

IN-MEETING

Draft Procedure

Article 6.4 mechanism registry

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DRAFT



United Nations
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COVER NOTE

1. Procedural background

1. The Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (CMA), through decision 3/CMA.3,¹ adopted the rules, modalities and procedures (RMPs) for the mechanism established by Article 6, paragraph 4, of the Paris Agreement (the Article 6.4 mechanism), as contained in the annex to the decision. The decision requested the Supervisory Body (SBM) to develop provisions for various processes necessary to operate the mechanism, including the registry for the mechanism (hereinafter referred to as the mechanism registry). Requirements of the mechanism registry are provided throughout the RMPs, including, but not limited to, in sections V.H, V.J, V.K, VI, VIII and XI.B.²
2. The CMA, through decision 7/CMA.4, annex I (CMA 4), further elaborated the requirements of the mechanism registry, including, but not limited to, in its sections II.A, II.B, IV and VI.³
3. The SBM, at its sixth meeting, requested the secretariat to prepare a concept note on the general functional aspects and issues related to the mechanism registry procedure and to launch a call for input on issues related to account holders and the services needed for them. The SBM, at its tenth meeting, considered this concept note and requested the secretariat to prepare a procedure for the mechanism registry.
4. The SBM, at its eleventh meeting, considered the “Draft Procedure: Article 6.4 mechanism registry” (hereinafter referred to as the procedure) and requested the secretariat to revise the procedure to incorporate their guidance, where applicable. At its thirteenth meeting, the SBM considered the revised procedure and requested the secretariat to further develop the draft procedure for consideration at a future meeting, taking into account the guidance provided at the meeting, in particular, to:
 - (a) Undertake an editorial review for consistency of language with agreed decisions;
 - (b) Further develop the provisions, including for:
 - (i) Suspension of accounts/account holders;

¹ Decision 3/CMA.3. “Rules, modalities and procedures for the mechanism established by Article 6, paragraph 4, of the Paris Agreement” Available at: https://unfccc.int/sites/default/files/resource/cma2021_10a01E.pdf#page=25

² Ibid., paragraph 5.

³ Decision 7/CMA.4. Annex I “Elaboration of the processes defined in the rules, modalities and procedures for the mechanism established by Article 6, paragraph 4, of the Paris Agreement.” Section II. Available at: https://unfccc.int/sites/default/files/resource/cma2023_10a02E.pdf#page=39

- (ii) Level of transparency of account holdings;
 - (iii) Issues of ownership or control and security interests;
 - (iv) Account types and purposes;
 - (v) Implications of multiple accounts;
 - (vi) Serialization of Article 6.4 emission reductions (A6.4ERs);
 - (vii) Approaches for A6.4ERs tagging, considering best practices.
 - (c) Strengthen the links and references to:
 - (i) Voluntary cancellation functionality and a possible voluntary cancellation platform;
 - (ii) The 'know-your-customer' provisions;
 - (iii) The terms and conditions for authorized account holders and the document for Party account holders that outlines their roles and responsibilities.
5. Further, at its thirteenth meeting, the SBM also requested the secretariat, if possible, to publish the above-mentioned draft procedures prior to the established document deadline stipulated in the rules of procedures of the SBM.
6. At that same meeting, the SBM further requested the secretariat, as it implements the mechanism registry, to ensure the design of the information technology solution for the mechanism registry is flexible to incorporate changes based on future guidance from the CMA, in particular, on the timing of and changes to the statement of authorization.
7. The CMA, at its sixth session (CMA 6), provided further guidance on the mechanism registry, including in relation to authorization,⁴ interoperability and availability.⁵ At that same session, the CMA also provided guidance on the authorization of internationally transferred mitigation outcomes⁶ which impact authorized A6.4ERs in the mechanism registry. This procedure reflects all guidance from CMA 6.

2. Purpose

8. The purpose of this procedure is to establish the procedural framework for the operation of the mechanism registry. It proposes steps, roles and responsibilities of various actors, and operational requirements for the functioning of the registry for consideration by the

⁴ Decision -/CMA.6 "Further guidance on the mechanism established by Article 6, paragraph 4, of the Paris Agreement". Section III (Authorization of Article 6, paragraph 4, emission reductions). Available at: https://unfccc.int/sites/default/files/resource/CMA_6_agenda%20item15b_AUV_2.pdf (Advance unedited version).

⁵ Ibid. Section IV (Article 6, paragraph 4, mechanism registry).

⁶ Decision -/CMA.6 "Matters relating to cooperative approaches referred to in Article 6, paragraph 2, of the Paris Agreement". Section I (Authorization). Available at: https://unfccc.int/sites/default/files/resource/CMA6_agenda%20item_15a_AUV.pdf (Advance unedited version).

SBM. The procedure also references decision text to provide context and clarity on specific operational elements.

9. This procedure does not encompass responsibilities mandated to the secretariat under the supervision of the SBM, including the detailed and specific technical-level operational requirements associated with the administration, maintenance and operation of the registry.⁷

3. Key issues and proposed solutions

3.1. Suspension, reactivation and termination of accounts

10. As stated above in paragraph 4(b)(i), at its thirteenth meeting, the SBM requested the secretariat to further develop provisions for the suspension of accounts/account holders.
11. Suspension, reactivation, and termination of accounts may have implications for the implementation of nationally determined contributions (NDCs) of (a) Party(ies) that authorized those accounts. The secretariat is undertaking further work on how to address these issues and any possible related issues (such as irregularities in the use of accounts), with a view to ensuring the mechanism registry maintains the integrity of the mechanism and is fair to affected account holders.
12. Given the ongoing nature of this work, the procedure provides that Parties, or the registry administrator, may suspend, reactivate or terminate an account under certain conditions or to ensure the integrity of the mechanism registry process. These provisions will be updated in future versions of the procedure, subject to further consideration by the SBM. Notably, these provisions will include references to the “Terms and conditions for entity account holders” and the “Important information about the mechanism registry for Parties”, both of which are under development by the secretariat.

3.2. Level of transparency of account holdings

13. In accordance with the SBM’s request detailed in paragraph 4(b)(ii) above, this procedure has been revised to provide for real-time information on holdings in the mechanism registry to be made publicly available.
14. As is standard practice for registries, this real-time information will be provided by feeding data from the mechanism registry into a publicly available system in real time. This connection will provide equivalent transparency and real-time information on the mechanism registry holdings.

3.3. Ownership and security interest

15. As noted in paragraph 4(b)(iii) above, at its thirteenth meeting, the SBM requested the secretariat to further develop provisions on issues of ownership or control and security interests.

⁷ Decision 3/CMA.3. “Rules, modalities and procedures for the mechanism established by Article 6, paragraph 4, of the Paris Agreement”. Section VI, paragraph 65, Available at: https://unfccc.int/sites/default/files/resource/cma2021_10a01E.pdf#page=37

16. Alongside the procedure, the SBM will also be considering the following information notes:
- (a) Information note: Analysis of the pros and cons related to framing users' rights with regard to control versus confirming ownership of account holdings;
 - (b) Information note: Legal, technical and financial implications of providing functionality for the treatment of financial security interests in Article 6.4 emissions reductions (A6.4ERs) within the registry.
17. Given that the matters of ownership and financial security interests are still under consideration by the SBM, the procedure does not address these issues. The procedure will be updated following the SBM guidance on these matters.

