Union Registry

Overview of the Union Registry environment, live demo*

*Live demo available in webinar video recording
The Union Registry

• The ETS Directive: ETS operations are centralised in a single register ⇒ Union Registry; operational since July 2012

• All participants in the EU ETS must have an account in the Union Registry for compliance or for trading

• Over 12,000 open accounts, about 29,000 users
What is the Union Registry in ETS?

➔ An **IT system** similar to online banking ensuring the accurate accounting of EU Allowances

➔ **Holds Accounts** of operators and traders in the carbon market

➔ **Keeps the Balance of Allowances** - acquired in auctions or on the secondary market

➔ **Enables Transfer of Allowances** (transactions) between participants

➔ **Records Annual verified CO₂ emissions**

➔ **Reconciles Allowances and verified emissions** - each operator must surrender allowances to cover verified emissions

➔ **Does not record** the financial part of a transaction
Shared Responsibilities by Commission and Member States

• **EU level**
  
  • Commission takes regulatory decisions (instructions to Central Administrator)
  
  • Central Administrator (formally Director General of DG CLIMA) operates and maintains the Registry
  
  • Operates a Service Desk to support the National Administrators

• **Member States**
  
  • Competent authorities (=ministries) take regulatory decisions concerning operators (compliance)
  
  • National administrators (NAs) manage accounts under their jurisdiction
  
  • Operate a **Service Desk** supporting account holders (and those becoming account holders)
Union Registry's users

• **Mandatory users**
  - Stationary installations
  - Aircraft operators since 2012
  - Shipping Companies as of January 1, 2024
  - Verifiers

• **Voluntary users**
  - Traders / Banks
  - Private persons
Account types in EU ETS

- Operator / Aircraft Operator / **Maritime** Operator Holding Accounts - for all obliged entities
- **Trading** Accounts – for all other entities

Transaction types in EU ETS

- **Transfers**: transfer of allowances or other units between accounts
- **Surrender**: use of allowances for compliance
Union Registry

How to obtain allowances?
Emission allowances – primary market

- Auctions take place 5 days/week with around 3 million allowances/auction and minimum lot size of 500 allowances (500tCO$_2$)
- EEX (Deutsche Börse group) performs the services of the auction platform
- Possible to bid directly or via intermediary
- Transparency: publication of auction calendar with volumes and of auction results. Auction data is reported to financial authority
Emission allowances – Secondary market

- Emission allowances and derivatives are financial instruments under the Markets in Financial Instruments Directive (MiFID) (financial rules are applicable e.g. Market Abuse Regulation, Anti-Money Laundering Directive)
- EU allowances can be obtained via financial service providers who transfer purchased allowances onto participants Registry accounts for surrender
- Can be obtained in advance in the form of futures, with the transfer of allowances at a future date
  - Webinar EU ETS - Auction participation and Secondary Market outlook - YouTube
  - 20230607_EU_ETS_-_Auction_participation_and_Secondary_Market_Outlook_EEX.pdf
Live demo: how to open an account and operate in the Registry*

*Live demo available in webinar video recording