

Unofficial translation from Finnish language

The official version in Finnish language is to be found by quoting the number of this act at web-site: www.finlex.fi

Act
on the Use of the Kyoto Mechanisms
(Act 109/2007)

Adopted in Helsinki on 2 February 2007

In accordance with the decision by Parliament the following has been enacted:

Chapter 1

General provisions

Section 1

Purpose of the Act

The purpose of this Act is to provide the administrative framework for participation in project activities under the Kyoto Protocol (Treaty Series of the Statute Book of Finland 12—13/2005) to the UN Framework Convention on Climate Change (UNFCCC), hereinafter the Kyoto Protocol, and emissions trading under the Protocol, and to lay down provisions for the operation of the registry established under the Emissions Trading Act (683/2004) as the national registry required for the implementation of the Kyoto Protocol.

Section 2

Scope of application

This Act will be applied to:

- 1) projects under Article 6 of the Kyoto Protocol (*Joint Implementation projects*) intended to generate Kyoto units to be recorded in the national registry and implemented outside Finland;
- 2) Joint Implementation projects to be implemented in Finland;
- 3) projects under Article 12 of the Kyoto Protocol (*Clean Development Mechanism projects*) intended to generate Kyoto units to be recorded in the national registry;
- 4) activities under Article 17 of the Kyoto Protocol (*international emissions trading*) by which Kyoto units are transferred between an account in the national registry and an account in another registry connected to the In-

ternational Transaction Log of the Climate Change Convention; and

5) the holding of Kyoto units in accounts in the national registry as well as transfers of such units to and from accounts in the national registry.

However, with the exception of subsection 1 (2) of section 26 and section 29, this Act will not be applied to the holding of allowances referred to in the Emissions Trading Act in accounts in the national registry or the transfer of allowances to and from an account in the national registry.

Section 3

Definitions

For the purposes of this act:

1) *Climate Change Convention* means the United Nations Framework Convention on Climate Change (UNFCCC) (Treaty Series of the Statute Book of Finland 61/1994);

2) *Kyoto Protocol* means the protocol referred to under section 1;

3) *Annex I Party* means a party mentioned in Annex I of the Climate Change Convention, specified in Article 1 (7) of the Kyoto Protocol;

4) *decision by the COP/MOP* means a decision adopted by the Conference of the Parties to the Climate Change Convention serving as the meeting of the Parties to the Protocol, referred to in the Kyoto Protocol;

5) *commitment period* means the consecutive time periods for which the Kyoto Protocol or any amendments to the Protocol inscribe state-specific emission limitation and reduction commitments, the first beginning on 1 January 2008 and ending on 31 December 2012;

6) *assigned amount* means the highest allowable amount of greenhouse gas emissions resulting from activities in the Annex I Party, mentioned in subsection 3, that has been calculated in accordance with Article 3 (7) of the Kyoto Protocol, relevant decisions by the COP/MOP and, when involving a European Union Member State, the provisions under Union legislation on meeting the require-

ments of Article 4 of the Kyoto Protocol and other Protocol commitments, and that has been reviewed for the first commitment period in accordance with the process pursuant to Article 8 of the Kyoto Protocol; if a corresponding amount of assigned emissions is adopted for a corresponding purpose for the subsequent commitment period or periods, the assigned amount refers to this amount of emissions;

7) *assigned amount unit* (AAU) means a unit of the assigned amount equalling one metric tonne of carbon dioxide equivalent;

8) *removal unit* (RMU) means a unit issued pursuant to Article 3 (3 and 4) of the Kyoto Protocol and relevant decisions by the COP/MOP for an increase in net removals of greenhouse gases from the atmosphere during a specified time period as a result of activities implemented within the territory or exclusive economic zone of an Annex I Party, and which is equal to one metric tonne of carbon dioxide equivalent;

9) *host country* means the country on whose territory or exclusive economic zone a Joint Implementation or Clean Development Mechanism project is implemented;

10) *participating country* means an Annex I Party which itself participates or which has authorised a legal entity to participate in a Joint Implementation project and which is not the host country;