3.4. Account types and purposes

18. As noted in paragraph 4(b)(iv), at its thirteenth meeting, the SBM requested the secretariat to further develop provisions on account types and purposes.
19. The CMA, at its fourth session, provided the minimum account types and purposes for the mechanism registry.⁸ These account types provided by the CMA do not distinguish between authorized A6.4ERs (AERs) and unauthorized A6.4ERs (i.e. mitigation contribution units (MCUs)).
20. The procedure provides for the account types given by CMA 4, albeit distinguishing between AERs and MCUs, as is necessary to comply with the CMA guidance on the use of AERs, MCUs, certified emission reductions (CERs), and reporting. This has been addressed by establishing an account for the voluntary cancellation of CERs and MCUs for other purposes (in addition to the account for the voluntary cancellation of A6.4ERs for other purposes, pursuant to paragraph 32(h) of CMA 4)⁹.
21. The procedure also provides that Parties and entities may open an account in the mechanism registry, consistent with paragraph 33 of decision CMA.4.¹⁰

3.5. Implications of multiple accounts

22. The mechanism registry procedure enables users to open multiple accounts, which may be desirable for their convenience in managing participation.
23. In accordance with decisions 3/CMA.3, 7/CMA.4 and decision -/CMA.6 (Further guidance on the mechanism established by Article 6, paragraph 4, of the Paris Agreement), entities must be authorized by Parties to participate in Article 6.4 mechanism activities and the mechanism registry. This registry procedure provides that Parties must approve a request for an authorized entity to open a holding account, meaning they may restrict the number of accounts an entity may open by withholding approval.

⁸ Decision 7/CMA.4. "Guidance on the mechanism established by Article 6, paragraph 4, of the Paris Agreement". Annex I, Section IV, paragraph 32. Available at: https://unfccc.int/sites/default/files/resource/cma2023_10a02E.pdf#page=41

⁹ *ibid.* paragraph 32 h).

¹⁰ *ibid.* paragraph 33.

24. If a Party opens multiple accounts for different purposes, or if an entity is allowed to open multiple accounts, the procedure provides that those accounts shall be tagged to the Party (as with all accounts). For reporting purposes, all accounts held by the same user, for the same purpose, and authorized by the same Party, will be reported together.
25. If an entity is authorized by more than one Party, a separate account shall be opened for that entity for each Party authorization. These accounts shall be treated as distinct accounts for transaction and reporting purposes.
26. Enabling users to open multiple accounts creates a marginal operational burden on the secretariat as the registry administrator. The proposed fees provided in appendix 1 to the procedure reflect this.

3.6. Serialization of Article 6.4 emission reductions

27. The serial number of each A6.4ER will be assigned for each combination of host Party, vintage year and activity. Serial numbering starts at 1. This will form the immutable part of the A6.4ER's unique identifier in the registry. Where applicable, the unique identifier accords with the common nomenclature of cooperative approaches.¹¹
28. MCUs are serialized with the code "MCU", designating the A6.4ER as an MCU; "UN01" to identify the mechanism registry as the issuing registry; the authorizing host Party ID code according to the common nomenclature of Party IDs (Party ID); the Article 6.4 activity identifier (activity ID), as communicated in the issuance instruction by the Article 6.4 mechanism information system; the year when the greenhouse gas (GHG) emission reductions or net GHG removals occurred for which the A6.4ER is issued (vintage year); and the serial number. It appears as follows: MCU – Party ID – activity ID – vintage year – serial number. For example, for an MCU issued to activity 1234 in Thailand in year 2025, the full identifier will be MCU-TH-1234-2025-1.
29. AERs serialization follows a similar approach with additional information on the cooperative approach ID, authorization and first transfer, as required for agreed electronic format reporting. The additional data fields include:
 - (a) "CA0001" to identify the Article 6.4 mechanism as the cooperative approach, in accordance with the common nomenclature of Article 6.2 cooperative approaches;
 - ~~(b) "UN01" to identify the mechanism registry as the issuing registry;~~
 - (c) Information on the scope of authorization, as follows:
 - (i) "N" to identify AERs authorized for NDC use;
 - (ii) "I" to identify AERs authorized for international mitigation purposes;
 - (iii) "O" to identify AERs authorized for other purposes;
 - (d) Information on further conditionality of authorization as follows:
 - (i) "C" to identify AERs with additional conditions on their authorization;

¹¹ List of common nomenclature under Article 6 of the Paris Agreement. Available at: <https://unfccc.int/sites/default/files/resource/Common%20nomenclature%20initial%20list.pdf>.

- (ii) “NC” to identify AERs with no additional conditions on their authorization;
 - (e) The flag “FT” in case the AER in question has been first transferred.
 - 30. In the registry, AERs are identified as follows: CA0001 – UN01 – Party ID – activity ID – vintage year – serial number – authorization – conditionality – first transferred. For example, for an AER issued to activity 1234 in Thailand in year 2025, which is authorized for any use, without conditions, and already first transferred, the full identifier will be CA0001-UN01-TH-1234-2025-1-NIO-NC-FT.
 - 31. CERs will be identified in the registry as CERs, and with their unique ID which was assigned to them upon issuance into the clean development mechanism (CDM) registry (CER ID). In the registry, they are identified as follows: CER– 2020 – CER – CER ID.
 - 32. A6.4ERs and CERs are stored and displayed in ranges of consecutive serial numbers. Serial number ranges are identified in the same way as individual emission reductions, with serial numbers of the first and the last emission reduction in the range replacing the individual serial number. For example, if there is a serial number range of MCUs issued to activity 1234 in Thailand in year 2025, with serial numbers from 1 to 987, the serial number range will be displayed as MCU-UN01-TH-1234-2025-1-987.
 - 33. Serial number ranges will be split by the registry automatically when transactions involve parts of existing serial ranges.
- 3.7. Approaches for A6.4ERs tagging, considering best practices**
- 34. In accordance with the SBM request at its thirteenth meeting, and as noted above in paragraph 29, the procedure has been updated to provide that AERs shall be identified with their first transfer status.
- 3.8. Voluntary cancellation functionality**
- 35. As considered by the SBM at its thirteenth meeting, the form of the voluntary cancellation platform is still being developed at this stage. The procedure reflects that the mechanism registry will provide voluntary cancellation functionality, without predetermining the form this may take (i.e. section 7 on interaction with other systems does not mention a voluntary cancellation platform, as the SBM may decide this should be an inbuilt function of the mechanism registry rather than an ‘other system’). The registry procedure will be updated as necessary to reflect the form of the voluntary cancellation functionality.
- 3.9. Know-your-customer provisions**
- 36. According to paragraph 64 of annex I to decision 3/CMA.3,¹² the mechanism registry shall be developed and operationalized in accordance with the relevant requirements adopted by the SBM that shall include operating at best practice standards for registries. Pursuant to paragraph 63 of annex I to decision 3/CMA.3,¹³ the operation of the registry shall include the development of requisite identification requirements for entities. Anti-money-

¹² Decision 3/CMA.3. “Rules, modalities and procedures for the mechanism established by Article 6, paragraph 4, of the Paris Agreement”. Annex, Section VI, paragraph 64. Available at: https://unfccc.int/sites/default/files/resource/cma2021_10a01E.pdf#page=37

¹³ *ibid.* paragraph 63.

laundering and countering the financing of terrorism (AML-CFT) safeguards are a critical aspect of best practice standards for registries internationally, focused on identifying users to protect against misuse of registries for criminal activity. These safeguards are often referred to as 'know-your-customer' requirements.

37. Pursuant to these best practice standards for AML-CFT/know-your-customer requirements, the secretariat is exploring how effective safeguards will be implemented as part of the mechanism registry and its related processes, including the identification requirements for entities. Measures related to managing AML-CFT risks are likely to span the procedure, the terms and conditions for entities using the mechanism registry, and the document on important information for Party account holders. Given the ongoing work on how AML-CFT risks will be managed by the registry system, the procedure does not yet include AML-CFT/know-your-customer provisions, as requested by the SBM at its thirteenth meeting. As this work progresses, these documents will be updated.

3.10. Terms and conditions for authorized account holders and the document for Party account holders that outlines their roles and responsibilities

38. The "Terms and conditions for entity account holders" are still under development. The procedure provides that users of the mechanism registry must accept and comply with any applicable terms and conditions. Once developed, the mechanism registry procedure will be updated as necessary.
39. Similarly, the "Important information about the mechanism registry for Parties" is also still under development. The procedure provides that the registry administrator will treat all Party account holders as having considered all rules and regulations related to the mechanism registry, and any other information provided to them with respect to the mechanism registry, prior to opening an account. Once developed, the procedure will be updated as necessary.

