Central Administrator.

2 Each Member State shall notify the Commission of the identity and contact details of the registry administrator for its registry by 1 September 2004 in accordance with the initialisation procedures set out in Annex XIV.

3 The Member States and the Commission shall retain ultimate responsibility and authority for the operation and maintenance of their registries.

4 The Commission shall coordinate the implementation of the requirements of this Regulation with the registry administrators of each Member State and the Central Administrator.

CHAPTER III

CONTENTS OF THE REGISTRIES

SECTION 1

Reporting and Confidentiality

Article 9

Reporting

1 Each registry administrator shall make available the information listed in Annex XVI at the frequencies and to the recipients set out in Annex XVI in a transparent and organised

manner via his registry web site. Registry administrators shall not release additional information held in the registry.

2 The Central Administrator shall make available the information listed in Annex XVI at the frequencies and to the recipients set out in Annex XVI in a transparent and organised manner via the Community independent transaction log web site. The Central Administrator shall not release additional information held in the Community independent transaction log.

3 Each web site shall allow the recipients of the reports listed in Annex XVI to query those reports using search facilities.

4 Each registry administrator is responsible for the accuracy of the information that originates from his registry and is made available via the Community independent transaction log website.

5 Neither the Community independent transaction log nor registries shall require account holders to submit price information concerning allowances or Kyoto units.

Article 10

Confidentiality

1 All information, including the holdings of all accounts and all transactions made, held in the registries and the Community independent transaction log shall be considered confidential for any purpose other than the implementation of the requirements of this Regulation, Directive 2003/87/EC or national law.

2 Information held in the registries may not be used without the prior consent of the relevant account holder except to operate and maintain those registries in accordance with the provisions of this Regulation.

3 Each competent authority and registry administrator shall only perform processes concerning allowances, verified emissions, accounts or Kyoto units where necessary to carry out their functions as competent authority or registry administrator.

SECTION 2

Accounts

Article 11

Accounts

1 From 1 January 2005 onwards, each registry shall contain at least one Party holding account created in accordance with Article 12.

2 From 1 January 2005 onwards, each Member State registry shall contain one operator holding account for each installation created in accordance with Article 15 and each registry shall contain at least one person holding account for each person created in accordance with Article 19.

3 From 1 January 2005 onwards, each registry shall contain one retirement account and one cancellation account for the 2005-2007 period and one cancellation account for the 2008-2012 period, created in accordance with Article 12.

4 From 1 January 2008 and from 1 January of the first year of each subsequent five-year period, each registry shall contain one retirement account and the cancellation and replacement accounts required by the relevant decisions adopted pursuant to the UNFCCC or the Kyoto Protocol for the 2008-2012 period and for each subsequent five-year period, created in accordance with Article 12.

5 Unless otherwise provided, all accounts shall be capable of holding allowances and Kyoto units.

SECTION 3

Party accounts

Article 12

Creation of Party accounts

1 The relevant body of the Member State and the Commission shall submit an application to their respective registry administrator for the creation in their registries of the accounts referred to in Article 11(1), (3) and (4).

The applicant shall provide the registry administrator with the information reasonably required by the registry administrator. That information shall include the information set out in Annex IV.

2 Within 10 days of the receipt of an application in accordance with paragraph 1 or the activation of the communication link between the registry and the Community independent transaction log, whichever is the later, the registry administrator shall create the account in the registry in accordance with the account creation process set out in Annex VIII.

3 The applicant referred to in paragraph 1 shall notify its registry administrator within 10 days of any changes in the information provided to its registry administrator pursuant to paragraph 1. Within 10 days of the receipt of such a notification the registry administrator shall update that information in accordance with the account update process set out in Annex VIII.

4 The registry administrator may require the applicants referred to in paragraph 1 to agree to comply with reasonable terms and conditions addressing the issues set out in Annex V.

Article 13

Closure of Party accounts

Within 10 days of the receipt of an application from the relevant body of a Member State or from the Commission to close a Party holding account, its registry administrator shall close the account in accordance with the account closure process set out in Annex VIII.

*Article 14***Notification**

The registry administrator shall immediately notify the account holder of the creation or update of his Party accounts and of the closure of his Party holding accounts.

SECTION 4

Operator holding accounts*Article 15***Creation of operator holding accounts**

1 Within 14 days of the issue of each greenhouse gas emissions permit to the operator of an installation where the installation has not previously been covered by such a permit or the activation of the communication link between the registry and the Community independent transaction log, whichever is the later, the competent authority, or the operator where the competent authority so requires, shall provide the registry administrator of the Member State registry with the information set out in Annex III.

2 Within 10 days of the receipt of the information in paragraph 1 or the activation of the communication link between the registry and the Community independent transaction log, whichever is the later, the registry administrator shall create an operator holding account referred to in Article 11(2) for each installation in its registry in accordance with the account creation process set out in Annex VIII.

3 The competent authority, or the operator where the competent authority so requires, shall notify the registry administrator within 10 days of any changes in the information provided to the registry administrator pursuant to paragraph 1. Within 10 days of the receipt of such a notification the registry administrator shall update the operator's details in accordance with the account update process set out in Annex VIII.

4 The registry administrator may require operators to agree to comply with reasonable terms and conditions addressing the issues set out in Annex V.

*Article 16***Holding of Kyoto units in operator holding accounts**

An operator holding account shall be capable of holding Kyoto units where authorised by Member State or Community legislation.

