

A6.4-SB015-AA-A10

Information Note

Important information about the mechanism registry for Parties

Version 01.0



United Nations
Framework Convention on
Climate Change

COVER NOTE

1. Procedural background

1. The Conference of Parties serving as the meeting of the Parties to the Paris Agreement (CMA), at its third session, adopted the rules, modalities and procedures (RMPs) for the mechanism established by Article 6, paragraph 4, of the Paris Agreement (Article 6.4 mechanism).¹ The RMPs provide that the Article 6.4 mechanism shall include a registry (mechanism registry), and that the Supervisory Body shall, in accordance with relevant decisions of the CMA, establish the requirements and processes necessary to operate the mechanism with respect to mechanism registry². Section VI of the RMPs provides the requirements for the mechanism registry, including that (i) it shall contain accounts for both public and private entities³; (ii) it shall be developed and operationalized in accordance with the relevant requirements adopted by the Supervisory Body that shall include operating at best practice standards for registries⁴; and (iii) that the secretariat shall be the registry administrator and maintain and operate the mechanism registry under the supervision of the Supervisory Body⁵.
2. At its thirteenth meeting, the Supervisory Body considered the “Draft procedure: Article 6.4 mechanism registry” and requested the secretariat to prepare a document for Party account holders that outlines their roles and responsibilities for consideration at a future meeting.
3. This information note responds to the request of the Supervisor Body by providing details about and including a draft version of the document titled “Important information about the mechanism registry for Parties” that the secretariat will prepare. The Supervisory Body is expected to take note of this document, which will be issued and regularly updated by the secretariat, pursuant to the secretariat’s mandate to operate the registry.

2. Purpose

4. The purpose of this information note is to present information about, and the draft version of the “Important information about the mechanism registry for Parties” document, which provides information to Parties about the mechanism registry, including their roles and responsibilities. This document is intended to assist Parties in effectively managing their registry accounts and ensuring compliance with best practice standards for registries.

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=25 .

² Ibid., paragraph 24(a).

³ Ibid., paragraph 63.

⁴ Ibid., paragraph 64.

⁵ Ibid., paragraph 65.

3. Responsibilities of Parties with respect to the mechanism registry

5. Parties are central to cooperation undertaken through the Article 6.4 mechanism. Their responsibilities continue to evolve as the Article 6.4 mechanism regulations develop, including those related to the mechanism registry. It is important that Parties understand the functionality of the registry, their relationship with any entities they authorize to open accounts, and their role in ensuring the Article 6.4 mechanism operates safely, securely and in line with best practice standards for registries. The “Important information about the mechanism registry for Parties” document will help Parties understand the mechanism registry’s functions, and their roles and responsibilities.
6. The “Important information about the mechanism registry for Parties” document will be structured similarly to the “Terms and conditions for entity account holders” document but will serve as an informational resource specifically for Parties. Unlike entity account holders, Parties will not be required to agree to terms and conditions. Instead, the “Important information about the mechanism registry for Parties” document will provide Parties with the necessary guidance to effectively manage their registry accounts and ensure that all users contribute to the mechanism registry operating to the highest standards.

4. Supporting documents for mechanism registry operation

7. Under the CMA’s mandate to develop and operationalize the mechanism registry in accordance with the Supervisory Body’s requirements, the secretariat is developing the following documents to support the mechanism registry’s operation:⁶
 - (a) Procedure: Article 6.4 mechanism registry;
 - (b) Terms and conditions for entity account holders;
 - (c) Transaction rules (to be an internal document);
 - (d) User guide for the online interface;
 - (e) Important information about the mechanism registry for Parties (the focus of this information note).
8. These documents complement each other to ensure that the mechanism registry operates securely and in line with the CMA’s mandate, and meets best practice standards comparable to other carbon market registries.
9. As these documents are developed and updated over time, corresponding updates may be required in other documents, including the “Important information about the mechanism registry for Parties” document. The secretariat will manage these updates in accordance with its mandate to maintain and operate the registry.

⁶ These documents, once approved by the Supervisory Body, will be made available here: <https://unfccc.int/process-and-meetings/bodies/constituted-bodies/article-64-supervisory-body/rules-and-regulations>.

5. Subsequent work and timelines

10. The secretariat will develop the “Important information about the mechanism registry for Parties” document alongside the documents listed in paragraph 7(a)–7(d) to ensure effective operation of the mechanism registry. These documents are essential for operating and maintaining best practice standards within the registry.

6. Recommendations to the Supervisory Body

11. The secretariat recommends that the Supervisory Body take note of the development of the “Important information about the mechanism registry for Parties” document.