3.11. Issuance and distribution

40. The section on issuance and distribution of A6.4ERs has been updated from previous drafts of this procedure. The revised section provides that distribution instructions must be given (via an online form on the registries online interface) for issuance of A6.4ERs. This means that, upon issuance, A6.4ERs will be automatically forwarded from the pending account to the receiving accounts provided by the activity participants. Note, the portion of A6.4ERs for share of proceeds for adaptation, and overall mitigation of global emissions, is automatically levied from the total A6.4ERs approved for issuance from the pending account, upon receipt of the complete issuance request.
41. The reason for this change to the issuance and distribution process is to avoid any accumulation of A6.4ERs within the pending account, which could pose a financial and operational risk and could be exploited for tax evasion and money laundering purposes.

3.12. Dormant accounts

42. This procedure does not address processes for dormant accounts (i.e. accounts which have not been logged into for a long time). This will be addressed in a future version of the procedure.

3.13. Transaction rules

43. The secretariat, taking into account guidance provided by the SBM at its thirteenth meeting and the need for an information technology solution to make the mechanism registry dynamic and adaptable according to best practice standards for registries, recommends that the transaction rules for the registry be developed as an internal document rather than adopted by the SBM as an appendix to the registry procedure.
44. Developing the transaction rules as an internal document will ensure the secretariat can update and maintain the information technology solution for the mechanism registry to be dynamic and secure, and adaptable without delay, in accordance with the needs of the mechanism registry (per SBM and CMA decisions) and evolving information management practices.

3.14. Fees

45. The mechanism registry serves a wider audience than the activity participants, meaning it is reasonable that all users should pay towards the costs of operating the registry (rather than activity participants subsidizing others by incorporating the registry costs into other existing fees).
46. The fee model proposed (see Appendix 1) seeks to balance what is fair and reasonable in respect of the operational costs of the mechanism registry, the competitive environment in which the registry operates, easy administration, and predictability. This was developed based on data, analysis, modelling, and benchmarking against other carbon market systems (among them, the CDM, Gold Standard, Verra, Universal Carbon Registry, and Climate Action Reserve). The fees proposed are in the middle of the range and reflect a comparable recovery of anticipated operation costs to those of other registry systems, with operation costs projected as slightly higher than the fees charged.
47. The table provided in Appendix 2 below provides an overview of how the registry fees compare to the other carbon market registry operators.
48. The costs of operating the mechanism registry will largely depend on its usage. This is difficult to predict at this stage, meaning that the fee levels set, or the model of charging fees, may need to be updated in the future to better reflect account holders paying a fair and reasonable contribution to the costs of operating the registry. The procedure will need to be updated to reflect changes to the fee schedule as necessary.

3.15. Post issuance authorization and changes to authorization

49. Further work will be necessary ~~for~~to understand implications of, and develop processes withfor, respect to A6.4ERs that are subject to a post-issuance authorization or a change of authorization where the affected A6.4ERs:
- (a) Create an invalidity in the mechanism registry; ~~are in an account which does not have the necessary authorization to hold the affected A6.4ERs, or they~~
 - (b) ~~–~~Are in the account for reversal risk buffer;
 - (e) Are in the account for share of proceeds for adaptation;
 - (d)

(e) Are in cancellation accounts.

4. Impacts

50. The mechanism registry is essential for operationalizing the Article 6.4 mechanism, in particular relating to the management of A6.4ERs and other units, to ensure the integrity of the accounting of Parties participating in the mechanism in the context of implementing their NDCs.

5. Subsequent work and timelines

51. As noted above, the procedure will be updated as necessary to enable the effective operation of the mechanism registry, including with regard to:
- (a) Any future decision by the SBM with regard to ownership and/or financial security interests;
 - (b) Any future decisions by the CMA with impacts on the operation of the mechanism registry.

6. Recommendations to the Supervisory Body

52. The secretariat recommends that the SBM adopt the “Procedure: Article 6.4 mechanism registry” and mandate the secretariat to maintain and update the adopted procedure as necessary to accommodate the functions of the mechanism registry.

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1. Introduction

1.1. Background

1. The Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (CMA), at its third session, adopted rules, modalities and procedures (RMPs) for the mechanism established by Article 6, paragraph 4, of the Paris Agreement (the Article 6.4 mechanism).¹
2. The RMPs define general functions of the registry for the Article 6.4 mechanism (hereinafter referred to as the mechanism registry).² The CMA, at the same session, requested the Supervisory Body of the Article 6.4 mechanism (SBM) to develop provisions for various processes necessary to operate the Article 6.4 mechanism, including those for the operation of the registry.³
3. The CMA, in decision 7/CMA.4, elaborated on the requirements for the mechanism registry, in terms of its form and functions, transaction procedure, and connection with the international registry.⁴
4. The CMA, in decision -/CMA.6 “Further guidance on the mechanism established by Article 6, paragraph 4, of the Paris Agreement”, provided further requirements for the mechanism registry connection with the international registry, Party registries and the availability of the mechanism registry to all Parties.⁵ In decision -/CMA.6, “Matters relating to cooperative approaches referred to in Article 6, paragraph 2, of the Paris Agreement”, the CMA also provided guidance on the authorization of internationally transferred mitigation outcomes⁶ which impact authorized Article 6.4 emission reductions (AERs) in the mechanism registry.

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=29

² Ibid. Including, but not limited to, sections V.H, V.J, V.K, VI, VIII and XI.B.

³ Decision 3/CMA.3. Paragraph 5(a). Available at:
https://unfccc.int/sites/default/files/resource/cma2021_10a01E.pdf#page=25

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

⁵ Decision -/CMA.6. “Further guidance on the mechanism established by Article 6, paragraph 4, of the Paris Agreement.” Available at:
https://unfccc.int/sites/default/files/resource/cma2024_L16E.pdf#page=4

⁶ Decision -/CMA.6. “Matters relating to cooperative approaches referred to in Article 6, paragraph 2, of the Paris Agreement.” Available at:
https://unfccc.int/sites/default/files/resource/CMA6_agenda%20item_15a_AUV.pdf (Advance unedited version).

1.2. Objective

5. The objective of the “Procedure: Article 6.4 registry” (hereinafter referred to as this procedure) is to set out key components and procedural steps and requirements relating to the functioning and the use of the registry.

2. Scope, applicability, and entry into force

2.1. Scope

6. This procedure describes the administrative steps to follow for Parties, public entities, private entities, the SBM and the United Nations Framework Convention on Climate Change (UNFCCC) secretariat for the issuance of A6.4ERs, the distribution, transfer, retirement and cancellation of A6.4ERs and certified emission reductions (CERs), as applicable, interactions of the mechanism registry with the international registry, and the reporting and public availability of the information and data generated by the mechanism registry.

2.2. Entry into force

7. This version of the procedure enters into force on [DD Month Year].

3. Terms and definitions

8. The following terms apply in this procedure:

- (a) “Shall” is used to indicate requirements which must be followed;
- (b) “Should” is used to indicate that among several possibilities, one course of action is recommended as particularly suitable;
- (c) “May” is used to indicate what is permitted;
- (d) “Party” means any Party to the Paris Agreement;
- (e) “Participating Party” means a Party that has submitted an initial report in respect of their participation in the Article 6.4 mechanism;⁷
- (f) “Participating Party registry” means the registry nominated as a Party’s registry in its initial report;⁸
- (g) “Account holder” refers to a Party or an authorized entity that holds an account in the mechanism registry;

⁷ Decision -/CMA.6. “Matters relating to cooperative approaches referred to in Article 6, paragraph 2, of the Paris Agreement.” Paragraph 5. Available at: https://unfccc.int/sites/default/files/resource/CMA6_agenda%20item_15a_AUV.pdf (Advance unedited version).

⁸ Decision -/CMA.6. “Further guidance on the mechanism established by Article 6, paragraph 4, of the Paris Agreement.” Paragraph 17. Available at: https://unfccc.int/sites/default/files/resource/CMA_6_agenda%20item15b_AUV_2.pdf (Advance unedited version).