*Article 17***Closure of operator holding accounts**

1 The competent authority shall notify the registry administrator within 10 days of a greenhouse gas emissions permit being revoked or surrendered for an installation that is,

as a result, not covered by any such permit. Without prejudice to paragraph 2, the registry administrator shall close all operator holding accounts relating to that revocation or surrender in accordance with the account closure process set out in Annex VIII on 30 June the year after the revocation or surrender took place if the relevant installation's entry in the latest year of the compliance status table is greater than or equal to zero. If the relevant installation's entry in the latest year of the compliance status table is less than zero, the registry administrator shall close its account the day after the entry is greater than or equal to zero or the day after the competent authority has instructed the registry administrator to close the account because there is no reasonable prospect of further allowances being surrendered by the installation's operator.

2 If there is a positive balance of allowances or Kyoto units in an operator holding account which the registry administrator is to close in accordance with paragraph 1, the registry administrator shall first request the operator to specify another account within the registry system to which such allowances or Kyoto units shall then be transferred. If the operator has not responded to the registry administrator's request within 60 days, the registry administrator shall transfer the balance to the Party holding account.

Article 18

Notification

The registry administrator shall immediately notify the account holder of the creation, update or closure of his operator holding account.

SECTION 5

Person holding accounts

Article 19

Creation of person holding accounts

1 An application for the creation of a person holding account shall be submitted to the registry administrator of the registry concerned.

The applicant shall provide the registry administrator with the information reasonably required by the registry administrator. That information shall include the information set out in Annex IV.

2 Within 10 days of the receipt of an application in accordance with paragraph 1 or the activation of the communication link between the registry and the Community independent transaction log, whichever is the later, the registry administrator shall create a person holding account in its registry in accordance with the account creation process set out in Annex VIII.

The registry administrator shall not establish more than 99 person holding accounts in any one person's name in its registry.

3 The applicant shall notify the registry administrator within 10 days of any changes in the information provided to the registry administrator pursuant to paragraph 1. Within 10 days of the receipt of such a notification the registry administrator shall update the person's details in accordance with the account update process set out in Annex VIII.

4 The registry administrator may require the applicants referred to in paragraph 1 to agree to comply with reasonable terms and conditions addressing the issues set out in Annex V.

Article 20

Holding of Kyoto units in person holding accounts

A person holding account shall be capable of holding Kyoto units where authorised by Member State or Community legislation.

Article 21

Closure of person holding accounts

1 Within 10 days of the receipt of an application from a person to close a person holding account, the registry administrator shall close the account in accordance with the account closure process set out in Annex VIII.

2 If a person holding account has a zero balance and no transactions have been recorded during a period of 12 months, the registry administrator shall notify the account holder that the person holding account shall be closed within 60 days unless the registry administrator receives within that period a request from the account holder that the person holding account be maintained. If the registry administrator does not receive any such request from the account holder, it shall close the account in accordance with the account closure process set out in Annex VIII.

Article 22

Notification

The registry administrator shall immediately notify each account holder of the creation, update or closure of his person holding account.

Article 23

Authorised representatives

1 Each account holder shall appoint a primary and a secondary authorised representative for each account created in accordance with Articles 12, 15 and 19. Requests to the registry administrator to carry out processes shall be submitted by an authorised representative on behalf of the account holder.

2 Each Member State and the Commission may allow account holders in its registry to nominate an additional authorised representative whose agreement is required in addition to the agreement of the primary or secondary authorised representative to submit a request to their registry administrator to carry out one or more of the processes pursuant to Articles 49(1), 52, 53 and 62.

3 Each verifier shall appoint at least one authorised representative to enter or approve the entry of the annual verified emissions for an installation into the verified emissions table in accordance with Article 51(1).

4 Each registry administrator and the Central Administrator shall appoint at least one authorised representative to operate and maintain their registry and the Community independent transaction log on behalf of that administrator.

SECTION 6

Tables

Article 24

Tables

1 From 1 January 2005 onwards, each Member State registry shall contain one verified emissions table, one surrendered allowances table, and one compliance status table.

Each registry may contain additional tables for other purposes.

2 The Community independent transaction log shall contain one national allocation plan table for each Member State for the 2005-2007 period, the 2008-2012 period and for each subsequent five-year period.

The Community independent transaction log may contain additional tables for other purposes.

3 The tables in each Member State registry shall contain the information set out in Annex II. The operator holding accounts and person holding accounts shall contain the information set out in Annex XVI.

The national allocation plan table in the Community independent transaction log shall contain the information set out in Annex XIV.

SECTION 7

Codes and identifiers

Article 25

Codes

Each registry shall contain the input codes set out in Annex VII and the response codes set out in Annex XII in order to ensure the correct interpretation of information exchanged during each process.

Article 26

Account identification codes and alphanumeric identifiers

Before creating an account the registry administrator shall assign to each account a unique account identification code and the alphanumeric identifier specified by the account holder as part of the information given under Annexes III and IV respectively. Before creating an account, the registry administrator shall also assign to the account

holder a unique account holder identification code comprising the elements set out in Annex VI.

CHAPTER IV

CHECKS AND PROCESSES

SECTION 1

Blocking of accounts

Article 27

Blocking of operator holding accounts

1 If, on 1 April of each year starting in 2006, an installation's annual verified emissions for the preceding year have not been entered into the verified emissions table in accordance with the verified emissions entry process set out in Annex VIII, the registry administrator shall block the transfer of any allowances out of the operator holding account for that installation.

2 When the installation's annual verified emissions for the year referred to in paragraph 1 have been entered into the verified emissions table, the registry administrator shall unblock the account.

3 The registry administrator shall immediately notify the relevant account holder and the competent authority of the blocking and unblocking of each operator holding account.

4 Paragraph 1 shall not apply to the surrender of allowances pursuant to Article 52 or the cancellation and replacement of allowances pursuant to Articles 60 and 61.

