

This newsletter provides important information on EU ETS and Swiss ETS linking for Aircraft Operators administered by the UK

EU ETS and Swiss ETS linking

The [Linking Agreement](#) between the EU and Switzerland, in relation to the EU and Swiss Emissions Trading Systems has been in place since 1 January 2020.

What is the scope of the Swiss ETS?

The Swiss ETS applies to any flight which departs from an aerodrome in Switzerland and lands at an aerodrome within the EEA, and any domestic flight within Switzerland.

What affect does the linking agreement have on the obligations of aircraft operators?

From 1 January 2020, EU ETS Aircraft Operators must also report and surrender allowances for all flights covered by the Linking Agreement, i.e.

- flights from the EEA to Switzerland
- flights from Switzerland to the EEA, and
- domestic flights within Switzerland

What does this mean for compliance?

As part of the Linking Agreement, the Commission and the Swiss authorities agreed the concept of a one-stop-shop approach, whereby an Aircraft Operator is only administered by one participating State for both the EU ETS and Swiss ETS.

As a result, Switzerland was included as an administering State in the Commission List for 2020, and a number of Aircraft Operators that were administered by the UK for EU ETS have been reattributed to Switzerland, and will be administered by the Federal Office for the Environment (FOEN), the Swiss Competent Authority.

If you are being reattributed to the FOEN, you will already have been contacted by us.

We are awaiting confirmation from the Commission about what, if any, changes to the surrender process may be implemented to facilitate the surrender of allowances for the two schemes.

2020 emissions reporting

In their 2020 scheme year Annual Emissions Report (AER) all UK administered Aircraft Operators must now include emissions from:

- Intra EEA flights;
- flights from the EEA to Switzerland;
- flights from Switzerland to the EEA; and
- domestic Swiss flights

We are working to update ETSWAP so that the AER form incorporates these additional requirements and we will let you know when this is ready for use.

Additional EU ETS Free allowance allocation

As the scope of reporting under the EU ETS now includes flights from the EEA to Switzerland, the number of free allowances allocated to Aircraft Operators has been recalculated⁽¹⁾.

Those who qualified for the additional free allocation received their allowances on the 5 August 2020.

Swiss ETS Allocation

All matters relating to the free allocation of Swiss allowances, including the Swiss 2018 TKM data collection exercise, are being dealt with by the FOEN. Any Aircraft Operator due a Swiss free allocation has been informed by the FOEN about the amount of their free allocation; the transfer of the allocation to the Aircraft Operator's Aircraft Operator Holding Account (AOHA) will take place by the end of the year.

Further information

Further information on Swiss Linking can be found in the 'FAQs on Swiss Linking' here - [Part 1](#) and [Part 2](#).

Contacting us

Questions regarding EU ETS or Swiss Linking should be directed to our ET Aviation [helpdesk](#).

⁽¹⁾ Allocation associated with the EEA-CH flights = benchmark (0.000642186914222035) x TKM (EEA-CH flights)