11) *emission reduction unit* (ERU) means a unit generated by a project implemented in the territory or exclusive economic zone of an Annex I Party, which is issued pursuant to Article 6 of the Kyoto Protocol and relevant decisions by the COP/MOP, and which is equal to one metric tonne of carbon dioxide equivalent;

12) *certified emission reduction* (CER) means a unit generated by a project implemented in the territory or the exclusive economic zone of a country not included in Annex I of the Protocol, issued pursuant to Article 12 of the Kyoto Protocol and relevant decisions by the COP/MOP, and which is equal to one metric tonne of carbon dioxide equivalent;

13) *Kyoto unit* means an assigned amount unit (AAU), a removal unit (RMU), an emis-

sion reduction unit (ERU) or a certified emission reduction (CER);

14) *International Transaction Log of the Climate Change Convention* means an impartial transaction log, maintained by the Secretariat of the Climate Change Convention, established in accordance with the relevant decisions by the COP/MOP to monitor compliance with the commitments and restrictions concerning international transfers of Kyoto units, and assigned amounts;

15) *Community Emissions Trading Scheme*, covering the Member States of the European Union, means an arrangement in accordance with Directive 2003/87/EC of the European Parliament and of the Council establishing a scheme for greenhouse gas emission allowance trading within the Community and amending Council Directive 96/61/EC, hereinafter the Emission Trading Directive, that provides for trading in assigned amount units converted into allowances within the Community;

16) *Commission registries regulation* means Commission Regulation (EC) No 2216/2004 for a standardised and secured system of registries pursuant to Directive 2003/87/EC of the European Parliament and of the Council and Decision No 280/2004/EC of the European Parliament and of the Council;

17) *national registry* means a registry referred to in section 42 (1) of the Emissions Trading Act;

18) *registry administrator* means the competent authority referred to in the Emissions Trading Act;

19) *holding account* means an account opened in the national registry for holding of allowances referred to in the Emissions Trading Act, with the exception of retirement and cancellation accounts;

20) *Party holding account* means the holding account of a Party, held in the national registry, referred to in the Commission registries regulation;

21) *account holder* means anyone for whom the registry administrator has opened an account in the national registry;

22) *retirement account* means the account established by the registry administrator in

the national registry pursuant to the Commission registries regulation on holding Kyoto units, the purpose of which is to demonstrate compliance with Finland's emission limitation and reduction commitments under Article 3 (1) of the Kyoto Protocol; and

23) *cancellation account* means the account established by the registry administrator in the national registry in accordance with the Commission registries regulation and relevant decisions by the COP/MOP, to which Kyoto units are transferred, disabling any state to use them to demonstrate its compliance with the emission limitation and reduction commitments under Article 3 (1) of the Kyoto Protocol.

Chapter 2

Participation in projects and international emissions trading

Section 4

Decision-making on participation in the Kyoto Mechanisms

Pursuant to Article 6 (1 a) of the Kyoto Protocol, any decision on the approval of a project as a Joint Implementation project to be issued in the name of the State of Finland is made by the Ministry of the Environment. The Ministry of the Environment also takes decisions on any authorisation, pursuant to Article 6 (3) of the Kyoto Protocol, issued in the name of the State of Finland, for participation in such a project or preparation thereof.

Any decision on the approval of a project as a Clean Development Mechanism project given in the name of the State of Finland is made by the Ministry for Foreign Affairs. The Ministry for Foreign Affairs also takes decisions on authorisations given in the name of the State of Finland with respect to participation in such a project or preparation thereof.

Decisions on separate authorisations given in the name of the State of Finland for hold-

ing Kyoto units in a holding account in the national registry and making transfers under international emissions trading to and from this account are made by the Ministry of the Environment. The Ministry of the Environment also participates in international emissions trading on behalf of the State of Finland.

Section 5

Authorisation for Joint Implementation and Clean Development Mechanism when the project is implemented outside Finland

Authorisation to participate in a Joint Implementation project or a Clean Development Mechanism project outside Finland or preparation thereof is given upon application to:

- 1) an operator referred to in the Emissions Trading Act with a valid emission permit; or
- 2) a legal person other than an operator referred to in paragraph 1 with solid financial status and a domicile in Finland, who is also in other respects deemed to have a genuine opportunity to participate in a project in accordance with Finland's international commitments.

