

Notice to participants in the EU ETS and other organisations and individuals with accounts administered by the UK in the EU ETS Union Registry or an account within the UK's Kyoto Protocol Registry.

Context

We are writing to you as a UK operator of an installation or a UK administered aircraft operator that participates in the EU Emissions Trading System (EU ETS), or as an organisation/individual with an account administered by the UK in the EU ETS Union Registry or an account within the UK's Kyoto Protocol Registry.

As you will be aware, the UK has agreed with the EU an extension to Article 50 until 31 October 2019. This note provides an update on your participation in the EU ETS, your monitoring, reporting and verification obligations and the Carbon Emissions Tax. It also updates on accounts administered by the UK in the EU ETS Union Registry, and accounts in the Kyoto Protocol Registry of the UK.

Operators - Update

EU Emissions Trading System

As an EU Member State, the UK continues to participate in the EU ETS and as a result:

- the EU Emissions Trading System Union Registry administered by the UK and accounts in the Kyoto Protocol registry of the UK will continue to be accessible.
- the compliance deadline for 2018 emissions surrender under the EU ETS has now moved to 30 April 2019, in line with the deadline in the rest of the EU.
- UK operators should continue to prepare to meet 2018 compliance without their 2019 free allocation.

Under the terms of the Withdrawal Agreement the UK's participation in the EU ETS will continue until the end of the Implementation Period. Operators are advised to take suitable action to prepare for this scenario. The Commission have already instructed that the suspension to the processes for the UK relating to the Union Registry should be lifted on the day following the one on which a ratified Withdrawal Agreement is deposited with the Secretary-General of the EU Council.

The Government is confident that it can deliver a deal by 31 October 2019. However, we must prepare for every eventuality, including a no deal scenario at the end of the Article 50 extension period; we are discussing with the Commission the implications for our participation in the EU ETS in such a scenario. We will provide further advice on this as due course.

Reporting and monitoring obligations

Operators in the EU ETS (including in the opt-out scheme for small emitters and hospitals) will remain subject to Monitoring Reporting and Verification obligations in any exit scenario and should continue to comply with the Greenhouse Gas

Emissions Trading Scheme Regulations 2012 and relevant Commission Regulations.

Carbon Emissions Tax

In light of the further extension to Article 50, the government confirms that the Carbon Emissions Tax will not be commencing on 15 April. Further information on the implications of the extension for carbon pricing will be set out in due course.

National Implementation Measures (NIMs)

Stationary operators are advised that data requested under the 2019 National Implementation Measures (NIMs) exercise is still required as it is important to inform the design of the UK's long-term alternative to the EU ETS for carbon pricing. Operators should continue to prepare for submitting their verified NIMs data, in line with communications circulated by their regulators (see also [13 September 2018 announcement on the gov.uk website](#)).

Technical Notice

The Government has previously issued [Technical Notices](#) advising on the implications of a no deal exit for EU ETS operators and registry account holders. You are advised to continue to review the advice in these Notices and decide what course of action might be appropriate given your individual circumstances.

Enquiries regarding the EU ETS can be directed to eu.ets@beis.gov.uk

Enquiries regarding the carbon emissions tax can be directed to carbon.taxation@hmrc.gov.uk

Enquiries regarding the UK's Kyoto Protocol National Registry can be directed to etregistryhelp@environment-agency.gov.uk