SECTION 2

Automated checks and the data reconciliation process

Article 28

Detection of discrepancies by the Community independent transaction log

1 The Central Administrator shall ensure that the Community independent transaction log conducts the automated checks set out in Annex VIII, Annex IX and Annex XI for all processes concerning allowances, verified emissions, accounts and Kyoto units to ensure that there are no discrepancies.

2 If the automated checks referred to in paragraph 1 identify a discrepancy in a process under Annex VIII, Annex IX and Annex XI, the Central Administrator shall immediately inform the registry administrator or administrators concerned by returning an automated response detailing the exact nature of the discrepancy using the response codes set out in Annex VIII, Annex IX and Annex XI. Upon receiving such a response code for a process under Annex VIII or Annex IX, the registry administrator of the initiating registry shall terminate that process and inform the Community independent transaction log. The Central Administrator shall not

update the information contained in the Community independent transaction log. The registry administrator or administrators concerned shall immediately inform the relevant account holders that the process has been terminated.

Article 29

Detection of inconsistencies by the Community independent transaction log

1 The Central Administrator shall ensure that the Community independent transaction log periodically initiates the data reconciliation process set out in Annex X. For that purpose the Community independent transaction log shall record all processes concerning allowances, accounts and Kyoto units.

Through that process, the Community independent transaction log shall check that the holdings of Kyoto units and allowances in each account in a registry are identical to the records held in the Community independent transaction log.

2 If an inconsistency is detected during the data reconciliation process, the Central Administrator shall immediately inform the registry administrator or administrators concerned. If the inconsistency is not resolved, the Central Administrator shall ensure that the Community independent transaction log does not allow any further process under Annex VIII and Annex IX concerning any of the allowances, accounts or Kyoto units which are the subject of the earlier inconsistency to proceed.

Article 30

Detection of discrepancies and inconsistencies by the UNFCCC independent transaction log

1 If the UNFCCC independent transaction log, following an automated check, informs the registry administrator or administrators concerned of a discrepancy in a process, the registry administrator of the initiating registry shall terminate the process and inform the UNFCCC independent transaction log thereof. The registry administrator or administrators concerned shall immediately inform the relevant account holders that the process has been terminated.

2 If the UNFCCC independent transaction log has detected an inconsistency, the Central Administrator shall ensure that the Community independent transaction log does not allow any further process under Annex VIII and Annex IX concerning any of the Kyoto units which are the subject of the earlier inconsistency, and which is not subject to the UNFCCC independent transaction log's automated checks, to proceed.

Article 31

Registry automated checks

Prior to and during the execution of all processes the registry administrator shall ensure that appropriate automated checks are conducted within the registry, in order to detect discrepancies and thereby terminate processes in advance of automated checks being conducted by the Community independent transaction log or UNFCCC independent transaction log.

SECTION 3

Execution and finalisation of processes

Article 32

Processes

Each process shall follow the complete sequence for message exchanges for that type of process as set out in Annex VIII, Annex IX, Annex X and Annex XI. Each message shall conform to the format and informational requirements described using web services description language as elaborated pursuant to the UNFCCC or the Kyoto Protocol.

Article 33

Identification codes

The registry administrator shall assign to each process referred to in Annex VIII a unique correlation identification code and to each process referred to in Annex IX a unique transaction identification code. Each such identification code shall comprise the elements set out in Annex VI.

Article 34

Finalisation of processes concerning accounts and verified emissions

All processes referred to in Annex VIII shall be final when both independent transaction logs successfully inform the initiating registry that they have not detected any discrepancies in the proposal sent by the initiating registry.

However, prior to the communication link between the Community independent transaction log and the UNFCCC independent transaction log being established, all processes referred to in Annex VIII shall be final when the Community independent transaction log successfully informs the initiating registry that it has not detected any discrepancies in the proposal sent by the initiating registry.

Article 35

Finalisation of processes concerning transactions within registries

All processes referred to in Annex IX, except the external transfer process, shall be final when both independent transaction logs inform the initiating registry that they have not detected any discrepancies in the proposal sent by the initiating registry and the initiating registry has successfully sent confirmation to both independent transaction logs that it has updated its records in accordance with its proposal.

However, prior to the communication link between the Community independent transaction log and the UNFCCC independent transaction log being established, all processes referred to in Annex IX, except the external transfer process, shall be final when the Community independent transaction log informs the initiating registry that it has not detected any discrepancies in the proposal sent by the initiating registry and

the initiating registry has successfully sent confirmation to the Community independent transaction log that it has updated its records in accordance with its proposal.

Article 36

Finalisation of the external transfer process

The external transfer process shall be final when both independent transaction logs inform the acquiring registry that they have not detected any discrepancies in the proposal sent by the initiating registry and the acquiring registry has successfully sent confirmation to both independent transaction logs that it has updated its records in accordance with the initiating registry's proposal.

However, prior to the communication link between the Community independent transaction log and the UNFCCC independent transaction log being established, the external transfer process shall be final when the Community independent transaction log informs the acquiring registry that it has not detected any discrepancies in the proposal sent by the initiating registry and the acquiring registry has successfully sent confirmation to the Community independent transaction log that it has updated its records in accordance with the initiating registry's proposal.

Article 37

Finalisation of the reconciliation process

The reconciliation process referred to in Annex X shall be final when all inconsistencies between the information contained in a registry and the information contained in the Community independent transaction log for a specific time and date have been resolved, and the reconciliation process has been successfully re-initiated and completed for that registry.