- (h) “Authorized A6.4ERs (AERs)” refer to A6.4ERs that are authorized by the host Party of the Article 6.4 mechanism activity for which the A6.4ERs are issued, for use towards the achievement of nationally determined contributions (NDCs) of Parties and/or for other international mitigation purposes pursuant to paragraph 42 of the RMPs;
- (i) “Mitigation contribution units (MCUs)” refer to A6.4ERs that are not specified as authorized for use towards the achievement of NDCs of Parties and/or for other international mitigation purposes pursuant to paragraph 29(b) of annex I to CMA.4;⁹
- (j) A6.4ERs refer to AERs and MCUs collectively;
- (k) “Certified emission reductions (CERs)” refer to emission reductions issued under the clean development mechanism (CDM) under the Kyoto Protocol that are eligible for use towards achievement of an NDC and have been transferred from the CDM registry to the mechanism registry in accordance with paragraph 75(b) of the RMPs;¹⁰
- (l) “Registry administrator” is the secretariat in its role to maintain and operate the mechanism registry under the supervision of the SBM in accordance with paragraph 65 of the RMPs;¹¹
- (m) “International registry” refers to the international registry referred to in paragraphs 30–31 of annex to decision 2/CMA.3;¹²
- (n) “Centralized Accounting and Reporting Platform (CARP)” is the platform referred to in paragraph 25 of decision 2/CMA.3;¹³

⁹ Decision 7/CMA.4 “Guidance on the mechanism established by Article 6, paragraph 4, of the Paris Agreement.” Annex I, paragraph 29 b. Available at:

https://unfccc.int/sites/default/files/resource/cma2023_10a02E.pdf#page=41

¹⁰ Decision 3/CMA.3 “Rules, modalities and procedures for the mechanism established by Article 6, paragraph 4, of the Paris Agreement.” Annex, section XI. B. Available at:

https://unfccc.int/sites/default/files/resource/cma2021_10a01E.pdf#page=39

¹¹ Decision 3/CMA.3 “Rules, modalities and procedures for the mechanism established by Article 6, paragraph 4, of the Paris Agreement.” Available at:

https://unfccc.int/sites/default/files/resource/cma2021_10a01E.pdf#page=37

¹² 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

¹³ Decision 2/CMA.3 “Guidance on cooperative approaches referred to in Article 6, paragraph 2, of the Paris Agreement.” Annex, section VI, C. Available at:

https://unfccc.int/sites/default/files/resource/cma2021_10a01E.pdf#page=23.

- (o) “Activity cycle procedures^s” refers to the “Article 6.4 activity cycle procedure for projects” or the “Article 6.4 activity cycle procedure for programmes of activities” adopted by the SBM, as applicable;¹⁴
- (p) “Forwarding” refers to the movement of A6.4ERs from the pending account **which is not a first transfer**;
- (q) “First transfer” refers to **the movement an action with respect to** of AERs that triggers the corresponding adjustment to the accounting of the host Party as referred to in paragraph 2 of the annex to decision 2/CMA.3;¹⁵
- (r) “Other transfer” or “transfer” refers to the movement of AERs, MCUs or CERs from an account which is not the pending account, unless that transfer is a first transfer as defined in (q) above.
- (s) “RMPs” is used to refer to the annex to Decision 3/CMA.3;¹⁶
- (t) “7/CMA.4” is used to refer to annex I to Decision 7/CMA.4;¹⁷
- (u) “6.2/CMA.6” is used to refer to Decision -/CMA.6.¹⁸

4. Registry functions and components

4.1. General

9. The registry administrator shall develop and maintain a transactional information system that supports the functioning of the registry in accordance with this procedure, with a view to automating its functions wherever possible to ensure the accurate and timely functioning of the registry.

4.2. Functions

¹⁴ Relevant regulations available here: <https://unfccc.int/process-and-meetings/bodies/constituted-bodies/article-64-supervisory-body/rules-and-regulations#ActivityCycle>

¹⁵ Decision 2/CMA.3 “Guidance on cooperative approaches referred to in Article 6, paragraph 2, of the Paris Agreement.” Annex. Available at: https://unfccc.int/sites/default/files/resource/cma2021_10a01E.pdf#page=15

¹⁶ 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=29.

¹⁷ Decision 7/CMA.4 “Guidance on the mechanism established by Article 6, paragraph 4, of the Paris Agreement.” Annex I. Available at: https://unfccc.int/sites/default/files/resource/cma2023_10a02E.pdf#page=37

¹⁸ Decision -/CMA.6. “Matters relating to cooperative approaches referred to in Article 6, paragraph 2, of the Paris Agreement.” Available at: https://unfccc.int/sites/default/files/resource/CMA6_agenda%20item_15a_AUV.pdf (Advance unedited version).

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10. Pursuant to paragraphs 27–28 of 7/CMA.4, the mechanism registry shall:
- (a) Take the form of a standardized electronic database and shall track A6.4ERs and CERs;
 - (b) Be consistent with the requirements for registries contained in the guidance on cooperative approaches referred to in Article 6, paragraph 2, of the Paris Agreement and further relevant decisions of the CMA;
 - (c) Be hosted and maintained by the secretariat.
11. The registry shall track CERs transitioned from the CDM registry and two types of A6.4ERs: AERs and MCUs.
12. Each A6.4ER shall be indivisible and are equal to 1 tCO₂-e pursuant to paragraph 1(b) of the Annex to decision 3/CMA.3¹⁹.indivisible.
13. Each A6.4ER tracked in the mechanism registry shall have a uniquely identifying information that shall remain immutableunchangeable throughout the life-time of an A6.4ER, comprising:
- 14.
- (a) “UN01” to identify the mechanism registry as the issuing registry.
 - (b) The host Party identifier as per the common nomenclature of Parties;
 - (c) The Article 6.4 mechanism activity identifier as communicated in the issuance instruction by the Article 6.4 mechanism information system;
 - (d) The year when the greenhouse gas (GHG) emission reductions or net GHG removals occurred for which the A6.4ER is issued;
 - (e) The serial number of each A6.4ER, starting at 1 and unique within each combination of vintage year and activity.
15. Each MCU shall have a unique identifier, comprising:
- (a) “MCU” to identify the A6.4ER as an MCU, as part of its unique identifier, be designated as an MCU;
 - (b) Uniquely identifying information defined in accordance with in paragraph 13 above;
 - (c) Whether the MCU may be authorized post-issuance, as follows:
 - (i) “PI” to identify that the MCU can be authorized after post-issuance;
 - (ii) “NPI” to identify that the MCU cannot, or can no longer be, authorized after post-issuance.

¹⁹ 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=29.

16. Each AER shall, as part of its unique identifier, include:
- (a) “CA0001” to identify the Article 6.4 mechanism as the cooperative approach according to the common nomenclature of Article 6.2 cooperative approaches;
 - (b) ~~“UN01” to identify the mechanism registry as the issuing registry.~~
 - (c) Uniquely identifying information defined in accordance with—in paragraph 13 above;
 - (d) Its authorization, as follows:
 - (i) “N” to identify AERs authorized for NDC use;
 - (ii) “I” to identify AERs authorized for international mitigation purposes;
 - (iii) “O” to identify AERs authorized for other purposes;
 - (e) Its conditionality of authorization, as follows:
 - (i) “C” to identify AERs with additional conditions on their authorization;
 - (ii) “NC” to identify AERs with no additional conditions on their authorization.
17. The flag (“FT”) if the AER in question has been first transferred.
18. If an AER has been first transferred, it shall be identified with “FT” in accordance with section 5.3.2 below.
19. Each CER tracked in the mechanism registry shall have a unique identifier, comprising:
- (a) Designation as a “pre-2021 emissions reduction”, identical for all CERs in the registry;
 - (b) The Kyoto Protocol serial number of the CER as transferred from the CDM registry;
 - (c) A unique identifier for received CERs that were transferred from the CDM registry.²⁰

~~20.~~ Each A6.4ER or CER shall be held in only one account in the mechanism registry at a time.

21.

4.3. Account types

22. Pursuant to paragraph 32 of 7/CMA.4, the mechanism registry shall have the following account types:
- (a) Pending account, to which all A6.4ERs shall be issued;
 - (b) Holding account, which may acquire A6.4ERs or CERs tracked in the registry;

²⁰ Decision 7/CMA.4 “Guidance on the mechanism established by Article 6, paragraph 4, of the Paris Agreement.” Annex I, paragraph 19. Available at: https://unfccc.int/sites/default/files/resource/cma2023_10a02E.pdf#page=39.

