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Additional Information

Level 1 Regulation
Market Abuse Regulation (MAR) Regulation (EU) No 596/2014 - Market Intergrity

Topic
Other MAR-related topics

Subject Matter
Emission allowances market participants (EAMPs) - Time span for the calculation of the CO2 equivalent emissions and the rated thermal input

Question
What period should be used to calculate whether one of the thresholds set out in Article 17(2) of MAR has been exceeded? As of when is this threshold deemed to be crossed?

ESMA Answer

14-12-2017

Original language

[ESMA70-145-111 MAR Q&A, Q&A 11.1]

A participant in the emission allowance market should use a calendar year period (one-year period that begins on January 1 and ends on December 31) for the annual calculation of the carbon dioxide equivalent emissions and the rated thermal input (RTI) of 31 December of the same year.

The calculated emissions over a given year (Y) or the RTI as of 31 December of a given year (Y) should be assessed against the minimum thresholds of 6 million tonnes a year of equivalent carbon dioxide or the minimum RTI threshold of 2 430 MW specified in Article 5(1)(a) and (b) of the Commission Delegated regulation (EU) 2016/522. Where either of these thresholds is exceeded, the market participant will be deemed to be an emission allowance market participant (EAMP) as defined in Article 3(20) of MAR as of 1 May of the following year (Y+1) and thus subject to the obligations applicable to EAMPs under MAR, including the requirement to disclose inside information concerning emission allowances it, or its parent undertaking or related undertakings, may hold. This approach for MAR purpose will be aligned with the compliance cycle of the EU Emissions Trading System stemming from Directive 2003/87/EC.

In practice, this means that the year of reference for the calculations should be 2016 to determine whether a participant is an EAMP between 3 January and 30 April 2018, and 2017 to determine whether a participant is an EAMP from 1 May 2018 onwards, until the next calculations become applicable on 1 May 2019.

It is reminded that the calculations should take into account all business, including aviation activities or installations, which a participant in the emission allowance market, or its parent undertaking or related undertaking owns or controls or for the operational matters of which that participant, or its parent undertaking or related undertaking is responsible, in whole or in part.