Such authorisation cannot concern a project which *prima facie* cannot be approved as a Joint Implementation or a Clean Development Mechanism project pursuant to section 7.

Applications for authorisation and approval pursuant to section 7 can also be filed simultaneously.

Section 6

Contents and duration of an authorisation regarding a project implemented outside Finland

Authorisation given pursuant to section 5 above shall include a definition of the project or projects it concerns or, if the authorisation concerns the preparation of one or more projects, the authorities granted to the applicant

shall be defined, at least for each host country and project type.

Authorisation cannot concern the authority to grant approval referred to in section 7.

Project-specific authorisation is valid for the time period during which the authorised legal person has the opportunity to acquire Kyoto units generated by the project.

Authorisation concerning preparation of a project is given for a specific period of time, and for a maximum of five years.

If more than one applicant is granted authorisation to participate in the same project, each applicant must be granted separate authorisation.

Section 7

Approval of a project to be implemented outside Finland as a Joint Implementation or Clean Development Mechanism project

The approval of the State of Finland of a project as a Joint Implementation or a Clean Development Mechanism project to be implemented outside Finland is given upon application by a legal person granted an authorisation pursuant to section 5 if:

- 1) the applicant is a participant in the project;
- 2) Kyoto units generated by the project are intended to be recorded in the holding account held by the applicant in the national registry;
- 3) the host country of the project is a Party to the Kyoto Protocol and has, on its own behalf, approved the project as a Joint Implementation or a Clean Development Mechanism project; and
- 4) in terms of its objectives and planned implementation, the project meets the requirements under the Kyoto Protocol, the relevant decisions by the COP/MOP and Article 11 b (6) of the Emissions Trading Directive and can also be deemed practicable in other respects.

However, approval will be denied if the project's contents or way of implementation infringe the principles of international co-

operation approved by Finland or international legal obligations of Finland, or if granting such approval would in other respects be likely to prove harmful to Finland's national interests.

A ministry decision to grant approval for a project with the State of Finland as a participant can be made without an application. In other respects, the conditions of approval may not deviate from what has been laid down in subsections 1 and 2 above.

Section 8

Granting authorisation and approval for a fund

Notwithstanding the provisions of section 5 (1) on the domicile of the legal person the authorisation is granted to, an authorisation pursuant to section 5 can be given to a foreign legal person managing a fund:

1) which the State of Finland has joined; and

2) the funds of which are being utilised for the preparation and implementation of Joint Implementation projects or Clean Development Mechanism projects, the parties having joined the fund being entitled to receive a certain share of the Kyoto units generated by these projects.

Notwithstanding the provisions of section 7 (1, item 2), approval pursuant to section 7 can also be granted to a project for which an authorisation has been granted pursuant to subsection 1.

If necessary due to the operating principles of the fund or nature of the projects, an authorisation referred to in subsection 1 can also be applied to both Joint Implementation projects and Clean Development Mechanism projects, in which case the authorisation will be granted by the ministry, referred to in section 4, the authorisation of which covers a larger share of the fund's activities, after consultation with the other ministry involved.

Section 9

Approval of a project as a Joint Implementation project to be implemented in Finland and authorisation included therein

Approval by the State of Finland of a project to be implemented in the territory or exclusive economic zone of Finland as a Joint Implementation project can be granted upon application if:

1) the country or countries intending to participate in the project are Parties to the Kyoto Protocol with a quantified emission limitation and reduction commitment inscribed in Annex B of the Protocol;

2) the applicant is a legal person domiciled in Finland;

3) the applicant has solid financial status and has a genuine opportunity to participate in the project in other respects;

4) in terms of its contents, the project meets the requirements under the Kyoto Protocol, the relevant decisions by the COP/MOP and Article 11 b (6) of the Emission Trading Directive, and it can also be deemed practicable in other respects;

5) the project can be implemented in accordance with the legislation applied in Finland; and

6) an acceptable plan exists for monitoring emissions occurring within the scope of the project and verifying the emission reductions generated by it.