- (c) Share of proceeds for adaptation account, which receives A6.4ERs in accordance with paragraph 58 of the RMPs (SoP account);
 - (d) Account for the mandatory cancellation of A6.4ERs for overall mitigation in global emissions (OMGE) in accordance with paragraph 59 of the RMPs (mandatory cancellation for OMGE account);
 - (e) Account for the voluntary cancellation of A6.4ERs/AERs for OMGE in accordance with paragraph 70 of the RMPs and paragraph 40 of CMA.4;
 - (f) Retirement account for AERs and CERs used towards the achievement of NDCs;
 - (g) Retirement account for CERs used towards the achievement of the first or first updated NDC
 - (h) Account for cancellation of AERs for other international mitigation purposes;
 - (i) Account for voluntary cancellation of AERs for other purposes;
 - (j) Account for voluntary cancellation of MCUs and CERs for other purposes;
 - (k) Account for administrative cancellation of A6.4ERs and CERs tracked in the registry for corrective actions and other purposes, as necessary.
 - (l) Holding account for the reversal risk bBuffer pool account for holding.:-
 - (m) Account for cancellation of A6.4ERs from the reversal risk bBuffer pool in case of reversal events. account for cancellation
23. Accounts shall be identifiable by unique account numbers, which shall be designated at either the establishment of the mechanism registry or the opening of accounts in accordance with this procedure, as applicable.

4.4. Account opening

24. The mechanism registry administrator shall open one account for each account type referred to in paragraph 22 above except for those referred to in paragraph 22(b) and (f)–(i) above.
25. The opening and maintenance of a holding account is subject to fees in accordance with the fee schedule contained in Appendix 1.

4.4.1. Party accounts

26. The mechanism registry administrator shall open one account for each account type referred to in paragraph 20 above except for those referred to in paragraph 20(b) and (f)–(h) above.
27. To open an account, a Party needs to designate a representative who assumes the authority and responsibility for all actions regarding the account. Parties shall nominate their representative on the UNFCCC dedicated interface via their UNFCCC designated nominated representative.
28. Any Party, public entity or private entity, may, subject to the acceptance of any applicable terms and conditions for entity account holders, open its own holding account referred to in paragraph 22(b) above by submitting a request for opening such account through the

dedicated interface on the UNFCCC website. The mechanism registry administrator will treat Party account holders as having considered all rules and regulations related to the registry, and any other information provided to them with respect to the registry, prior to opening an account.

29. Any Party may open its own accounts for retirement and/or for cancellation for other international mitigation purposes and for other purposes referred to in paragraph 22(f)–(i) above in the mechanism registry by submitting a request for opening such accounts through a dedicated interface on the UNFCCC website, which shall include specifying the types of A6.4ERs and/or CERs that may be transferred into the account, as applicable²¹.
30. To open an account, a Party needs to designate a representative who assumes the authority and responsibility for all actions regarding the account. Parties shall nominate their representative on the UNFCCC dedicated interface via their UNFCCC designated nominated representative.

4.4.2. Public and private entity holding accounts

31. ~~The opening and maintenance of a holding account is subject to fees in accordance with the fee schedule contained in Appendix 1.~~
32. The mechanism registry shall open a holding for public and private entities that are activity participants, in accordance the Letter of Authorization provided by their authorizing Party.
33. Public and private entities may, subject to the acceptance of any applicable terms and conditions for entity account holders, the identity verification processes of the mechanism registry²², and the authorization from a Party in accordance with paragraph 34 below, open its own holding account referred to in paragraph 22(b) above by submitting a request for opening such account through the dedicated interface on the UNFCCC website.
34. Opening a holding account(s) in the mechanism registry for a public entity or private entity shall be authorized by the Party specified in the request for opening the holding account for accounting purposes. The registry administrator shall inform the Party of receipt of such request and request the Party to authorize or reject the opening of a holding account through a dedicated interface on the UNFCCC website. Upon authorization of the entity by the Party and the acceptance of any applicable terms and conditions for entity account holders [and receipt of the account opening fee from the requesting entity], the registry administrator shall open the requested holding account associated with the Party that authorized opening the account²³.

²¹ Parties may only open the accounts listed in 19 1(f), 1(h), 1(i) above if they have fulfilled sections II and IV of decision 2/CMA.3 in respect to its participation in the mechanism registry.

²² Which shall include “Know your customer” measures developed for the mechanism registry

²³ Authorized entity accounts shall be opened and maintained pursuant to the authorizing Party’s fulfilment of ~~section~~sections II and ~~section~~and IV of decision 2/CMA.3, unless otherwise advised by the authorizing Party.

35. Each holding account may only be authorized by one Party. Public entities and private entities may be account holders of multiple holding accounts authorized by different Parties.

~~36. Any Party may open its own accounts for retirement and/or for cancellation for other international mitigation purposes and for other purposes referred to in paragraph 20(f)–(h) above in the mechanism registry by submitting a request for opening such accounts through a dedicated interface on the UNFCCC website, which shall include specifying the types of A6.4ERs and/or CERs that may be transferred into the account, as applicable.~~

~~37. To open an account, a Party needs to designate a representative who assumes the authority and responsibility for all actions regarding the account.~~

38. A Party, or public or private entities, wishing to open an account within the mechanism registry shall designate a representative who assumes the authority and responsibility for all actions regarding the account in accordance with this procedure and any applicable terms and conditions for entity account holders.

4.5. Suspension, termination and reactivation of accounts

39. A Party, or public or private entity, having a holding account, retirement account and/or account for cancellation of AERs and CERs referred to in paragraph 22(b)(b) and (f)–(i) above, as applicable, in the mechanism registry may request the registry administrator to suspend, reactivate or terminate the account that it had requested to open at any time.

40. A Party may request the registry administrator to suspend, reactivate or terminate any of the holding accounts of public or private entities that it had authorized to open in the registry in accordance with [Important information for Party account holders].

41. If a holding account is requested for termination, and if it still contains A6.4ERs and/or CERs, the registry administrator shall arrange for the transfer of the remaining A6.4ERs and/or CERs in accordance with the instructions provided by the account holder when opening the account or while the account is active.

42. The registry administrator shall suspend an account in the mechanism registry if:

- (a) It finds irregularity in the operation or use of the registry which reasonably requires the account to be suspended;
- (b) The account holder has breached, or is reasonably expected to have breached, any applicable terms and conditions for entity account holders and determines suspension of the account is appropriate;
- (c) The account holder's authorizing Party requests the registry administrator to suspend the account, pursuant to paragraph 40 above.

43. The registry administrator shall reactivate an account in the registry if:

- (a) The irregularity in the operation or use of the registry is resolved, if applicable pursuant to paragraph 35~~3~~**Error! Reference source not found.** above;
- (b) The account holder's breach, or suspected breach, of the terms and conditions for entity account holders has been satisfactorily resolved and the registry

administrator determines reactivation of the account is appropriate, if applicable pursuant to paragraph 353-Error! Reference source not found. above;

- (c) The account holder's authorizing Party requests the registry administrator to reactivate the account, if applicable pursuant to paragraph 353-Error! Reference source not found. above.

44. The registry administrator shall terminate an account in the mechanism registry if:

- (a) The account holder has breached, or is reasonably expected to have breached, the terms and conditions for entity account holders [to be developed] and determines termination of the account is appropriate;
- (b) The account holder's authorizing Party requests the registry administrator to terminate the account, pursuant to paragraph 40 above.

5. Transaction procedure

5.1. General

45. In accordance with best practices for operating registries, actions undertaken by users in the registry will process automatically when they are made provided all requirements for the action are met. 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.

