

**Important information about how to apply for an Aviation Free Allocation Entitlement (AFAE) under the United Kingdom Emissions Trading Scheme (UK ETS), to reflect the inclusion of flights from Great Britain to Switzerland in UK ETS Scope**

## **Aviation Free Allocation Entitlement (AFAE) to reflect expansion of UK ETS Scope**

From 1 January 2023, the scope of UK ETS expanded to include flights (other than excluded flights) departing from Great Britain<sup>1</sup> (GB) and arriving in Switzerland (CH) (GB-CH flights). As a result, a person that has historical aviation activity including GB-CH flights may apply for a UK ETS Aviation Free Allocation Entitlement (AFAE) using verified tonne-kilometre data (verified TKM data) from 2010 and/or 2014.

### **How do I qualify for a GB-CH AFAE?**

To qualify for an AFAE arising from GB-CH flights (GB-CH AFAE), you must have 2010 and/or 2014 verified TKM data that includes GB-CH flights.

The AFAE is calculated by multiplying the total verified TKM data from GB-CH flights by the EU ETS phase 3 benchmark (0.000642186914222035). If this results in a figure  $\leq 0.5$ , you will not qualify for a GB-CH AFAE.

### **Making a GB-CH AFAE application**

All applications for a GB-CH AFAE must be made in writing and emailed to [etaviationhelp@environment-agency.gov.uk](mailto:etaviationhelp@environment-agency.gov.uk) by **31 March 2023**.

The AFAE application process differs depending on whether you have applied for a UK ETS AFAE and/or EU ETS free allocation entitlement in the past. The four categories and the application processes that apply to them are set out below.

#### **1. You applied for FAE under UK ETS by 31 March 2021**

If you made an AFAE application under UK ETS by 31 March 2021, **you do not need to make an application** because your regulator will recalculate your AFAE using any verified TKM data relating to your GB-CH flights contained in that application.

Your regulator may request further information from you if this is necessary to carry out the recalculation.

#### **2. You submitted verified TKM data to the Environment Agency as part of an EU ETS free allocation entitlement application, but did not make an application for a UK ETS AFAE by 31 March 2021**

If you are in this category, and wish to apply for a GB-CH AFAE, you must provide:

- a. your consent for the Regulator to use the verified TKM data which you submitted to the Environment Agency in respect of your EU ETS free allocation entitlement application;
- b. a statement to confirm that you have not undergone any business reorganization that affects the activities included in the verified TKM data you submitted;
- c. if you have undergone a business reorganization that affects the activities included in the verified TKM, the information set out in the "Business Reorganization" section below.

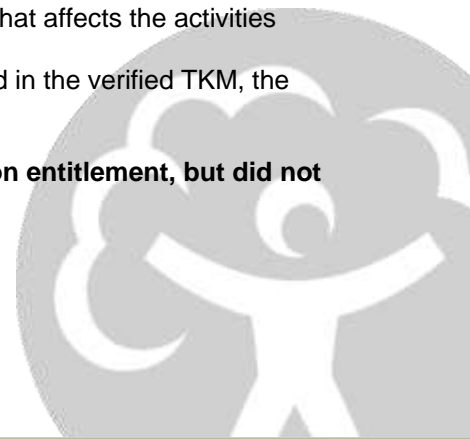
#### **3. You applied to an EEA State Competent Authority for an EU ETS free allocation entitlement, but did not apply for a UK ETS AFAE**

If you are in this category, and wish to apply, you must provide:

- a. your verified TKM data, which can be either:

---

<sup>1</sup> Great Britain comprises England, Wales and Scotland.



- i. the TKM data and associated verification reports submitted to the Competent Authority for the purpose of calculating your EU ETS free allocation entitlement; or
  - ii. a new verified 2010 and/or 2014 TKM data report which meets the requirements specified under category 4, below;
- b. if you've provided the information submitted to a Competent Authority described in category a(i), you must also provide a statement from the Competent Authority confirming that the data in the report(s) was used, unmodified, to calculate your EU ETS free allocation entitlement. If you are unable to obtain this statement, you will have to submit a new verified report which meets the requirements specified under category 4;
  - c. a statement to confirm whether or not you have undergone any business reorganization that affects the activities included in the verified TKM since the relevant year of activity (2010 or 2014);
  - d. if you have undergone a business reorganization, the information specified in the business reorganization section, below.

#### **4. You did not apply for a free allocation entitlement under EU ETS or a UK ETS AFAE**

If you are in this category, and you wish to apply, you must provide:

- a. a report containing the TKM data relating to your 2010 Scheme Year EU ETS Annex 1 aviation activities which has been verified by a UK ETS or EU ETS 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); and
- b. a verification report containing the information set out in Article 27 of Commission Implementing Regulation (EU) [2018/2067](#) (as it has effect in EU law);
- c. a statement to confirm whether or not you have undergone any business reorganization since 2010 that affects the activities included in the verified TKM data;
- d. if you have undergone a business reorganization, the information specified in the business reorganization section, below.

The TKM report and the verification report template you must use can be downloaded from the EU Commission's website [here](#) under the following sections:

- e. Monitoring and Reporting Regulation (MRR); Guidance and templates: [Template No.6 tonne-kilometre data report for aircraft operators](#)
- f. Accreditation and Verification Regulation (AVR): Guidance and templates: [Verification report template](#)

#### **Business Reorganizations**

If you have undergone a business reorganization that affects the activities included in the verified TKM data, and the verified TKM data of another entity needs to be reflected in the calculation of your free allocation entitlement, please provide:

- a description of the business reorganization, identifying the entities involved;
- evidence of the business reorganization;
- 2010 and/or 2014 verified TKM reports (in the Commission's report template format) for the entities identified;
- if the TKM verified report was submitted to the Environment Agency, consent for it to be used in your GB-CH AFAE application;

If the TKM verified report was submitted to an EEA Competent Authority, a statement from that Competent Authority confirming that the data in the report was used unmodified to calculate the EU ETS free allocation entitlement.

#### **In what format must I provide my information?**

Where verified TKM data needs to be provided **it 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 GB-CH aviation activity.

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.

Any statement supporting your application, for example from a Competent Authority or relating to a business reorganization, must be provided in the email accompanying your application and 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 it provides a supporting statement, we suggest you copy them in when you submit your application to us. If the Competent Authority wishes to send the verified TKM data and its statement directly to us, please ensure that it copies you into any correspondence.

### **Processing your application**

We may request additional information from you if we consider it necessary to process your application. If all the information required has been included in your application, we will calculate (or recalculate for those persons in category 1) your UK ETS FAE and submit this information to UK ETS Authority, which will determine your AFAE by **30 June 2023**.

We will inform you when the UK ETS Authority has amended and published the revised UK ETS Aviation Allocation Table.

### **Contact us**

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