Approval will not be granted for any project that reduces the greenhouse gas emissions of an installation participating in the Community Emissions Trading Scheme.

If the project has not been granted approval as a Joint Implementation project by another participating country, obtaining such approval must be set as a precondition for putting into effect any approval granted in the name of the State of Finland.

Approval granted for a project also includes any authorisation to participate in the project in question issued to the applicant in the name of the State of Finland. The provisions of section 6 (3 and 5) will be applied to the contents and duration of the authorisation.

A ministry decision on granting an approval for a project in which the State of Finland is one of the participants can be made without an application. In other respects, the conditions of approval may not deviate from what has been laid down hereinabove in this section.

Section 10

Verification of emission reduction units of a Joint Implementation project to be implemented in Finland and approval of the verifier

For the purpose of verifying the emission reduction units of a Joint Implementation project to be implemented in Finland, a verifier approved for the project in question by the Ministry of the Environment must be used.

The competency requirements for the verifier are that:

- 1) the verifier is a legal person or part of a legal person registered in Finland or some other Member State of the European Economic Area;
- 2) the verifier is operationally and financially independent of the project to be verified;
- 3) the verifier has at his disposal the necessary financial resources for the appropriate organisation of the activities and coverage of eventual compensation liabilities;
- 4) the verifier has access to the equipment, tools and work and data management systems required for carrying out his work;
- 5) the verifier has at his disposal sufficient competent personnel for evaluating the greenhouse gas emissions with respect to the project under verification, taking into account the characteristics of the project; and
- 6) the verifier has sufficient understanding of the Climate Change Convention and the regulations and decisions concerning Joint Implementation projects under the Kyoto Protocol.

When carrying out the administrative duties prescribed by law, the verifier must observe the provisions laid down in the Act on

the Openness of Government Activities (621/1999), the Act on Electronic Services and Communication in the Public Sector (13/2003), the Administrative Procedure Act (434/2003) and the Language Act (423/2003).

When approving a verifier, the Ministry of the Environment may attach certain conditions to its approval decision, necessary for ensuring the appropriate implementation of the verification process. Further provisions on the monitoring of emissions, the report to be filed on the emissions, the verifier's statement, the approval procedure of the verifier, the evaluation of approval criteria and the implementation of the verification process may be provided by the Ministry of the Environment decree.

Section 11

Cancellation of approval of a verifier

If the verifier no longer meets the requirements pursuant to section 10 or commits a fundamental breach of the regulations and criteria of the approval decision, the Ministry of the Environment must request that the verifier rectify his actions within a certain period of time. If the verifier fails to meet the requirements of the regulations and permit conditions within the period of time prescribed, the Ministry of the Environment may cancel the approval of the verifier in question.

Section 12

Appealing against the verifier's statement

The verifier's statement can be appealed against, such an appeal being made directly to the verifier within 14 days of notification of the statement. The statement must be accompanied by instructions on how to appeal for the correction of a decision.

Any appeal against the decision given by the verifier in accordance with the correction procedure shall be lodged in an Administra-

tive Court in accordance with the Administrative Judicial Procedure Act (586/1996).

Section 13

Issuance of emission reduction units in projects implemented in Finland

The Ministry of the Environment shall take any decisions on the issuance of emission reduction units generated by a Joint Implementation project implemented in Finland upon application by the legal person authorised to participate in the project or, if the participant is the State of Finland, on its own initiative after having received the report on emission reductions generated by the project drawn up in accordance with the verification plan presented upon the approval of the project. The issuance decision shall apply to the amount of emission reduction units generated after the previous issuance decision. In the same connection, the Ministry shall also decide on the issuance of these emission reduction units into the Party holding account in the national registry by converting an equal number of assigned amount units or removal units held in the account into emission reduction units. Correspondingly, upon the request of an authorised legal person or on the basis of an agreement made, the Ministry of the Environment shall decide on transferring these emission reduction units to the accounts of the participating countries and legal entities operating under their authorisation.