CHAPTER V

TRANSACTIONS

SECTION 1

Allocation and issue of allowances for the 2005-2007 period

Article 38

National allocation plan table for the 2005-2007 period

1 By 1 October 2004, each Member State shall notify to the Commission its national allocation plan table, corresponding to the decision taken under Article 11 of Directive 2003/87/EC. If the national allocation plan table is based upon the national allocation plan notified to the Commission which was not rejected under Article 9(3) of Directive 2003/87/EC or on which the Commission has accepted proposed amendments, the Commission shall instruct the Central Administrator to enter the national allocation plan table into the Community independent transaction log in accordance with the initialisation procedures set out in Annex XIV.

2 A Member State shall notify each correction to its national allocation plan together with each corresponding correction in its national allocation plan table to the Commission. If the correction to the national allocation plan table is based upon the national allocation plan notified to the Commission which was not rejected under Article 9(3) of Directive 2003/87/EC or on which the Commission has accepted amendments and that correction is in accordance with methodologies set out in that national allocation plan or results from improvements in data, the Commission shall instruct the Central Administrator to enter the corresponding correction into the national allocation plan table held in the Community independent transaction log in accordance with the initialisation procedures set out in Annex XIV. In all other cases, the Member State shall notify the correction to its national allocation plan to the Commission and if the Commission does not reject this correction in accordance with the procedure in Article 9(3) of Directive 2003/87/EC, the Commission shall instruct the Central Administrator to enter the corresponding correction into the national allocation plan table held in the Community independent transaction log in accordance with the initialisation procedures set out in Annex XIV.

3 The registry administrator shall, subsequent to any correction made pursuant to paragraph 2 which occurs after allowances have been issued under Article 39 and which reduces the total quantity of allowances issued under Article 39 for the 2005-2007 period, transfer the number of allowances specified by the competent authority from the holding accounts referred to in Article 11(1) and (2) in which the allowances are held to the cancellation account for the 2005-2007 period.

The correction shall take place in accordance with the correction to allowances process set out in Annex IX.

Article 39

Issue of allowances

After the national allocation plan table has been entered into the Community independent transaction log and, subject to Article 38(2), by 28 February 2005, the registry administrator shall issue the total quantity of allowances set out in the national allocation plan table into the Party holding account.

When issuing such allowances the registry administrator shall assign a unique unit identification code to each allowance comprising the elements set out in Annex VI.

Allowances shall be issued in accordance with the allowance issue (2005-2007) process set out in Annex IX.

Article 40

Allocation of allowances to operators

Without prejudice to Articles 38(2) and 41, by 28 February 2005 and by 28 February of each year thereafter for the 2005-2007 period, the registry administrator shall transfer from the Party holding account to the relevant operator holding account the proportion of the total quantity of allowances issued under Article 39 which has been allocated to the corresponding installation for that year in accordance with the relevant section of the national allocation plan table.

Where foreseen for an installation in the national allocation plan of the Member State, the registry administrator may transfer that proportion at a later date of each year.

Allowances shall be allocated in accordance with the allowance allocation process set out in Annex IX.

Article 41

Surrender of allowances on instruction of the competent authority

If instructed to do so by the competent authority pursuant to Article 16(1) of Directive 2003/87/EC, the registry administrator shall surrender part or all of the proportion of the total quantity of allowances issued under Article 39 which has been allocated to an installation for a specific year, by entering the number of surrendered allowances into the section of the surrendered allowance table designated for that installation for that year. These surrendered allowances shall remain in the Party holding account.

Allowances surrendered on instruction of the competent authority shall be surrendered in accordance with the allowance allocation process set out in Annex IX.

Article 42

Allocation of allowances to new entrants

If instructed to do so by the competent authority, the registry administrator shall transfer a proportion of the total quantity of allowances issued under Article 39 that are remaining in the Party holding account to the operator holding account of a new entrant.

Allowances shall be transferred in accordance with the internal transfer process set out in Annex IX.

Article 43

Issue of force majeure allowances

1 If instructed to do so by the competent authority, the registry administrator shall issue into the Party holding account the number of force majeure allowances authorised by the Commission for the 2005-2007 period pursuant to Article 29 of Directive 2003/87/EC.

Force majeure allowances shall be issued in accordance with the force majeure allowance issue process set out in Annex IX.

2 The registry administrator shall enter the number of issued force majeure allowances into the sections of the surrendered allowance table designated for those installations and years for which authorisation was given.

3 When issuing force majeure allowances the registry administrator shall assign a unique unit identification code to each such force majeure allowance comprising the elements set out in Annex VI.

SECTION 2

Allocation and issue of allowances for the 2008-2012 period and each subsequent five year period*Article 44***National allocation plan table for the 2008-2012 period and each subsequent five year period**

1 By 1 January 2007 and by 1 January 12 months before the start of each subsequent five year period, each Member State shall notify to the Commission its national allocation plan table, corresponding to the decision taken under Article 11 of Directive 2003/87/EC. If the national allocation plan table is based upon the national allocation plan notified to the Commission which was not rejected under Article 9(3) of Directive 2003/87/EC or on which the Commission has accepted proposed amendments, the Commission shall instruct the Central Administrator to enter the national allocation plan table into the Community independent transaction log in accordance with the initialisation procedures set out in Annex XIV.

