

THE FRENCH REPUBLIC

Ministry for the Ecological and Inclusive Transition

Decree of December, 15, 2017 establishing for the year 2017 the amount of the account maintenance fees for account holders pursuant to Article R 229-36 of the French environment Code

NOR: TRER1732910A

Audiences: account holders in the EU ETS registry of greenhouse gas emissions, i. e. operators (fixed installations operators and aircraft operators submitted to regulatory constraints within the EU ETS) and non-operators (mainly financial actors participating in regulated carbon markets)

Subject: annual fees to be paid to the French national administrator of the EU registry of greenhouse gas emissions for the year 2017.

Entry into force: the text shall enter into force the day after its publication in the Journal Officiel of the French Republic.

Notice: European Directive 2003/87/EC establishes a trading system at the European level aiming at reducing greenhouse gas emissions. Every year, operators must surrender a quantity of allowances or a quantity of other authorized units equal to the quantity of their verified emissions. A European registry of these carbon credits records the quantity of allowances that are issued, held, transferred and cancelled. Other entities may also open an account in this registry (non-operators). On behalf of France, the administration of this European registry is ensured by Caisse des Dépôts et Consignations. Costs incurred by Caisse des Dépôts et Consignations for this mandate, as national administrator of the European registry and France's KP Registry, with France as Party to the Kyoto Protocol, are covered, without any financial benefit from this activity, by fees - opening accounts fees and maintenance fees - invoiced by Caisse des Dépôts et Consignations to accounts holders, including the French State. Exceptionally, an additional payment by the French State can help cover these costs. A joint decree from the Minister of the Environment, the Minister of Finance, the Minister in charge of Nuclear Security, and the Minister in charge of civil aviation establishes every year, after advisory opinion expressed by the Caisse des Dépôts et Consignations CEO, the fees to be paid for account management applicable for the year for each category of account holders. This decree establishes the accounts management fees for the year 2017.

References: The French environment code can be consulted on the Légifrance website: (<http://www.legifrance.gouv.fr>).

This document is a translation into English of the official decree of the French government dated 15 December 2017 and aiming at establishing for the year 2017 the amount of the account management fees for allowances account holders pursuant to Article 229-36 of the French environment code.

It is provided for information purpose only. The original version written in French is actually legally binding.

The Ministre d'Etat, Minister for the Ecological and Inclusive Transition and the Minister of Economy and Finance,

- Having regard to Regulation (EU) No 389/2013 of the European Commission dated 2 May 2013 establishing a Union Registry pursuant to Directive 2003/87/EC of the European Parliament and of the Council and decisions 280/2004/EC and N° 406/2009/EC of the European Parliament and of the Council and repealing Council Regulation (EU) No 920/ 2010 and (EU) No 1193/2011 of the Commission;
- Having regard to the French environment code, in particular to Articles L. 229-16 and R. 229-36 ;
- Having regard to the advisory opinion expressed by the Caisse des Dépôts et Consignations CEO dated 29 November 2017;

Have decided:

Article 1: accounts opened in the national registry mentioned in article L. 229-16 of the environment code are subject to payment of account management fees, (as mentioned in Article R. 229-36 of the same code), as follows:

a) For account opening fees and for each account:

- account opening fee of EUR 600 per operator holding account;
- account opening fee of EUR 600 per aircraft operator holding account;
- account opening fee of EUR 1200 per person holding accounts;
- account opening fee of EUR 1200 per trading account;
- account opening fee of EUR 1200 per person holding account in the French part of the Consolidated System of European Registries (CSEUR);

b) For fixed annual management fees:

- annual management fee of EUR 300 per account operator holding account;
- annual management fee of EUR 300 per aircraft operators holding account, except for "2017 "excluded" accounts" or accounts that were closed before January 1st 2017, pursuant to article 10 of EU regulation 389/2013;
- annual management fee of EUR 1000 per account person holding accounts;
- annual management fee of EUR 1000 per trading account;
- annual management fee of EUR 1000 per holding account opened in the French part of the consolidated Union registry¹;

c) For other annual management fees:

- annual management fee of EUR 0.0065 per registered ton for each fixed operator according to the quantity of their verified emissions for the year 2016 . The amount of annual management fee is proportional to the quantity of tons of greenhouse gas emission notified by the different fixed installations, pursuant to the provisions of Article L. 229-14 of the French environment code;
- annual management fee of EUR 0.0330 for each carbon dioxide ton registered by aircraft operators, according to the quantity of their verified emissions for the year 2017. This annual management fee is proportional to the quantity of tons of greenhouse gas emission notified by the different aircraft accounts operators pursuant to the provisions of Article L. 229-14 of the French environment code;

¹ These fees are not applicable neither to person accounts (FR-121-) nor to former operator holding accounts (FR-120-), existing in the national registry (KP registry) prior to the implementation of a consolidated system of European Registries (CSEUR), as referred to in Article 8, Paragraph 4 of European Regulation No 389/2013 of 2 May 2013, provided that these accounts have been inactive in 2017.

d) For the fees applicable to Know Your Customer checks (KYC) foreseen by regulation:

- KYC fee of EUR 1250 for each operator holding account, person holding account, trading account or person holding account opened in the CSEUR and subject to such KYC review;
- KYC fee of EUR 3500 for each aircraft operator holding account subject to KYC checks carried out during the account opening process in the registry;
- KYC fee of EUR 2500 for each aircraft operator holding account subject to periodical KYC review;

Article 2 : these fees shall be revised annually according to a joint order from the Minister in charge of the Environment, the Minister of Finance, the Minister in charge of Nuclear Security and the Minister in charge of Civil Aviation.

Article 3:

The Head of Energy and Climate division, the Head of Civil aviation and the Head of Treasury inside those ministries are in charge of the application of this this decree that will be published in the Journal Officiel of the French Republic.

Paris, December 15 2017

The Ministre d'État, Minister for the Ecological and Inclusive Transition, by delegation

L. MICHEL, Head of Civil aviation division

P. GANDIL, Head of Civil aviation division

The Minister of Economy and Finance, by delegation

O. RENAUD-BASSO, Director General of the Treasury