The number of emission reduction units to be recorded in the account pursuant to subsection 1 above may not exceed the number corresponding to the actual generated emission reductions.

If the State of Finland fails to meet the eligibility requirements set out for a Joint Implementation project host country under the relevant decisions by the COP/MOP, the report referred to in subsection 1 must be based on the verification procedure required in such a situation in accordance with the relevant decisions by the COP/MOP.

Section 14

Progress report on the project

The competent authority granting authorisations may order that a legal person granted authorisation for participation in a Joint Implementation or Clean Development Mechanism project or preparation thereof submit, at regular intervals, a report on the progress of the project or its preparation and on the project's participating countries.

Section 15

Authorisation for holding Kyoto units in an account and transfers in international emissions trading

Authorisation is required for holding Kyoto units in any holding account other than the one held by the State.

An operator referred to in the Emissions Trading Act with a valid emission permit, as well as a legal person granted an authorisation under this Act to participate in a Joint Implementation project or a Clean Development Mechanism project has, pursuant to this subsection, authorisation to hold all Kyoto units in his holding account in the national registry.

Authorisation to hold all types of Kyoto units in a holding account may be granted to persons other than the legal person referred to in subsection 2 upon application, if the applicant has a sound financial status and has genuine opportunities to participate in international emissions trading in accordance with the requirements of the Kyoto Protocol and the relevant decisions by the COP/MOP. A decision on granting said authorisation shall be made by the Ministry of the Environment.

The authorisation referred to in subsection 3 above shall be given for a specific period of time, limited to one commitment period at a maximum and, subsequently, four months at a time.

The authorisation referred to in subsections 2 and 3 above includes any authorisation granted to the authorised legal person to transfer Kyoto units within the framework of international emissions trading between his holding account in the national registry and another account in a registry connected to the International Transaction Log of the Climate Change Convention not belonging to the Community Emissions Trading Scheme.

Section 16

Cancellation of authorisation

An authorisation concerning participation in a Joint Implementation or Clean Development Mechanism project or preparation thereof as well as separate authorisation to hold Kyoto units on a holding account may be fully or partially cancelled, if the requirements for granting the authorisation are no longer met.

The authorisation may be cancelled as a result of neglecting the reporting obligation referred to under section 14 until the authorised legal person has provided the required report.

The authorisation may also be cancelled if the authorised legal person exceeds the authority granted to him under the authorisation with intent or through negligence, or neglects to fulfil his duties in accordance with the authorisation.

The authorisation shall be cancelled by the issuer of the authorisation.

Section 17

Measures resulting from cancellation of authorisation to hold Kyoto units

If the account holder ceases to have valid authorisation in accordance with section 15 above and the account holder has Kyoto units left in his holding account, the account holder shall, within two months of notification of the decision leading to cancellation of

the authorisation or one month from the specified due date for the cancellation, make the necessary requests to the registry administrator to have these units transferred from his account. If this procedure is not followed, the units left on the account shall be auctioned by the registry administrator with expenses charged to the account holder, and the registry administrator shall transfer the units to the holding account of the new owner.

Subsection 1 of this section does not apply to Kyoto units held in a holding account, the closing of which is covered by section 4 of chapter III of the Commission registries regulations.

Section 18

Cancellation of approval for a project

Approval granted for a Joint Implementation or Clean Development Mechanism project to be implemented outside Finland may be cancelled if the host country of the projects ceases to be a Party to the Kyoto Protocol.

Approval granted for a project to be implemented in Finland may be cancelled if the participating country of the project ceases to be a Party to the Kyoto Protocol.

Any such approval shall be cancelled by the issuer of the approval.

Section 19

Notification of authorisation and approval

The registry administrator must be notified of any decision concerning the authorisation or approval of a project as well as cancellation thereof.

The registry administrator shall hold a public list of people who have authorisation granted by a competent Finnish authority, and of any projects granted approval by Finland.

Section 20

Authorisation to issue decrees concerning the contents of applications and reports

The ministry tasked with granting approval and authorisations for projects shall issue decrees concerning the contents of applications for approval or authorisation. The ministry can also issue provisions by decree on the contents of any reports concerning the progress of the project or preparation thereof.