2 A Member State shall notify each correction to its national allocation plan together with each corresponding correction in its national allocation plan table to the Commission. If the correction to the national allocation plan table is based upon the national allocation plan notified to the Commission which was not rejected under Article 9(3) of Directive 2003/87/EC or on which the Commission has accepted amendments and that correction results from improvements in data, the Commission shall instruct the Central Administrator to enter the corresponding correction into the national allocation plan table held in the Community independent transaction log in accordance with the initialisation procedures as set out in Annex XIV. In all other cases, the Member State shall notify the correction to its national allocation plan to the Commission and if the Commission does not reject this correction in accordance with the procedure in Article 9(3) of Directive 2003/87/EC, the Commission shall instruct the Central Administrator to enter the corresponding correction into the national allocation plan table held in the Community independent transaction log in accordance with the initialisation procedures set out in Annex XIV.

3 The registry administrator shall, subsequent to any correction made pursuant to paragraph 2 which occurs after allowances have been issued under Article 45 and which reduces the total quantity of allowances issued under Article 45 for the 2008-2012 period or subsequent five-year periods, convert the number of allowances specified by the competent authority into AAUs by removing the allowance element from the unique unit identification code of each such AAU comprising the elements set out in Annex VI.

The correction shall take place in accordance with the correction to allowances process set out in Annex IX.

*Article 45***Issue of allowances**

After the national allocation plan table has been entered into the Community independent transaction log and, subject to Article 44(2), by 28 February of the first year of the 2008-2012 period and by 28 February of the first year of each subsequent five-year period, the registry administrator shall issue the total quantity of allowances

set out in the national allocation plan table into the Party holding account by converting an equal quantity of AAUs held in that holding account into allowances.

This conversion shall take place through adding the allowance element to the unique unit identification code of each such AAU, comprising the elements set out in Annex VI.

The issue of allowances for the 2008-2012 period and each subsequent five-year period shall take place in accordance with the allowance issue (2008-2012 onwards) process set out in Annex IX.

Article 46

Allocation of allowances to operators

Without prejudice to Articles 44(2) and 47, by 28 February 2008 and by 28 February in each year thereafter, the registry administrator shall transfer from the Party holding account to the relevant operator holding account the proportion of the total quantity of allowances issued under Article 45 which has been allocated to the corresponding installation for that year in accordance with the relevant section of the national allocation plan table.

Where foreseen for an installation in the national allocation plan of the Member State, the registry administrator may transfer that proportion at a later date of each year.

Allowances shall be allocated in accordance with the allowance allocation process set out in Annex IX.

Article 47

Surrender of allowances on instruction of the competent authority

If instructed to do so by the competent authority pursuant to Article 16(1) of Directive 2003/87/EC, the registry administrator shall surrender part or all of the proportion of the total quantity of allowances issued under Article 45 which has been allocated to an installation for a specific year, by entering the number of surrendered allowances into the section of the surrendered allowance table designated for that installation for that year. These surrendered allowances shall remain in the Party holding account.

Allowances surrendered on instruction of the competent authority shall be surrendered in accordance with the allowance allocation process set out in Annex IX.

Article 48

Allocation of allowances to new entrants

If instructed to do so by the competent authority, the registry administrator shall transfer a proportion of the total quantity of allowances issued under Article 45 that are remaining in the Party holding account to the operator holding account of a new entrant.

Allowances shall be transferred in accordance with the internal transfer process set out in Annex IX.

SECTION 3

Transfers and eligibility

Article 49

Transfers of allowances and Kyoto units by account holders

1 The registry administrator shall carry out any transfer between holding accounts referred to in Article 11(1) and (2):

- a within its registry as requested by an account holder in accordance with the internal transfer process set out in Annex IX;
- b between registries as requested by an account holder for allowances issued for the 2005-2007 period in accordance with the external transfer (2005-2007) process set out in Annex IX; and
- c between registries as requested by an account holder for allowances issued for the 2008-2012 period and subsequent five-year periods and Kyoto units in accordance with the external transfer (2008-2012 onwards) process set out in Annex IX.

2 Allowances may only be transferred from an account in a registry to an account in a third country registry or the CDM Registry, or acquired from an account in a third country registry or the CDM Registry by an account in a registry, where an agreement has been concluded in accordance with Article 25(1) of Directive 2003/87/EC and such transfers are in accordance with any provisions relating to the mutual recognition of allowances under that agreement drawn up by the Commission pursuant to Article 25(2) of Directive 2003/87/EC.

Article 50

Eligibility and the commitment period reserve

1 A Member State may not transfer or acquire ERUs or AAUs, or use CERs, until 16 months have elapsed since the submission of its report in accordance with Article 7(1) of Decision 280/2004/EC, unless the Secretariat to the UNFCCC has informed that Member State that compliance procedures will not be commenced.

Pursuant to Article 8 of Decision No 280/2004/EC, if the Secretariat to the UNFCCC informs a Member State that it does not meet the requirements allowing it to transfer or acquire ERUs or AAUs, or use CERs, the relevant body of the Member State shall instruct the registry administrator not to initiate those transactions requiring such eligibility.

2 When, from 1 January 2008 onwards, the holdings of ERUs, CERs, AAUs and RMUs valid for the relevant five-year period in the Party holding accounts, operator holding accounts, person holding accounts and retirement accounts in a Member State approach a breach of the commitment period reserve, calculated as 90 % of the Member State's assigned amount or 100 % of five times its most recently reviewed inventory, whichever is the lowest, the Commission shall notify that Member State.

SECTION 4

Verified emissions

Article 51

Verified emissions of an installation

1 Upon the verification as satisfactory, in accordance with the detailed requirements established by the Member State pursuant to Annex V of Directive 2003/87/EC, of an operator's report on the emissions from an installation during a previous year, the verifier shall enter or approve the entry of the annual verified emissions for that installation for that year into the section of the verified emissions table designated for that installation for that year in accordance with the verified emissions update process set out under Annex VIII.

