This newsletter contains an important update for aircraft operators assigned to the United Kingdom on the amendments to the EU ETS Directive for aviation.

Update on the Commission’s proposal

The UK Regulations implementing the EU Directive for aviation will be amended and work on this is expected to be completed later this year.

What flights are covered under the EU ETS between 1 January 2013 and 31 December 2016?
Under the new Regulations, the geographical scope of EU ETS aviation has been amended for flights between 1 January 2013 and 31 December 2016. Details of the flights that are now included and excluded from reporting are provided below. The scope of EU ETS aviation between 2017 and 2020 will be reviewed following the outcome of the 2016 ICAO Assembly.

What are the compliance dates for 2013 emissions?
The new Regulations extend the deadline for aircraft operators to report their 2013 emissions and surrender the corresponding number of allowances until 31 March 2015 and 30 April 2015 respectively. Emissions reports for 2013 should be based on the revised scope of the EU ETS as detailed in the table provided below. The same deadline will also apply to emissions for the 2014 Scheme Year.

As a result of the revised scope some slight amendments will be required to ETSWAP. We will let operators know when this work has been completed. If you have already submitted your 2013 verified emissions report to us we will contact you directly about what this means for you.

New exemption for non-commercial aircraft operators
Non-commercial aircraft operators who emit less than 1,000tCO₂ per year (1) are now temporarily exempt from the EU ETS. This exemption applies from 1 January 2013 to 31 December 2020. It is the responsibility of the aircraft operator to ensure that they comply should they exceed the 1,000tCO₂ threshold within any given reporting year.

Simplified procedures for small emitters
Commercial and non-commercial aircraft operators who emit less than 25,000tCO₂ per year (2) now have the option to determine their emissions using Eurocontrol’s small emitters tool and data from its ETS Support Facility, rather than having their emissions verified by an independent verifier. It is the responsibility of the operator to ensure that the emissions they report to us are correct.

Free allowance allocations 2013 to 2016
The number of free allowances to be issued to eligible aircraft operators each year for 2013 to 2016 (inclusive) will be amended in line with the reduced scope of the EU ETS. The new level of free allowances will be based on verified 2010 tonne-kilometre data and the UK will recalculate the number of allowances due and publish these figures by 30 August 2014.

Due to the reduction in scope; the Regulation will also affect the number of allowances an operator may receive under the Special Reserve.

Further information
If you have a query regarding EU ETS please contact our ET Aviation helpdesk.

(1) and (2) Both the 1,000tCO₂ and 25,000tCO₂ thresholds are based on the full scope of the EU ETS i.e. all Annex I flights including extra-European and positioning flights.
Flights covered under EU ETS between 1 January 2013 and 31 December 2016

**EEA States:** Austria, Belgium, Bulgaria, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, United Kingdom, Norway, Iceland, Liechtenstein.

**Territories of Member States which are part of the EEA:** Melilla, Ceuta (ES); Åland Islands (FI); Jan Mayen (NO); Gibraltar (UK). Flights between aerodromes in these territories and any aerodrome in the EEA remain fully covered.

Flights between any aerodromes in the EEA and offshore installations of EEA countries that are outside territorial waters (e.g. oil and gas production or exploration platforms) also remain fully covered under the EU ETS.

**Outermost Regions:** Canary Islands (ES); French Guiana; Guadeloupe; Martinique; Mayotte (from 2014); Réunion; Saint Martin (FR); Azores; Madeira (PT).

**Overseas countries and territories of Member States:** Greenland, Faroe Islands (Denmark); French Polynesia, Mayotte (2013 only), New Caledonia, Saint Barthélemy, Saint Pierre, Miquelon, Wallis and Futuna (France); Aruba, Bonaire, Saba, Sint Eustatius, Curaçao, Sint Maarten (Netherlands); Svalbard (Norway); Anguilla, Bermuda, British Antarctic Territory, British Indian Ocean Territory, British Virgin Islands, Cayman Islands, Falkland Islands, Bailiwick of Guernsey, Isle of Man, Jersey, Montserrat, Pitcairn, Henderson, Ducie and Oeno Islands, Saint Helena, Ascension and Tristan da Cunha, South Georgia and the South Sandwich Islands, Turks and Caicos Islands, Akrotiri, Dhekelia (United Kingdom).

<table>
<thead>
<tr>
<th>Depart from</th>
<th>Arrive to</th>
<th>Included and Reportable (intra-European)</th>
<th>Not included/Not reportable (extra-European)</th>
</tr>
</thead>
<tbody>
<tr>
<td>EEA States and territories of Member States (e.g. UK or Gibraltar)</td>
<td>EEA States and territories of Member States (e.g. France or Melilla)</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Outermost Regions of EEA States* (i.e. flights within the same region e.g. Canary Islands)</td>
<td>EEA States and territories of Member States (e.g. France or Melilla)</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Croatia**</td>
<td>EEA States and territories of Member States (e.g. France or Melilla)</td>
<td>Yes</td>
<td>Yes</td>
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<tr>
<td>Overseas countries and territories of EEA States (e.g. Jersey)</td>
<td>EEA States and territories of Member States (e.g. France or Melilla)</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Third Countries (e.g. Switzerland)</td>
<td>EEA States and territories of Member States (e.g. France or Melilla)</td>
<td>Yes</td>
<td>Yes</td>
</tr>
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* Internal flights within Outermost Regions are included (i.e. Canary Islands to Canary Islands); however flights between Outermost Regions (e.g. Canary Islands to Madeira) are not included.

** Flights between Croatia and EEA States are fully included from 1 January 2013. Domestic flights within Croatia must be reported from 1 July 2013 to 31 December 2013, but with no surrender obligation for these emissions. Emissions from flights within Croatia are fully covered, with regards to reporting and surrendering from 1 January 2014.