

The expectations of the MRA, with regards to the role of fuel suppliers that submit to the MRA upstream emission reductions (UERs) along with documenting evidence, for the fulfilment of the 6% reduction obligation under Article 7a of the Fuel Quality Directive (FQD) and Council Directive (EU) 2015/652

- 1.) UERs should result from projects registered at a public registry. The registry must, as a minimum, publicly:
 - 1.1.) ensure that issued units are all uniquely identified through the respective range of serial numbers;
 - 1.2.) specify the name or code of the project;
 - 1.3.) specify the project start date;
 - 1.4.) specify the project country;
 - 1.5.) specify the project coordinates;
 - 1.6.) show the status of the units; and
 - 1.7.) ensure that once retired, these units are permanently deleted/cancelled from the system and cannot be claimed by anyone else, thus avoiding double-counting.

Please note that, at this juncture, the use of UERs from the German Environmental Agency's UER registry tends to be more secure and robust since this system has been developed to deal with UERs.
- 2.) A single document providing traceability of the serial numbers of the emission reductions being claimed by the fuel supplier, clearly linking the units being submitted to the registry, must be submitted. This document must also specify the respective name or code of the project from which the UERs would have resulted; must make specific reference to the names and addresses of all the parties in the chain of custody of the emission reductions being claimed and must be signed by the legal representatives of all these parties.
- 3.) The fuel supplier must submit to the MRA a declaration that the UERs submitted to the MRA along with documenting evidence, for the fulfilment of the 6% reduction obligation under Article 7a of the Fuel Quality Directive (FQD) and Council Directive (EU) 2015/652, have been deleted/cancelled. This declaration must specify the serial numbers of the UERs being claimed by the fuel supplier and must be signed by the legal representative of the fuel supplier.
- 4.) The MRA requests fuel suppliers that purchase UERs along with documenting evidence, as a compliance option for the fulfilment of the 6% reduction obligation under Article 7a of the FQD and Council Directive (EU) 2015/652, to provide independent third party verification of the eligibility of UERs and of the respective data, by submitting an "assurance statement" prepared by an "accredited verifier" that specifies that:
 - 4.1.) the UERs are eligible under the Fuel Quality Directive and Council Directive (EU) 2015/652;
 - 4.2.) the UERs meet all the criteria specified in Council Directive (EU) 2015/652 and the "Guidance note on approaches to quantify, verify, validate, monitor and report upstream emission reductions";

- 4.3.) the UERs and the projects from which they originate have been properly validated and verified;
- 4.4.) “corresponding adjustments” – i.e. arrangements made to prevent emission reductions to be counted towards the Nationally Determined Contribution (NDC) of the Party (country) where the emission reductions are attained – were made for all emission reductions used for FQD compliance;
- 4.5.) the UERs have only been used for compliance in Malta for the FQD GHG emission reduction obligation, once, for the relevant year, and have not been used in or claimed for compliance with any other emission reduction requirements or in relation to any other GHG offsetting mechanism;
- 4.6.) all reasonable measures have been taken to ensure that no double counting will occur; and
- 4.7.) the data reported by fuel suppliers is verified.

The “assurance statement” is the assurance of eligibility of UERs and of the respective data as a compliance option for the fulfilment of the 6% reduction obligation under Article 7a of the FQD and Council Directive (EU) 2015/652. This stage is different from “project validation” and “UER verification”.

5.) Information regarding the “accredited verifier who prepares the assurance statement”:

- 5.1.) The “accredited verifier who prepares the assurance statement” must be accredited in accordance with ISO 14065.
- 5.2.) The “accredited verifier who prepares the assurance statement” must be completely independent; and not involved, in any matter whatsoever, in the exchange of UERs. Particularly, the “accredited verifier who prepares the assurance statement” cannot be the same accredited verifier who verifies the UERs and the baseline emissions.

6.) Elements to be included in the “assurance statement”:

- 6.1.) The assurance statement must be prepared for & addressed to the fuel supplier submitting to the MRA purchased UERs along with documenting evidence, in fulfilment of the 6% reduction obligation.
- 6.2.) The assurance statement must specify the name and address of the “accredited verifier who prepared the assurance statement”.
- 6.3.) The assurance statement must include a statement that the accreditation of the “verifier who prepared the assurance statement” is in accordance with ISO 14065.
- 6.4.) The assurance statement must include a declaration that the “accredited verifier who prepared the assurance statement” is completely independent; and not involved, in any matter whatsoever, in the exchange of UERs; and is not the same accredited verifier who verified the UERs and the baseline emissions.
- 6.5.) The assurance statement must include a statement for each of items (4.1.) to (4.7.) listed above.
- 6.6.) The assurance statement must specify the serial numbers of the UERs being claimed by the fuel supplier and the respective name or code of the project from which the UERs would have resulted.
- 6.7.) The assurance statement must be signed by the “accredited verifier who prepared the assurance statement”.

- 7.) Please note that the MRA will need to be provided with a valid EU accreditation certificate of the “accredited verifier who prepares the assurance statement”. Moreover, the “assurance statement” will not be accepted if the “verifier who prepares the assurance statement” is not duly accredited.
- 8.) Please note that the MRA shall only accept UERs when fuel suppliers submit the annual report.
- 9.) Please note that the MRA shall ensure that UER data is available for sharing. This shall be shared with the European Commission and with the relevant authorities of other States. Moreover, this shall also be made publicly available on the website of the MRA.

Please note that this is not an exhaustive list and further clarifications on the roles and responsibilities of the actors involved could be defined by the MRA at any point. However, these would be congruent to what is included above. Nonetheless, please note that the MRA retains the right to revise this procedure as it deems fit.