2 The competent authority may instruct the registry administrator to correct the annual verified emissions for an installation for a previous year, to ensure compliance with the detailed requirements established by the Member State pursuant to Annex V of Directive 2003/87/EC, by entering the corrected annual verified emissions for that installation for that year into the section of the verified emissions table designated for that installation for that year in accordance with the verified emissions update process set out under Annex VIII.

SECTION 5

Surrender of allowances

Article 52

Surrender of allowances

An operator shall surrender allowances for an installation by requesting or, where provided in Member State legislation, be deemed to have requested, the registry administrator to:

- (a) transfer a specified number of allowances for a specified year from the relevant operator holding account into the Party holding account of that registry;
- (b) enter the number of transferred allowances into the section of the surrendered allowance table designated for that installation for that year.

The transfer and entry shall take place in accordance with the allowance surrender process set out under Annex IX.

Article 53

The use of CERs and ERUs

The use of CERs and ERUs by an operator in accordance with Article 11a of Directive 2003/87/EC in respect of an installation shall take place through an operator requesting the registry administrator to:

- (a) transfer a specified number of CERs or ERUs for a specified year from the relevant operator holding account into the Party holding account of that registry;
- (b) enter the number of transferred CERs and ERUs into the section of the surrendered allowance table designated for that installation for that year.

From 1 January 2008 onwards, the registry administrator shall only accept requests to use CERs and ERUs up to a percentage of the allocation made to each installation, as specified by that administrator's Member State in its national allocation plan for that period.

The transfer and entry shall take place in accordance with the allowance surrender process set out under Annex IX.

Article 54

Surrender of force majeure allowances

The issue of force majeure allowances in accordance with Article 43 shall constitute the surrender of those force majeure allowances.

Article 55

Calculation of compliance status figures

Upon an entry being made into the section of the surrendered allowance table or verified emissions table designated for an installation, the registry administrator shall:

- (a) during the years 2005, 2006 and 2007 determine the compliance status figure for that installation and for each year by calculating the sum of all allowances surrendered from the year 2005 up to and including the current year minus the sum of all verified emissions from the year 2005 up to and including the current year;
- (b) during the year 2008 and each year thereafter determine the compliance status figure for that installation and for each year by calculating the sum of all allowances surrendered from the year 2008 up to and including the current year minus the sum of all verified emissions from the year 2008 up to and including the current year, plus a correction factor. The correction factor shall be zero if the 2007 figure was greater than zero, but shall remain as the 2007 figure if the 2007 figure is less than or equal to zero.

Article 56

Entries into the compliance status table

1 The registry administrator shall enter the installation's compliance status figure calculated in accordance with Article 55 for each year into the section of the compliance status table designated for that installation.

2 On 1 May 2006 and on 1 May of each year thereafter the registry administrator shall notify the compliance status table to the competent authority. In addition, the registry administrator shall notify any changes to the entries for previous years of the compliance status table to the competent authority.

Article 57

Entries into the verified emissions table

Where, on 1 May 2006 and on 1 May of each year thereafter, no verified emissions figure has been entered into the verified emissions table for an installation for a previous year, any substitute emissions figure determined pursuant to Article 16(1) of Directive 2003/87/EC which has not been calculated in accordance with the detailed requirements established by the Member State pursuant to Annex V of Directive 2003/87/EC shall not be entered into the verified emissions table.

SECTION 6

Cancellation and retirement

Article 58

Cancellation and retirement of surrendered allowances and force majeure allowances for the 2005-2007 period

On 30 June 2006, 2007 and 2008 the registry administrator shall cancel a number of allowances, CERs, and force majeure allowances held in the Party holding account pursuant to Articles 52, 53 and 54. The number of allowances, CERs, and force majeure allowances to be cancelled shall be equal to the total number of surrendered allowances entered in the surrendered allowance table for the periods 1 January 2005 to 30 June 2006, 30 June 2006 to 30 June 2007, and 30 June 2007 to 30 June 2008.

Cancellation shall take place by transferring CERs, with the exception of CERs resulting from projects referred to in Article 11a(3) of Directive 2003/87/EC, from the Party holding account into the cancellation account for the 2008-2012 period, and by transferring allowances and force majeure allowances from the Party holding account to the retirement account for the 2005-2007 period, in accordance with the retirement (2005-2007) process set out in Annex IX.

Article 59

Cancellation and retirement of surrendered allowances for the 2008-2012 period and subsequent periods

On 30 June 2009 and on 30 June of each year thereafter, the registry administrator shall cancel allowances surrendered for the 2008-2012 period and each subsequent five year period, in accordance with the retirement (2008-2012 onwards) process set out in Annex IX, by:

- (a) converting a number of allowances issued for that five-year period and held in the Party holding account, equal to the total number of allowances surrendered pursuant to Article 52 as entered in the surrendered allowance table since 1 January 2008 on 30 June 2009 and since 30 June of the preceding year on 30 June of the subsequent years, into AAUs by removing the allowance element from the unique unit identification code of each such AAU comprising the elements set out in Annex VI; and

- (b) transferring a number of Kyoto units of the type specified by the competent authority, with the exception of Kyoto units resulting from projects referred to in Article 11a(3) of Directive 2003/87/EC, equal to the total number of allowances surrendered pursuant to Articles 52 and 53 as entered in the surrendered allowance table since 1 January 2008 on 30 June 2009 and since 30 June of the preceding year on 30 June of the subsequent years, from the Party holding account to the retirement account for the relevant period.

