

This newsletter provides important information about how to apply for a free allocation entitlement under the United Kingdom Emissions Trading Scheme (UK ETS)

Introduction

This newsletter provides an important update for a person who applied to a competent authority other than the UK for an EU ETS free allocation or a person who did not apply for an EU ETS free allocation, and who wants to make an application for a free allocation entitlement under the UK ETS. In particular, it provides detailed information about what is required and the format that must be used.

Applications must be submitted to us by 31 March 2021.

Applications should be in the format requested and sent to our helpdesk [here](#).

How do I qualify for a free allocation entitlement?

To qualify for a free allocation entitlement, you must have 2010 and/or 2014 verified tonne-kilometre (TKM) data. This data **must** include flights that are within the scope of the UK ETS (UK ETS aviation activity).

Table 1 provides details of which flights are included in UK ETS aviation activity.

A free allocation entitlement is calculated by multiplying the total TKM from UK ETS aviation activity by the EU ETS phase 3 benchmark (0.000642186914222035). If your report contains UK ETS aviation activity, but the product of your TKM and the benchmark is ≤ 0.5 , you will not qualify for a free allocation entitlement.

A. What information do I need to submit to apply for a free allocation entitlement if I applied to another competent authority for my EU ETS free allocation?

1) TKM Data

You **must** provide the 2010 and/or 2014 verified TKM report(s) that you submitted to your EU ETS competent authority, and which it used to calculate your EU ETS free allowance allocation.

The data must be submitted to us in Microsoft Excel format in the same structure as in section 5

of the European Commission's tonne-kilometre data report template.

We need the information in this format so that we can review the report and extract the TKM data relating to UK ETS aviation activity.

If possible, please ensure that the aerodrome codes within your verified report are provided in the four-figure ICAO format and not the three-figure IATA format.

If the verification report that supported your TKM report submission does not form part of your TKM report, you must submit a copy separately.

2) Statement from your competent authority

You **must** send us a statement from the competent authority to which the verified TKM report was initially submitted, and who calculated your EU ETS free allowance allocation, confirming that the data you are submitting to us was the verified TKM data used by that competent authority. This statement must be in English or accompanied by an official translation into English.

As the competent authority may wish to see the TKM data submitted to us before they provide a statement, we suggest you copy them in when you submit your application to us. Alternatively, the competent authority may wish to send the verified TKM data and their statement directly to us; please ensure that you are copied into any correspondence.

If you are unable to obtain a statement from the competent authority, you will have to submit a newly verified TKM report which meets the requirements set out in section B1.

3) Statement and information on business reorganisation

You **must** provide a statement to let us know whether or not you have undergone a business reorganisation (e.g. a split or merger) since the year of your verified TKM report(s). This statement should be provided in the email accompanying your application and must be in English or accompanied by an official translation into English.

If you have undergone a business reorganisation and the verified TKM data of another entity needs to be reflected in the calculation of your free allocation entitlement you must provide the information set out in Table 2.

We may request additional information from you if we consider it necessary to process your application.

B. What information do I need to submit if I did not apply for a free allocation under EU ETS?

If you did not make an application for an allocation of free allowance under the EU ETS, you can only make an application for a UK ETS free allocation entitlement on the basis of 2010 TKM data, which **must** include UK ETS aviation activity.

1) TKM Data

You **must** submit a report containing TKM data associated with EU ETS Annex 1 activities, for 2010 which has been verified by a UK or EU accredited verifier, and which contains the information set out in section 3 of Annex 10 to Commission Regulation (EU) 2018/2066 (as it has effect in EU law)

The report must be submitted using the European Commission’s TKM report template form. A copy of the form can be found on the European Commission’s website [here](#) under the following section:

- Monitoring and Reporting Regulation (MRR); Guidance and templates: [Template No.6 Tonne-kilometre data report for aircraft operators](#)

You must submit a verification report completed by your verifier containing the information required by Article 27 of the Verification Regulation¹. The report must be submitted using the European Commission’s verification report template form. Your verifier can find a copy of the form on the Commission’s website [here](#) under the following section:

- Accreditation and Verification Regulation (AVR): Guidance and templates: [Verification report template](#)

2) Statement and information on business reorganisation

You **must** provide a statement to let us know whether or not you have undergone a business reorganisation (e.g. a split or merger) since 2010. This statement should be provided in the email accompanying your application and should be in English or accompanied by an official translation into English.

If you have undergone a business reorganisation and the verified TKM data of another entity needs to be reflected in the calculation of your free allowance entitlement you must provide the information set out in Table 2.

We may request additional information from you if we consider it necessary to process your application.

Talking to us

If you have any questions about how to apply for a free allocation entitlement please contact us through our ET Aviation Helpdesk [here](#).

Table 1. Flights within the scope UK ETS.

The TKM data on the following routes will be used to calculate a free allocation entitlement

Flights within the scope of UK ETS (UK ETS aviation activities)	
1	Flights that depart from an aerodrome situated in the UK and arrive at an aerodrome in the UK
2	Flights that depart from an aerodrome situated in the UK and arrive at an aerodrome in an EEA State (excluding outermost regions)
3	Flights between an aerodrome situated in the UK and an aerodrome in Gibraltar
4	Flights that depart from an aerodrome situated in the UK and arrive at an offshore structure (e.g. oil rig) in the UK continental shelf or an offshore structure in the continental shelf of an EEA State
5	Flights that depart from an offshore structure (e.g. offshore platform) in the UK continental shelf and arrive at an aerodrome in the UK, EEA or at an offshore structure in the continental shelf of an EEA State
6	Flights between offshore structures in the UK continental shelf

¹ (EU) 2018/2067

Table 2. Information required if you have undergone a business reorganisation since the year of your verified TKM report

If you have undergone any business reorganisation (e.g. a split or merger) since the relevant year of your TKM activity (i.e. 2010 or 2014) and the verified TKM data of another entity needs to be reflected in the calculation of your free allowance entitlement, you must provide the following information:

What you must send us if you have undergone a business reorganisation since the date of your verified TKM data
A description of the business reorganisation (i.e. details of splits or mergers), identifying the entities involved.
Evidence of the business reorganisation that it identifies the entities involved.
2010 and/or 2014 verified TKM reports supplied in the format requested in section A1 for whose TKM data needs to be considered.
A statement from the competent authority to which the report was initially submitted, and who calculated the EU ETS free allowance allocation for each entity, confirming that the data you are submitting to us was the verified TKM data used.