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1. Introduction

1. This document provides Parties with important information about the Article 6, paragraph 4, of the Paris Agreement (Article 6.4 mechanism) registry (hereinafter referred to as mechanism registry) for their consideration when participating in the Article 6.4 mechanism. This document includes information for Parties on their functions, roles and responsibilities relating to their own accounts, and the accounts of entities they authorize.
2. This document is specific to Parties and is part of a broader set of documents governing the operation of the mechanism registry, which includes Conference of Parties serving as the meeting of the Parties to the Paris Agreement (CMA) decisions,¹ the rules and regulations of the Article 6.4 mechanism as adopted by the Supervisory Body,² and the “Terms and conditions for entity account holders” document.³
3. This document will be updated as necessary, including to add details on interoperability with the international registry⁴ and identity verification requirements for users, as those aspects of the mechanism registry evolve, and any other necessary updates to ensure consistency with guidance from the Supervisory Body and/or decisions by the CMA. The secretariat will notify Parties of any updates or changes to this document via their authorized representative.

2. Scope

4. This document provides important information for Parties regarding the mechanism registry.

3. Terms

5. The following terms apply in this document:
 - (a) “Parties” refers to the Parties to the Paris Agreement;
 - (b) “Registry administrator” refers to the secretariat, which serves as the mechanism registry administrator as per annex I to decision 3/CMA.3;⁵
 - (c) “Mechanism registry” refers to the Article 6.4 mechanism registry.

¹ Article 6.4 related CMA decisions, available at:
<https://unfccc.int/process-and-meetings/bodies/constituted-bodies/article-64-supervisory-body/rules-and-regulations#CMA-docs>.

² Approved Supervisory Body Rules and Regulations, available at:
<https://unfccc.int/process-and-meetings/bodies/constituted-bodies/article-64-supervisory-body/rules-and-regulations>.

³ This document is under development and will be presented to the Supervisory Body at a future meeting.

⁴ Referred to in paragraphs 30 – 31 of annex to 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.

⁵ 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=25

4. General

6. The mechanism registry is provided to Parties by the registry administrator under the supervision of the Supervisory Body. This may change at any time if the CMA issues a decision to that effect.
7. In accordance with decision 3/CMA.3, the mechanism registry shall contain accounts, including a holding account for each Party and each public or private entity authorized per Article 6, paragraph 4(b), of the Paris Agreement, by a Party that requests an account where that entity meets the requisite identification requirements developed by the Supervisory Body⁶.
8. The various account types within the mechanism registry serve different purposes and have corresponding functionality, including possible account holders, transactions and reporting. The account types are described in the “Draft Procedure: Article 6.4 mechanism registry”⁷ and decision 7/CMA.4⁸.

5. Party registration in the mechanism registry

9. Parties can register in the mechanism registry via the dedicated interface on the United Nations Framework Convention on Climate Change website. Upon registration, the following accounts will be opened for the Party:
 - (a) Holding account, which may acquire Article 6.4 emission reductions (A6.4ERs) or certified emission reductions (CERs);
 - (b) Retirement account for use towards their first nationally determined contribution (NDC), which may acquire authorized A6.4ERs and CERs;
 - (c) Account for the voluntary cancellation of unauthorized A6.4ERs for other purposes;
 - (d) An account for NDC use, which may acquire A6.4ERs, and CERs⁹. NDC use accounts are tagged to NDC periods. A new NDC use account will be opened for each NDC period.
10. The Party shall be the account holder of the accounts listed in paragraph 9 above.
11. Parties may request, via the dedicated interface, to open additional accounts for the voluntary cancellation of unauthorized A6.4ERs for other purposes.
12. If a Party authorizes an entity to open accounts in the mechanism registry, the authorized entity’s holding accounts shall be opened and associated with the authorizing Party’s, and their functionality shall be bound by the Party’s authorization. The authorized entity shall be the account holder of any account they open.

⁶ Decision 3/CMA.3, “Rules, modalities and procedures for the mechanism established by Article 6, paragraph 4, of the Paris Agreement”, Annex, paragraph 63. Available at: https://unfccc.int/sites/default/files/resource/cma2021_10a01E.pdf#page=25.

⁷ Refer to [SBM015-AA-A09https://unfccc.int/sites/default/files/resource/A64-SBM015-AA-A09.pdf](https://unfccc.int/sites/default/files/resource/A64-SBM015-AA-A09.pdf).

⁸ Decision 7/CMA.4 “Guidance on the mechanism established by Article 6, paragraph 4, of the Paris Agreement.” Annex I, paragraph 32. Available at: https://unfccc.int/sites/default/files/resource/cma2023_10a02E.pdf#page=37.

⁹ For the first NDC period, according to paragraph 75(c) of the RMPs.

13. When registering in the mechanism registry, Parties will be asked to designate at least one authorized representative. This authorized representative must be a natural person who is entitled to act on behalf of the Party and its designated national authority. To designate authorized representatives, the Party will need to submit, through the online interface, their identifying information, an official correspondence providing them authority to act on behalf of the Party, and their contact details (email and phone number).
14. A Party should not designate a person as their authorized representative if the designation is inconsistent with the identification requirements and anti-money-laundering and countering the financing of terrorism measures of the mechanism registry (to be developed).
15. The registry administrator will treat all actions undertaken by the authorized representative as undertaken by the Party.
16. The registry administrator will provide all communications regarding their accounts and the accounts of their authorized entities to the authorized representative via their preferred contact method. Parties, via their authorized representative, can contact the registry administrator at any time via the mechanism registry's online interface. The registry administrator will seek to respond to Parties and resolve any issues raised by Parties as soon as practicable.