Section 21

International agreements concerning Joint Implementation projects

The Ministry of the Environment can make agreements with a competent authority of a country that is a Party to the Kyoto Protocol, mentioned in Annex B of the Protocol, on implementing individual Joint Implementation projects in the country in question. However, such agreements may not concern matters that fall within the scope of legislation or otherwise require parliamentary approval.

Chapter 3

Operation of the national registry

Section 22

National registry and the tasks of the registry administrator

The national registry shall act as Finland's registry required in accordance with the relevant decisions by the COP/MOP and the Commission registries regulation.

In addition to what has been provided elsewhere and pursuant to the relevant decisions by the COP/MOP, the Commission registries regulation and provisions of this Act, by using the national registry the registry administrator shall be responsible for:

1) keeping a record of the issuance, holding, transfer and acquisition of Kyoto units, as well as the transfer of Kyoto units to retirement and cancellation accounts and the carry-over of Kyoto units to the next commitment period;

2) carrying out the transfers of Kyoto units between the accounts in the national registry and between an account in the national registry and another account in a registry connected to the International Transaction Log of the Climate Change Convention not belonging to the Community Emissions Trading Scheme and;

3) carrying out the conversion of an assigned amount unit and removal unit into emission reduction units.

Section 23

Holder of the Party holding account

The Ministry of the Environment shall act as the holder of the Party holding account in the national registry.

As the holder of the Party holding account, the Ministry of the Environment shall confirm:

1) at the beginning of each commitment period, Finland's assigned amount to be issued into the Party holding account in the national registry after the completion of the review process referred to in Article 8 of the Kyoto Protocol;

2) on the basis of a report by Statistics Finland, the number of those still unregistered removal units generated in various ways in Finland during the commitment period, to be issued into the Party holding account in the national registry after the completion of the review process referred to in Article 8 of the Kyoto Protocol;

3) at the beginning of each commitment period, the date chosen for issuing the removal units generated in various ways in Finland during the commitment period, after having consulted the Ministry of Agriculture and Forestry.

The Ministry of the Environment shall also take any decisions on the transfer of Kyoto

units from the Party holding account to the retirement or cancellation account, unless the obligation with respect to such transfers is assigned to the registry administrator under the Commission registries regulation or this Act without any specific assignment.

Section 24

Initial issuance of assigned amount units and removal units

At the beginning of each commitment period, the registry administrator shall issue assigned amount units into the Party holding account as requested by the account holder. Similarly, at the end of each commitment period or of each year within the commitment period, the registry administrator shall issue removal units into the Party holding account as requested by the account holder.

Section 25

Transfers of Kyoto units between accounts

The registry administrator shall carry out transfers of Kyoto units, for which the account holder has authorisation referred to in section 15 above and in accordance with the account holder's requests, from the account holder's holding account in the national registry, to another account in a registry connected to the International Transaction Log of the Climate Change Convention not belonging to the Community Emissions Trading Scheme, unless the transfer is against the provisions of the Kyoto Protocol, relevant decisions by the COP/MOP or community regulations.

Similarly, the registry administrator shall record the transfers of Kyoto units from an account in a registry connected to the International Transaction Log of the Climate Change Convention not belonging to the Community Emissions Trading Scheme, to an account in the national registry, whose holder has an authorisation referred to in sec-

tion 15 above and into which the holder of this other registry has directed them, unless the transfer contravenes the provisions of the Kyoto Protocol, relevant decisions by the COP/MOP or community regulations.

The provisions concerning the obligation of the registry administrator to make transfers of Kyoto units between accounts belonging to the Community Emissions Trading Scheme are laid down under the Commission registries regulation.

If the registry administrator comes to the conclusion that he cannot carry out the transfer in accordance with the account holder's request, he must notify the account holder immediately and specify the reason for which the transfer cannot be implemented.