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

5.2. Issuance and distribution

47. Upon approval of a request for issuance of A6.4ERs by the SBM in accordance with the activity cycle procedure, the registry administrator will receive an issuance instruction²⁴ containing the specification and quantity of A6.4ERs to be issued, and the contact details of the activity participant's focal points, as provided in their modalities of communication.²⁵

48. The registry administrator shall review the issuance instruction for completeness, and if the instruction is complete, shall enter the final approval of issuance in the registry, which shall trigger the following automated actions:

- (a) The focal points are notified of the final approval of issuance;

²⁴ The issuance instruction is automatically communicated from the Mechanism Information System and delivered to the registry administrator. The issuance instruction shall contain all data fields necessary to form the unique identifier of A6.4ERs to be issued as described in paragraphs 13-18, and the modalities of communication with activity participants on matters related to issuance and distribution.

²⁵ Provided in accordance with section 4.6.2 of the "Procedure: Article 6.4 activity cycle procedure for projects" (A6.4-PROC-AC-002). Available at: <https://unfccc.int/sites/default/files/resource/A6.4-PROC-AC-002.pdf>

- (b) A request is sent to the focal points to complete the distribution form,²⁶ specifying the accounts to which the A6.4ERs shall be distributed upon issuance;
 - (c) Unless the host Party is a least developed country or a small island developing State using the exemption from the share of proceeds for adaptation pursuant to paragraph 20 of Decision -/CMA.6, "Further guidance on the mechanism established by Article 6, paragraph 4, of the Paris Agreement"^{27, 28} the registry shall issue and immediately forward 5 per cent of the issued A6.4ERs to the SoP account;
 - (d) The registry shall issue and immediately forward 2 per cent of the issued A6.4ERs to the mandatory cancellation for OMGE account;
 - (e) If the A6.4ERs forwarded in accordance with (c) and (d) above are authorized²⁹, they shall be issued as AERs and, upon forwarding to the SoP account and the mandatory cancellation for OMGE account, the respective AERs shall be marked as first transferred;
 - (f) If the A6.4ERs are not authorized, they shall be issued as MCUs.
49. The registry shall automatically issue the A6.4ERs into the pending account and immediately forward them according to the distribution instruction, upon receipt of the distribution form³⁰. Activity participants may submit the distribution form for partial issuance and distribution of the total A6.4ERs approved for issuance by the registry administrator as described in paragraph 48 above.

50. _____

51. In accordance with section 8.1.1 of the "Procedure: Article 6.4 activity cycle procedure for projects", the [form to be developed] must be submitted for issuance of A6.4ERs within two years after the end of the crediting period for which the A6.4ERs are issued. If the [form to be developed] is not submitted within this two-year period, the A6.4ERs approved for issuance shall not be issued.

²⁶ To be developed and provided for automated submission in the mechanism registry.

²⁷ Decision -/CMA.6. "Further guidance on the mechanism established by Article 6, paragraph 4, of the Paris Agreement". Available at:
https://unfccc.int/sites/default/files/resource/cma2024_L16E.pdf#page=4 (Advance unedited version).

²⁸ Communicated through their activity approval in accordance with the section 4.4 of the "Procedure: Article 6.4 activity cycle procedure" (A6.4-PROC-AC-002). Available at:
<https://unfccc.int/sites/default/files/resource/A6.4-PROC-AC-002.pdf> or section 4.4 of the "Procedure: Article 6.4 activity cycle procedure for programmes of activities" (A6.4-PROC-AC-003). Available at:
<https://unfccc.int/sites/default/files/resource/A6.4-PROC-AC-003.pdf>

²⁹ A statement of authorization has been provided in accordance with the activity cycle procedures the Procedure: Article 6.4 activity cycle procedure for projects, which authorizes the respective A6.4ERs

³⁰ Activity participants should note that post-issuance authorization is only possible for MCUs distributed to, and still held by the account[s] of the activity participants.

52. If the registry administrator's review referred to in 48 above finds the issuance instruction to be incomplete, the automated actions provided in 48 above shall not proceed, and the registry administrator shall notify the focal points as appropriate.
53. If any of the accounts to which the A6.4ERs are to be distributed (provided in the [form to be developed]) are suspended, terminated, not valid or not authorized to receive the A6.4ERs proposed for distribution to the account, the issuance shall not proceed and the registry administrator shall notify the focal points as appropriate.

5.3. Transfers

5.3.1. General

54. A Party, or public or private entity, that has its own holding account in the mechanism registry may, through a dedicated interface on the UNFCCC website, transfer the A6.4ERs and/or CERs in its holding account to other account(s), specifying at a minimum:
- (a) The unit type(s)³¹ (AER, MCU and/or CER) for transfer, as applicable;
 - (b) The amount of units for transfer for each unit type, with a series of unique identifiers of the units;
 - (c) The destination account(s).
55. The registry administrator shall transfer the units in accordance with the specifications in the transfer request

5.3.2. First transfer

56. In accordance with decision 2/CMA.3³² and decision 6/CMA.4³³, the first transferring Party must specify how it defines first transfer, which is to be provided in accordance with the activity cycle procedures the Procedure: Article 6.4 activity cycle procedure for projects³⁴. via the template to be developed by the secretariat in accordance with paragraph 15 of decision 6.2/CMA.6.

³¹ AERs, MCUs and / or CERs.

³² 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

³³ Decision 6/CMA.4 "Matters relating to cooperative approaches referred to in Article 6, paragraph 2, of the Paris Agreement." Available at:
https://unfccc.int/sites/default/files/resource/cma2023_10a02E.pdf#page=2

³⁴ [paragraph references needed], Procedure: Article 6.4 activity cycle procedures for projects and PoAs

57. AERs shall be identified with their first transfer status in addition to their unique identifier **in accordance with section 4.2 above**. In accordance with section **8** below, the first transfer status of AERs shall be streamed on the UNFCCC website and included in the reports to designated national authorities (DNAs) referred to in paragraph **84**. This may be utilized by Parties for the purposes of paragraph 13 of 6.2/CMA.6.
58. AERs shall be identified as first transferred at the earlier of:
- (a) When a forward to the holding account of the Adaptation Fund or a cancellation account for OMGE takes place;
 - (b) When an international transfer takes place via:
 - (i) the transfer of the AER from an account held by or authorized by one **Participating** Party to an account held by or authorized by another **Participating** Party;
 - (ii) the transfer of the AER to account for cancellation of AERs for international mitigation purposes, as referred to in paragraph 22(h) above;
 - (iii) the transfer of the AER to account for cancellation of AERs for other purposes, as referred to in paragraph 22(h) above, or;
 - ~~(c) the transfer of the AER from an account held by or authorized by one Party to an account held by or authorized by another Party;~~
 - ~~(d) the transfer of the AER to account for cancellation of AERs for other international mitigation purposes, as referred to in paragraph 20(g) above; or;~~
 - (e) The authorizing **Participating** Party of the AER's definition of first transfer deems the AER to have been first transferred.
59. If a Party defines first transfer at the point of authorization or the point of issuance, the affected AERs shall be identified as 'first transferred' immediately upon issuance in the mechanism registry.

5.3.3. Retirement for use towards nationally determined contributions

60. A **Participating** Party, and entities if authorized to do so, may transfer AERs from its holding account to its retirement account of the applicable NDC period.
61. A Party, and entities if authorized to do so, may transfer CERs from its holding account to its retirement account for its first NDC.

5.3.4. Cancellation

62. A Party, or public or private entity, having a holding account in the registry may transfer ~~A6.4ERs~~**AERs** from its holding account to the account for voluntary cancellation for OMGE in the mechanism registry referred to in paragraph 22**(e)** above.
63. A **Participating** Party, or public or private entity **authorised by a Participating Party**, having a holding account in the mechanism registry may transfer AERs in its holding account to the account for cancellation of AERs for international mitigation purposes referred to in paragraph 22**(h)** above if the Party has opened the latter account in the registry.

64. A **Participating** Party, or public or private entity **authorised by a Participating Party**, having a holding account in the mechanism registry may transfer AERs in its holding account to the account for voluntary cancellation of AERs for other purposes in the registry referred to in paragraph 22 **(i) above** if the Party has opened the latter account in the registry.
65. A Party, or public or private entity, having a holding account in the mechanism registry may transfer MCUs and CERs in its holding account to the account for voluntary cancellation of MCUs and CERs in the registry referred to in paragraph 22 **(j) above**.
66. The A6.4ERs and CERs transferred to a cancellation account in accordance with this section shall not be further transferred or used for any other purpose, including towards the achievement of any NDC or for other international mitigation purposes.