6. Authorizing entities to open holding accounts in the mechanism registry

17. As mentioned above in paragraph 12, if a Party authorizes an entity to open an account in the mechanism registry, upon successful registration of the entity in the registry (which shall include meeting identity verification requirements and any applicable anti-money-laundering and countering the financing of terrorism measures, and receipt of applicable fee payments), the entity's account shall be opened and associated with the authorizing Party in the mechanism registry.
18. In accordance with "Procedure: Article 6.4 mechanism registry":
 - (a) A Party may request the registry administrator to suspend, re-activate or terminate an account of an entity which it has authorized;
 - (b) The registry administrator may suspend, re-activate or terminate an account of an entity which a Party has authorized.
19. The registry administrator will rely on communication from the authorizing Party if any court orders, or other instructions from a domestic authority of the Party, apply to the accounts of an entity which the Party has authorized (for example, instruction to suspend or terminate an entity's account due to legal proceedings).
20. The registry administrator will action any request or instruction received from a Party as soon as practicable.

7. Transactions in the mechanism registry

21. In accordance with best practices for operating registries, the mechanism registry applies transaction rules to automate transactions, and transactions are atomic. This means transfers will process automatically when they are made, provided all requirements for the

complete transfer are met (the registry will not allow for partial transactions where some elements of the transaction complete but not others). Account holders are solely responsible for ensuring their transaction details are correct at the point of transfer. Transfers in the registry are final, and the registry administrator does not warrant that transfers can be reversed.

22. Transactions will be recorded in the mechanism registry in Coordinated Universal Time (UTC).

8. Identity verification

23. The registry administrator relies on Parties ensuring the mechanism registry is not used for the purposes of fraud, money-laundering, or the financing of terrorism. This responsibility on Parties extends to their authorization of account holders in the mechanism registry. This includes that the registry administrator relies on the due diligence of Parties with respect to the entities they authorize in accordance with identification requirements and measures for managing risks of money laundering and the financing of terrorism, to be developed by the secretariat.

9. Publicly available information

24. In accordance with decision 7/CMA.4 and the Procedure: Article 6.4 mechanism registry, all information in the mechanism registry shall be publicly available, unless it is confidential.¹⁰ This includes all information on each Party's account holdings, and information held on their authorized representatives and authorized entities.
25. Pursuant to decision 7/CMA.4, the registry administrator will produce and disseminate a report to the Parties participating in the Article 6.4 mechanism on the holdings and transaction history in relation to accounts and transactions associated with them.¹¹ These reports will be published monthly and will be publicly available.

10. Updating or changing Party information in the mechanism registry

26. Parties may update their account information, authorized representatives, or authorization of A6.4ERs or entities at any time via the online interface instructions of the mechanism registry. When updated, this will automatically be applied to the account information in the registry.
27. In accordance with best practices for operating registries, and as referred to in paragraph 21 above, the mechanism registry applies transaction rules to automate transactions. If a Party wishes to change their authorization of the use of authorized A6.4ERs in the registry, or change the authorization pertaining to the entities they have authorized to be account holders in the registry, this can be done in accordance with the post-issuance authorization procedure (to be developed), and the registry administrator shall perform this as soon as practicable, as appropriate.

¹⁰ Decision 7/CMA.4 "Guidance on the mechanism established by Article 6, paragraph 4, of the Paris Agreement." Annex I, paragraph 48. Available at: https://unfccc.int/sites/default/files/resource/cma2023_10a02E.pdf#page=37.

¹¹ Ibid., paragraph 47.

11. Security of the registry

28. The mechanism registry will be developed and operated according to best practice standards for registries, including in relation to its security and accessibility.
29. The registry administrator will occasionally need to undertake maintenance on the mechanism registry to ensure it remains secure and continues to operate in accordance with best practice. During these times, access to the registry will be suspended for all (or all affected) users. Where possible, the registry administrator will provide reasonable notice for any periods when the registry is planned to be suspended.
30. The mechanism registry is provided to all users, including Parties, on an 'as-is' basis, and the registry administrator does not provide any warrant that it will be free from any viruses, malicious software and glitches; or that the information displayed is correct or complete; or that the information has not been changed through malicious attacks or any other unauthorized third-party intervention.
31. Parties are responsible for protecting their account login details from misuse or fraud and promptly reporting any suspicious behaviour or functionality to the registry administrator via the mechanism registry's online interface. If a Party believes its account has been wrongfully accessed, it should contact the registry administrator as soon as possible via the online interface or other official communication channels.
32. If the registry administrator suspects there has been a breach of IT security, or a serious security risk threatens the integrity of the system, it will suspend all access to the mechanism registry. Parties and other users will be notified via the contact details of their authorized representatives.

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Document information

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