Section 26

General limitation on transfer of Kyoto units

Approval or authorisation granted under this Act does not give the right to have Kyoto units transferred to or from an account in the national registry if:

1) the transfer itself would violate the provisions of the Kyoto Protocol, relevant decisions by the COP/MOP or community legislation; or

2) the transfer would lead to a situation in which, as regards combined holdings on holding accounts and retirement accounts:

a) the total amount of all allowances and Kyoto units would fall below the limit prescribed by the relevant decisions by the COP/MOP; or

b) the total amount of Kyoto units generated by certain kinds of projects would exceed the limit prescribed by the relevant decisions by the COP/MOP.

If it is necessary to limit transfers of Kyoto units from an account in the national registry for a reason specified under subsection 1, item 2a above, the registry administrator shall keep the transfer requests received and, after the reason for the limitation has been removed, process the requests in the order of their arrival.

Section 27

Transfer of Kyoto units to retirement and cancellation accounts

The registry administrator shall carry out transfers of Kyoto units from different accounts in the national registry to the retirement account upon the account holder's request or to cancellation accounts either in cases specified by the Commission registries regulation or upon the account holder's request. If a transfer carried out for some reason other than upon request requires making a choice between different Kyoto unit types, the registry administrator must give the account holder an opportunity to make this choice.

Section 28

Limitations on the carry-over of Kyoto units to the next commitment period

After the additional period for fulfilling commitments following the end of the commitment period, prescribed by the relevant decisions by the COP/MOP, the registry administrator shall transfer to the cancellation account removal units and such emission reduction units generated during the previous commitment period that have been converted from removal units and held in the holding account of each account holder.

If, at the end of the additional period for fulfilling commitments and after the procedure in accordance with subsection 1 above has been carried out:

1) such emission reduction units or certified emission reductions that were generated before the end of the commitment period are still held in the holding accounts in the national registry and

2) the combined amount of such units held in all holding accounts for one or both of the Kyoto unit types is greater than 2.5 per cent of the assigned amount set for Finland for the previous commitment period,

the registry administrator shall transfer such an amount of units referred to subsection 2, item 1 above from holding accounts to the cancellation account, so that the limit referred to subsection 2, item 2 above for the Kyoto unit type in question is reached. In such a case, the Kyoto unit type in question shall be transferred from each holding account in proportion to the share of such Kyoto units in that holding account compared to the total quantity of such Kyoto units held in all holding accounts.

If the application of section 2 would mean the transfer of part of a Kyoto unit, then a whole unit shall be transferred.

The registry administrator must, in good time and before the end of the additional period for fulfilling commitments, remind the account holders of the obligations provided for the registry administrator under this paragraph.

Section 29

Monitoring of total reserve of Kyoto units

It is the Ministry of the Environment's duty to monitor the development of the total reserve of Kyoto units held in the national registry. For this purpose, the registry administrator must regularly inform the Ministry of the Environment of the total quantities of allowances and Kyoto units held in the accounts of all operators referred to in the Emissions Trading Act as well as in the accounts of all other account holders as well as the amount of Kyoto units held in the retirement account.

Section 30

Publicity of registry information

The publicity provisions laid down in the Commission registries regulation apply to publicity on information held in the national registry.

Chapter 4

Further provisions

Section 31

Appeals

Decisions made by a ministry or the registry administrator under this Act may be appealed against under the provisions of the Administrative Judicial Procedure Act.

Section 32

Charges for official services

The fees to be charged for ministry decisions concerning authorisation or approval are determined by decree of the ministry in question pursuant to the provisions of the Act on Criteria for Charges Payable to the State (150/1992).

Provisions concerning the registry administrator's right to charge fees for tasks concern-

ing the maintenance of national registry accounts are laid down in the Emissions Trading Act.

Chapter 5

Entry into force

Section 33

Entry into force of the Act

This Act will enter into force on 12 February, 2007.

Section 34

Authorisations and approvals granted before the Act's entry into force

What has been laid down under this Act shall have no effect on the validity of authorisations and approvals concerning Joint Implementation and Clean Development Mechanism projects granted before the Act's entry into force.

Adopted in Helsinki on 2 February 2007

President of the Republic

Tarja Halonen

Minister of Trade and Industry Mauri Pekkarinen