6. Post-issuance authorization and change of authorization

67. Where a Party submits a post-issuance authorization, or a change of authorization in accordance with the activity cycle procedures,³⁵ the invalidity must be resolved before the registry administrator will action the post-issuance authorization in the registry.

6.1. Post-issuance authorization

68. If a Party submits a post-issuance authorization of issued MCUs in accordance with the activity cycle procedures ~~Section 9 of the Procedure: Article 6.4 activity cycle procedure for projects~~³⁶, the mechanism registry shall automatically check to confirm that the conditions related to providing a post-issuance authorization of the affected MCUs are satisfied³⁷.
69. ^{187septiest:} If it is confirmed that the conditions referred to in 554-9 above are satisfied, the mechanism registry administrator shall:
 - (a) Track and change the authorization status of the affected MCUs to authorized A6.4ERs;
 - (b) Track the MCUs that were forwarded to the SoP account and change them from MCUs to AERs and distinguish them as first transferred in accordance with section 5.3.2 above;
 - (c) Track the MCUs that were forwarded to the mandatory cancellation for OMGE account and change them from MCUs to AERs and distinguish them as first transferred in accordance with section 5.3.2 above;
2. If the mechanism registry's check (referred to in paragraph 59 above) identifies the conditions related to providing a post-issuance authorization of the affected MCUs are not satisfied, the secretariat shall communicate this to the host Party.

³⁵ For example, a Party provides a post-issuance authorization which updates MCUs in the registry to AERs, but the accounts which hold the affected MCUs are not authorized to hold AERs.

³⁶ Insert reference

³⁷ Conditions referred to in [insert references] of the ~~Procedure: Article 6.4 activity cycle procedures for projects~~

6.2. Change of authorization

70. _____

71. ~~187redecies.~~ If a Party submits a change of authorization statement in accordance with activity cycle procedures ~~Section 9 of the Procedure: Article 6.4 activity cycle procedure for projects~~³⁸ with respect to issued A6.4ERsA6.4ERs, and the affected A6.4ERsA6.4ERs are held in the mechanism registry, the mechanism registry administrator shall automatically check to confirm that the conditions related to providing a post-issuance change of authorization of the affected MCUsA6.4ERs are satisfied³⁹.

72. If it is confirmed that the conditions referred to in 61 above are satisfied, the mechanism registry administrator shall:

(a) ~~188. If a Party submits a change of authorization statement in accordance with Section 9 of the Procedure: Article 6.4 activity cycle procedure for projects~~with respect to issued A6.4ERs, and the affected A6.4ERs are held in the mechanism registry, and the mechanism registry administrator identifies that the conditions referred to in [insert reference] above are satisfied, the mechanism registry administrator shall:

(b) Track the A6.4ERsA6.4ERs affected by the change of authorization and held in the activity participant accounts, and change their authorization in accordance with the change of authorization;

(c) Track the A6.4ERsA6.4ERs that were forwardedforwarded or first transferred, as applicable, to the SoP account and change their authorization;

(d) Track the A6.4ERsA6.4ERs that were forwarded or forwardedfirst transferred, as applicable, to the SoPmandatory cancellation for OMGE account and change their authorization;

3. If the mechanism registry's check (referred to in paragraph 59 above) identifies the conditions related to providing a post-issuance authorization of the affected A6.4ERs are not satisfied, the secretariat shall communicate this to the host Party.

~~In accordance with Decision -/CMA.6, a Party may authorize MCUs at a later stage by providing to the SBM a statement of authorization in accordance with the post-issuance authorization procedure (to be developed).~~

~~The mechanism registry shall, in accordance with the post-issuance authorization procedure (to be developed), receive information from the Centralized Accounting and Reporting Platform (CARP) on participating Parties statements and/or copies of authorization, including any changes or updates made to their authorization. Changes to authorization shall be applied in accordance with the post-issuance authorization procedure (to be developed).~~

~~If a Party provides a post-issuance authorization for MCUs, the affected MCUs to which the authorization applies shall be updated to and displayed as AERs.~~

³⁸ Insert reference

³⁹ Conditions referred to in [insert references] of the activity cycle procedures ~~Procedure: Article 6.4 activity cycle procedure for projects~~

~~Section 5.2.2 shall apply to all MCUs updated to AERs through post-issuance authorization.~~

~~Where, at the point of post-issuance authorization, the affected MCUs have been transferred outside the mechanism registry via interoperability arrangements, the registry shall communicate the change in status (MCUs to A6.4ERs) to the applicable registry in accordance with the post-issuance authorization procedure (to be developed).~~

~~Where a Party provides submits a post-issuance authorization, or a change of authorization in accordance with Section 9 of the Procedure: Article 6.4 activity cycle procedure for projects, which proposes to create an invalid state within the mechanism registry, the invalidity must be resolved in accordance with the post-issuance authorization procedure (to be developed) before the registry administrator will action the post-issuance authorization in the registry.~~

~~If a Party provides a change to authorization which withdraws authorization from issued AERs, in accordance with the conditions for change in authorization referred to in its status of authorization statement, the affected AERs shall be updated to and displayed as MCUs.~~

7. Interaction with other systems

73. The mechanism registry shall interact with the following systems at a minimum, as required for its operation:

- (a) The CARP;
- (b) The international registry;
- (c) The CDM registry;
- (d) Participating Parties' registries;
- (e) The Article 6.4 mechanism information system;
- (f) The United Nations Enterprise Resource Planning System.

74. Regarding the interaction with the international registry, pursuant to paragraph 49 of 7/CMA.4 and paragraph 23 of annex I to decision 6/CMA.4,⁴⁰ the mechanism registry shall be connected to the international registry. The connection shall:

- (a) Allow for automated pulling and viewing of data and information on holdings and the action history of AERs for use by Parties participating in the Article 6.4 mechanism that have an account in the mechanism registry and, in accordance with paragraph 17 of decision -/CMA.6,⁴¹ enable the transfer of authorized A6.4ERs to the international registry, consistent with the interoperability arrangements applicable to all registries described in decision 6/CMA.4, annex I,

⁴⁰ Decision 6/CMA.4 "Matters relating to cooperative approaches referred to in Article 6, paragraph 2, of the Paris Agreement." Annex I, paragraph 23. Available at: https://unfccc.int/sites/default/files/resource/cma2023_10a02E.pdf#page=10

⁴¹ Decision -/CMA.6. "Further guidance on the mechanism established by Article 6, paragraph 4, of the Paris Agreement." Paragraph 17. Available at: https://unfccc.int/sites/default/files/resource/cma2024_L16E.pdf#page=4 (Advance unedited version).

section I.B,⁴² and supporting the execution of functions listed in decision 2/CMA.3, annex, paragraph 29;⁴³

- (b) Enable the functions referred to in paragraphs 9–10 of annex I to decision 6/CMA.4.⁴⁴

75. Regarding the interaction with the CDM registry:

- (a) Pursuant to paragraph 75(b) of the RMPs, the registry shall be able to receive data from the CDM registry for the purpose of transferring CERs;
- (b) Pursuant to paragraph 18 of CMA.4 the transfer data received by the mechanism administrator shall include the full serial numbers of the eligible CERs and the identification of the receiving account. All transfer data shall be subject to a reconciliation process to be developed and implemented by the registry administrators of the two registries (the secretariat). Pursuant to paragraph 19 of 7/CMA.4, the registry administrator shall check the transfer data received from the CDM registry and shall record transferred eligible CERs in the receiving accounts as communicated by the CDM registry administrator;
- (c) Pursuant to paragraph 20 of 7/CMA.4, the mechanism registry may continue to receive transfers of CERs from the CDM registry until a date to be determined by the CMA.