SECTION 7

Cancellation and replacement

Article 60

Cancellation and replacement of allowances issued for the 2005-2007 period

On 1 May 2008, each registry administrator shall cancel and, if instructed to do so by the competent authority, replace allowances held in his registry in accordance with the allowance cancellation and replacement process set out in Annex IX by:

- (a) transferring a number of allowances, equal to the number of allowances issued for the 2005-2007 period minus the number of allowances surrendered pursuant to Articles 52 and 54 since 30 June of the preceding year, from their holding accounts referred to in Article 11(1) and (2) to the cancellation account for the 2005-2007 period;
- (b) if instructed to do so by the competent authority, issuing a number of replacement allowances specified by the competent authority by converting an equal number of AAUs issued for the 2008-2012 period held in the Party holding account into allowances by adding the allowance element to the unique unit identification code of each such AAU comprising the elements set out in Annex VI;
- (c) transferring any such replacement allowances referred to in (b) from the Party holding account into the operator and person holding accounts specified by the competent authority from which allowances were transferred under point (a).

Article 61

Cancellation and replacement of allowances issued for the 2008-2012 period and subsequent periods

On 1 May in 2013 and on 1 May in the first year of each subsequent five year period, each registry administrator shall cancel and replace allowances held in its registry in accordance with the allowance cancellation and replacement process set out in Annex IX by:

- (a) transferring all allowances issued for the preceding five-year period from their operator and person holding accounts to the Party holding account;
- (b) converting a number of allowances, equal to the number of allowances issued for the preceding five-year period minus the number of allowances surrendered pursuant to Article 52 since 30 June of the preceding year, into AAUs by removing the allowance

- element from the unique unit identification code of each such AAU comprising the elements set out in Annex VI;
- (c) issuing an equal number of replacement allowances by converting AAUs issued for the current period held in the Party holding account into allowances by adding the allowance element to the unique unit identification code of each such AAU comprising the elements set out in Annex VI;
- (d) transferring a number of those allowances issued under point (c) for the current period from the Party holding account into each operator and person holding account from which allowances were transferred under point (a), equal to the number of allowances that were transferred from those accounts under point (a).

SECTION 8

Voluntary cancellation and retirement

Article 62

Voluntary cancellation of allowances and Kyoto units

- 1 The registry administrator shall carry out any request from an account holder pursuant to Article 12(4) of Directive 2003/87/EC to voluntarily cancel allowances or Kyoto units held in any of his holding accounts. The voluntary cancellation of allowances and Kyoto units shall take place in accordance with paragraphs 2 and 3.
- 2 For allowances issued for the 2005-2007 period the registry administrator shall transfer the number of allowances specified by the account holder from his account to the cancellation account for the 2005-2007 period in accordance with the allowance cancellation (2005-2007) process set out in Annex IX.
- 3 For Kyoto units and allowances issued for the 2008-2012 period and subsequent five-year periods the registry administrator shall transfer the number of Kyoto units or allowances specified by the account holder from his account to the appropriate cancellation account for the 2008-2012 period and subsequent five-year periods in accordance with the cancellation (2008-2012 onwards) process set out Annex IX.
- 4 Allowances or Kyoto units held in a cancellation account may not be transferred to any other account in the registries system or to any account in the CDM registry or in a third country registry.

Article 63

Retirement of Kyoto units

- 1 If instructed by the relevant body of the Member State, the registry administrator shall transfer any quantity and types of Kyoto units specified by that body which have not already been retired pursuant to Article 59 from the Party holding account to the appropriate retirement account in his registry in accordance with the retirement (2008-2012 onwards) process set out in Annex IX.
- 2 An operator or person shall not be able to transfer allowances from his operator or person holding account into a retirement account.

3 Kyoto units held in a retirement account may not be transferred to any other account in the registries system or to any account in the CDM registry or in a third country registry.

CHAPTER VI

SECURITY STANDARDS, AUTHENTICATION AND ACCESS RIGHTS

Article 64

Security standards

- 1 Each registry shall comply with the security standards set out in Annex XV.
- 2 The Community independent transaction log shall comply with the security standards set out in Annex XV.

Article 65

Authentication

The Member States and the Community shall use the digital certificates issued by the Secretariat to the UNFCCC, or an entity designated by it, to authenticate their registries and the Community independent transaction log to the UNFCCC independent transaction log.

However, from 1 January 2005 until the communication link between the Community independent transaction log and UNFCCC independent transaction log is established, the identity of each registry and the Community independent transaction log shall be authenticated using digital certificates and usernames and passwords as specified in Annex XV. The Commission, or an entity designated by it, shall act as the certification authority for all digital certificates and shall distribute the usernames and passwords.

Article 66

Access to registries

1 An authorised representative shall only have access to the accounts within a registry which he is authorised to access or be able to request the initiation of processes which he is authorised to request pursuant to Article 23. This access or these requests shall take place through a secure area of the website for that registry.

The registry administrator shall issue each authorised representative with a username and password to permit the level of access to accounts or processes to which he is authorised. Registry administrators may apply additional security requirements at their discretion if they are compatible with the provisions of this Regulation.

2 The registry administrator may assume that a user who has entered a matching username and password is the authorised representative registered under that username and password, until such point that the authorised representative informs the registry administrator that the security of his password has been compromised and requests a replacement. The registry administrator shall promptly issue such replacement passwords.

3 The registry administrator shall ensure that the secure area of the registry website is accessible to any computer using a widely available Internet browser. Communications between the authorised representatives and the secure area of the registry website shall be encrypted in accordance with the security standards in Annex XV.

4 The registry administrator shall take all necessary steps to ensure that unauthorised access to the secure area of the registry website does not occur.

