

**This newsletter provides important information for UK administered aircraft operators about 2018 EU ETS Scheme Year compliance, EU Exit and 2019 allowances**

## **2018 Scheme Year compliance deadline reminder**

The deadline for UK administered aircraft operators to report their emissions through ETSWAP is **Monday 11 March 2019**.

Aircraft operators must propose their emissions in their Aircraft Operator Holding Account (AOHA) in the UK Registry and, if applicable have them approved by their verifier by **Monday 11 March 2019**.

Aircraft operators must surrender allowances equivalent to their reportable emissions from their AOHA by 23:59 Brussels time (Central European Time) on **Friday 15 March 2019**.

Due to the short time between the reporting and surrender deadlines, you may wish to complete your compliance tasks as soon as possible in order to deal with any unforeseen issues should they occur.

Please ensure that you have the correct number and type of allowances for surrender and that they will be delivered into your AOHA in good time for the 15 March 2019 deadline. Please also ensure that you have a minimum of two Authorised Representatives (ARs) on your AOHA to complete your surrender transaction. Any questions regarding your AOHA should be addressed to our Registry [helpdesk](#).

Aircraft operators who fail to surrender sufficient allowances by 15 March 2019 are liable to the mandatory civil penalty equivalent to €100 for each allowance that they fail to surrender.

## **Issuing 2019 allowances**

The European Commission confirmed in its Notice to Stakeholders on 19 December 2018 that from 1 January 2019 onwards, the UK will not be able to auction allowances, allocate allowances for free to aircraft operators or exchange international credits for as long as this suspension remains in place. This action was taken in order to protect the integrity of the EU Emissions Trading System (EU ETS) in a 'no deal scenario', and the suspension will remain in place until the day after ratification instruments concerning the withdrawal agreement are deposited. In line with the suspension notification of the European Commission, the UK government will not issue any 2019 allowances unless and until the suspension is lifted.

As advised in previous newsletters and in the Technical Notice "Meeting climate change requirements if there's no Brexit deal" ([here](#)), aircraft operators should prepare for the possibility of having to meet their 2018 obligations without the use of their 2019 free allocation. This results from the suspension notification ([here](#)), of the European Commission and the February 2018 amendment to the Registry Regulations (No 389/2013) which renders allowances issued by the United Kingdom in 2019 invalid for EU ETS compliance – these provisions will apply until the day after ratification instruments concerning the withdrawal agreement are deposited.

## **Loss of Access to Registry Accounts in a 'No Deal' Scenario**

The European Commission has stated in its Notice to Stakeholders that, as of the withdrawal date, account holders will not be able to access their accounts in the EU Emissions Trading System Union Registry administered by the United Kingdom and accounts in the Kyoto Protocol registry of the United Kingdom. Aircraft operators should take appropriate action if they wish to retain access to their allowances in a 'no-deal scenario'. This could include, but is not limited to, moving these to an existing registry account in another EEA State's registry. You may wish to seek independent advice regarding your options.

## **Transfer of third country Aircraft Operators to other EEA States**

In a 'no-deal scenario', the United Kingdom will no longer be responsible for managing the EU Emissions Trading System requirements for the aircraft operators it currently administers. If those aircraft operators continue to fall within the scope of the EU Emissions Trading System (for example, if they operate intra-EEA flights after exit), these requirements will need to be administered by an EEA State. The European Commission's Notice to Stakeholders confirmed that the Commission services will update the attribution list of aircraft operators set out in Commission Regulation (EC) No 748/2009 in the context of the annual update, to inform aircraft operators of their administering EEA State. Further details on the re-attribution process will be provided when it becomes available.

## **Talking to us**

If you have any questions regarding EU ETS compliance please contact our ET Aviation [helpdesk](#).