76. Regarding the interaction with participating Parties' registries, pursuant to paragraph 17 of decision -/CMA.6,⁴⁵ participating Parties' registries referred to in paragraph 29 of the annex to decision 2/CMA.3⁴⁶ may voluntarily connect to the mechanism registry, and the connection shall enable the transfer of authorized A6.4ERs, consistent with decision 6/CMA.4, annex I, paragraphs 9–10, while ensuring the avoidance of double-counting consistent with decision 6/CMA.4, annex I, paragraph 18, and the ability to pull and view data and information on holdings and the action history of authorized A6.4ERs.

⁴² Decision 6/CMA.4 "Matters relating to cooperative approaches referred to in Article 6, paragraph 2, of the Paris Agreement." Annex I, section I.B. Available at: https://unfccc.int/sites/default/files/resource/cma2023_10a02E.pdf#page=9

⁴³ Decision 2/CMA.3 "Guidance on cooperative approaches referred to in Article 6, paragraph 2, of the Paris Agreement." Annex, paragraph 29. Available at: https://unfccc.int/sites/default/files/resource/cma2021_10a01E.pdf#page=15

⁴⁴ Decision 6/CMA.4 "Matters relating to cooperative approaches referred to in Article 6, paragraph 2, of the Paris Agreement." Annex I, paragraphs 9-10. Available at: https://unfccc.int/sites/default/files/resource/cma2023_10a02E.pdf#page=10

⁴⁵ Decision -/CMA.6. "Further guidance on the mechanism established by Article 6, paragraph 4, of the Paris Agreement." Available at: https://unfccc.int/sites/default/files/resource/cma2024_L16E.pdf#page=4 (Advance unedited version).

⁴⁶ Decision 2/CMA.3 "Guidance on cooperative approaches referred to in Article 6, paragraph 2, of the Paris Agreement." Annex, paragraph 29. Available at: https://unfccc.int/sites/default/files/resource/cma2021_10a01E.pdf#page=15

77. Regarding the interaction with the CARP, pursuant to paragraph 46 of annex I to decision 7/CMA.4, the interaction shall enable the synchronization of common nomenclatures, the automated prefilling of the agreed electronic format, and other quantitative information requirements pursuant to chapter IV (Reporting) of the annex to decision 2/CMA.3.⁴⁷
78. The registry administrator shall manage the data exchange between the mechanism registry and other systems in accordance with standards and recommended practices to be developed in accordance with decision 6/CMA.4.⁴⁸

8. Reporting and transparency

8.1. Publicly available information

79. Pursuant to paragraph 48 of annex I to 7/CMA.4, the registry administrator shall make non-confidential information relating to the activities of the mechanism registry publicly available and provide a publicly accessible interface on the UNFCCC website.
80. The mechanism registry shall stream information on the activities of the registry to the public on the dedicated UNFCCC website in real time. This information shall include the information on, at minimum:
- (a) The total amount of AERs and MCUs issued; AERs first transferred; AERs, MCUs and CERs cancelled mandatorily and voluntarily by cancellation type and purpose; and AERs and CERs retired in the reporting period and the accumulated amount since the beginning of the first report;
 - (b) The amount of AERs, MCUs and CERs in each holding account by vintage year, their authorization, and their first transfer status.
81. The registry administrator shall prepare:
- (a) Input to the annual report of the SBM to the CMA regarding the activities of the mechanism registry;
 - (b) Input to the annual report of the secretariat to the CMA on the infrastructure, as per paragraph 36(c) of the annex to decision 2/CMA.3.⁴⁹
82. Party-specific information (see section 8.2 below) shall also be made available on the publicly accessible interface on the UNFCCC website.

⁴⁷ Decision 2/CMA.3 “Guidance on cooperative approaches referred to in Article 6, paragraph 2, of the Paris Agreement.” Available at:
https://unfccc.int/sites/default/files/resource/cma2021_10a01E.pdf#page=15

⁴⁸ Decision 6/CMA.4 “Matters relating to cooperative approaches referred to in Article 6, paragraph 2, of the Paris Agreement.” Available at:
https://unfccc.int/sites/default/files/resource/cma2023_10a02E.pdf#page=2

⁴⁹ Decision 2/CMA.3 “Guidance on cooperative approaches referred to in Article 6, paragraph 2, of the Paris Agreement.” Annex, paragraph 36 c). Available at:
https://unfccc.int/sites/default/files/resource/cma2021_10a01E.pdf#page=24

8.2. Party-specific information

83. Pursuant to paragraph 46 of 7/CMA.4 the registry administrator shall, for each Party participating in the Article 6.4 mechanism, prepare the automatic prefilling of the agreed electronic format and of other quantitative information requirements pursuant to section IV (Reporting) of the annex to decision 2/CMA.3⁵⁰ in relation to AERs and the creation of records of internationally transferred mitigation outcomes in the accounts of the international registry so as to enable tracking pursuant to chapter VI.A (Tracking) of the annex to decision 2/CMA.3.⁵¹ This information shall be delivered to the CARP in accordance with section 7 above.
84. Pursuant to paragraph 47 of 7/CMA.4, the registry administrator shall produce and disseminate monthly reports to the DNAs of Parties participating in the Article 6.4 mechanism on the holdings and transaction history, including the first transfer status of AERs, in relation to the accounts and transactions associated with the respective Parties⁵².

9. Security of the registry

85. The mechanism registry will be developed and operated according to best practice standards for registries, including in relation to its security and accessibility.
86. 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.
87. 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.
- ~~87.~~ ~~Parties~~ ~~Account~~ holders 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 an account holder ~~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.

⁵⁰ Decision 2/CMA.3 "Guidance on cooperative approaches referred to in Article 6, paragraph 2, of the Paris Agreement." Annex, section IV. Available at:

https://unfccc.int/sites/default/files/resource/cma2021_10a01E.pdf#page=18

⁵¹ Ibid. section VI.A. Available at:

https://unfccc.int/sites/default/files/resource/cma2021_10a01E.pdf#page=22

⁵² Pursuant to decision [insert]/CMA.6, paragraph 14(b).

~~88-89.~~ 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~~ Account holders will be notified via the contact details of their authorized representatives.

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Appendix 1. Fee schedule

1. The following fees shall apply to account holders of the registry for the mechanism established by Article 6, paragraph 4, of the Paris Agreement:
 - (a) An account opening fee for all accounts opened:
 - (i) [USD 500] for the first account opened by an account holder;
 - (ii) [USD 800] for the second and each subsequent accounts opened by an account holder;
 - (b) An annual account maintenance fee of [USD 400] for each account;
 - (c) Connection and initialization fees for all connecting Party registries at a level to be determined.
2. The following exemptions shall apply:
 - (a) Account holders which are also activity participants shall be exempt from the account opening fee for the first account associated with each authorizing Party that they open (see para. 1(a) above);
 - (b) Account holders shall be exempt from their account maintenance fee (see para. 1(b) above) if they opened the respective account within the past 12 months;
 - (c) Party account holders shall be exempt from all fees.

Appendix 2. Fee comparison table *{to be deleted from adopted Procedure}*

- The table below provides a comparison of how the proposed fees for the registry for the mechanism established by Article 6, paragraph 4, of the Paris Agreement compare against other carbon market registry operators.
- All fees in the table are provided in USD.

Table Fee comparison

		Gold Standard	Verra	Universal Carbon Registry	Global Carbon Council	ACR Winrock	Puro.E arth	Climate Action Reserve	CTX	A6.4 registry (proposed)
Account fees	Account opening (per account)	1 000	750	No registry fees; only project registration and issuance fees	1 000	500	1 440	500	1 623	500 (800 for second account)
	Annual account maintenance (per account)	1 000	750		1 000	500	1 440	500	1 623	400
	Account reactivation (per account)	1 500	2 000		N/A	N/A	N/A	500		
Operation fees	Credits activation	N/A	N/A		N/A	0.20/credit	N/A	N/A		
	Transfer	0.02/credit	0.02/credit		0.04/credit	0.02/credit	N/A	0.03/credit		
	Retirement	0.02/credit	0.02/credit		0.04/credit	0.02/credit	0.25	0.03/credit		
	Cancellation	0.02/credit	0.02/credit		N/A	0.03/credit	N/A	Free		

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