Article 67

Suspension of access to accounts

1 The Central Administrator and each registry administrator may only suspend an authorised representative's password to any accounts or processes to which he would otherwise have access if the authorised representative has, or that administrator has reasonable grounds to believe the authorised representative has:

- a attempted to access accounts or processes which he is not authorised to access;
- b repeatedly attempted to access an account or a process using a non-matching username and password; or
- c attempted, or is attempting, to undermine the security of the registry or the registries system.

2 Where access to an operator holding account has been suspended pursuant to paragraph 1 or pursuant to Article 69 between 28 April and 30 April in any year from 2006 onwards, the registry administrator shall, if so requested by the account holder and following submission of his authorised representative's identity by means of supporting evidence, surrender the number of allowances and use the number of CERs and ERUs specified by the account holder in accordance with the allowance surrender process set out in Article 52 and 53 and Annex IX.

CHAPTER VII

AVAILABILITY AND RELIABILITY OF INFORMATION

Article 68

Availability and reliability of registries and the Community independent transaction log

The Central Administrator and each registry administrator shall take all reasonable steps to ensure that:

- (a) the registry is available for access by account holders 24 hours a day, 7 days a week, and that the communication link between the registry and the Community independent transaction log is maintained 24 hours a day, 7 days a week, thereby providing backup hardware and software in the event of a breakdown in operations of the primary hardware and software;
- (b) the registry and the Community independent transaction log respond promptly to requests made by account holders.

They shall ensure that the registry and Community independent transaction log incorporate robust systems and procedures for the safeguarding of all data and the prompt recovery of all data and operations in the event of a disaster.

They shall keep interruptions to the operation of the registry and Community independent transaction log to a minimum.

Article 69

Suspension of access

The Central Administrator may suspend access to the Community independent transaction log and a registry administrator may suspend access to his registry if there is a breach of security of the Community independent transaction log or of a registry which threatens the integrity of the Community independent transaction log or of a registry or the integrity of the registries system and the back-up facilities under Article 68 are similarly affected.

Article 70

Notification of suspension of access

1 In the event of a breach of security of the Community independent transaction log that may lead to suspension of access, the Central Administrator shall promptly inform registry administrators of any risks posed to registries.

2 In the event of a breach of security of a registry that may lead to suspension of access, the relevant registry administrator shall promptly inform the Central Administrator who shall, in turn, promptly inform other registry administrators of any risks posed to registries.

3 If the registry administrator becomes aware that it is necessary to suspend either access to accounts or other operations of the registry, he shall give all relevant account holders and verifiers, the Central Administrator and other registry administrators such prior notice of the suspension as is reasonably practicable.

4 If the Central Administrator becomes aware that it is necessary to suspend access to operations of the Community independent transaction log, it shall give all registry administrators such prior notice of the suspension as is reasonably practicable.

5 The notices referred to in paragraphs 3 and 4 shall include the likely duration of the suspension and shall be clearly displayed on the public area of that registry's web site or on the public area of the Community independent transaction log's web site.

Article 71

Testing area of each registry and the Community independent transaction log

1 Each registry administrator shall establish a testing area within which any new version or release of a registry can be tested in accordance with the testing procedures set out in Annex XIII so as to ensure that:

- a any testing procedures on a new version or release of a registry are completed without reducing the availability to account holders of the version or release of the registry

which currently has a communication link with the Community independent transaction log or UNFCCC independent transaction log; and

- b any communication link between a new version or release of a registry and the Community independent transaction log or UNFCCC independent transaction log is established and activated with minimum disruption to its account holders.

2 The Central Administrator shall establish a testing area so as to facilitate testing procedures referred to in paragraph 1.

3 The registry administrators and the Central Administrator shall ensure that the hardware and software of their testing area shall perform in a manner that is representative of the performance of the primary hardware and software referred to in Article 68.

Article 72

Change management

1 The Central Administrator shall coordinate with registry administrators and the Secretariat to the UNFCCC the preparation and implementation of any amendments to this Regulation resulting in changes in the functional and technical specifications of the registry system before their implementation.

2 If, as a result of a these amendments, a new version or release of a registry is required, each registry administrator shall successfully complete the testing procedures set out in Annex XIII before a communication link is established and activated between the new version or release of that registry and the Community independent transaction log or UNFCCC independent transaction log.

3 Each registry administrator shall continuously monitor the availability, reliability and efficiency of his registry in order to ensure a level of performance which meets the requirements of this Regulation. If, as a result of this monitoring or the suspension of the communication link pursuant to Article 6(3), a new version or release of a registry is required, each registry administrator shall successfully complete the testing procedures set out in Annex XIII before a communication link is established and activated between the new version or release of that registry and the Community independent transaction log or UNFCCC independent transaction log.

CHAPTER VIII

RECORDS AND FEES

Article 73

Records

1 The Central Administrator and each registry administrator shall store records concerning all processes and account holders set out in Annex III, Annex IV, Annex VIII, Annex IX, Annex X and Annex XI for 15 years or until any questions of implementation relating to them have been resolved, whichever is the later.

2 Records shall be stored in accordance with the data logging standards elaborated pursuant to the UNFCCC or the Kyoto Protocol.

*Article 74***Fees**

Any fees charged by the registry administrator to account holders shall be reasonable and shall be clearly displayed on the public area of that registry's web site. Registry administrators shall not differentiate any such fees on the basis of the location of an account holder within the Community.

Registry administrators shall not charge account holders for transactions of allowances pursuant to Article 49, Articles 52 to 54 and Articles 58 to 63.

CHAPTER IX

FINAL PROVISIONS*Article 75***Entry into force**

This Regulation shall enter into force on the day following that of its publication in the *Official Journal of the European Union*.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, 21 December 2004.

For the Commission

Stavros DIMAS

Member of the Commission