
EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations are made in exercise of the powers conferred by section 8 of the European Union (Withdrawal) Act 2018 in order to address failures of retained EU law to operate effectively and other deficiencies arising from the withdrawal of the United Kingdom from the European Union.

The Greenhouse Gas Emissions Trading Scheme (Amendment) (EU Exit) Regulations 2019 (the “Exit Regulations”) related to the continuation of the monitoring, reporting, accreditation and verification obligations of the EU Emissions Trading Scheme (EU ETS) in a no deal scenario. These Regulations address further deficiencies to the functioning of those obligations as a result of the coming into force of Article 76 of Commission Implementing Regulation (EU) 2018/2066 of 19 December 2018 on the monitoring and reporting of greenhouse gas emissions (“the new monitoring regulation”) and Commission Implementing Regulation (EU) 2018/2067 of 19 December 2018 on the verification of data and on the accreditation of verifiers (“the new verification regulation”).

Part 2 amends the Greenhouse Gas Emissions Trading Scheme Regulations 2012 (the “2012 Regulations”) to update the definition of “the Verification Regulation”.

Part 3 amends the Exit Regulations as a consequence of the amendments made by Article 76 of the new monitoring regulation, to Commission Regulation (EU) 601/2012 of 21 June 2012 on the monitoring and reporting of greenhouse gas emissions (“the previous monitoring regulation”).

In Part 4, regulations 5 and 6 address further deficiencies in the previous monitoring regulation introduced by Article 76 of the new monitoring regulation.

The remainder of Part 4 makes amendments to the new verification regulation to ensure the operability of verification requirements after exit. Part 4 also amends the new verification regulation to exclude provisions relating to free allocation, introduced by Commission Delegated Regulation (EU) 2019/331 of 19 December 2018 determining transitional Union-wide rules for harmonised free allocation of emission allowances pursuant to Article 10a of [Directive 2003/87/EC](#) of the European Parliament and of the Council (the “FAR”) as after exit, in a no deal scenario the UK will no longer continue participating in the free allocation process.

Part 5 provides for the revocation of the FAR.

An impact assessment has not been produced for this instrument as no, or no significant, impact on the private or voluntary sector is foreseen.