

Directive 2003/87/EC of the European Parliament and of the Council of 13 October 2003 establishing a system for greenhouse gas emission allowance trading within the Union and amending Council Directive 96/61/EC (Text with EEA relevance)

[<sup>F1</sup>CHAPTER I **U.K.**

**GENERAL PROVISIONS]**

*Article 1* **U.K.**

**Subject matter**

This Directive establishes a [<sup>F2</sup>system] for greenhouse gas emission allowance trading within the [<sup>F2</sup>Union] (hereinafter referred to as the ‘[<sup>F2</sup>EU ETS]’) in order to promote reductions of greenhouse gas emissions in a cost-effective and economically efficient manner.

[<sup>F3</sup>This Directive also provides for the reductions of greenhouse gas emissions to be increased so as to contribute to the levels of reductions that are considered scientifically necessary to avoid dangerous climate change.

This Directive also lays down provisions for assessing and implementing a stricter [<sup>F2</sup>Union reduction commitment exceeding 20 %, to be applied upon the approval by the Union] of an international agreement on climate change leading to greenhouse gas emission reductions exceeding those required in Article 9, as reflected in the 30 % commitment endorsed by the European Council of March 2007.]

**Textual Amendments**

- F2** Substituted by [Directive \(EU\) 2018/410 of the European Parliament and of the Council of 14 March 2018 amending Directive 2003/87/EC to enhance cost-effective emission reductions and low-carbon investments, and Decision \(EU\) 2015/1814 \(Text with EEA relevance\).](#)
- F3** Inserted by [Directive 2009/29/EC of the European Parliament and of the Council of 23 April 2009 amending Directive 2003/87/EC so as to improve and extend the greenhouse gas emission allowance trading scheme of the Community \(Text with EEA relevance\).](#)

*Article 2* **U.K.**

**Scope**

1 This Directive shall apply to emissions from the activities listed in Annex I and greenhouse gases listed in Annex II.

2 This Directive shall apply without prejudice to any requirements pursuant to Directive 96/61/EC.

[<sup>F13</sup> The application of this Directive to the airport of Gibraltar is understood to be without prejudice to the respective legal positions of the Kingdom of Spain and the United Kingdom with regard to the dispute over sovereignty over the territory in which the airport is situated.]

### Article 3 **U.K.**

#### Definitions

For the purposes of this Directive the following definitions shall apply:

- (a) ‘allowance’ means an allowance to emit one tonne of carbon dioxide equivalent during a specified period, which shall be valid only for the purposes of meeting the requirements of this Directive and shall be transferable in accordance with the provisions of this Directive;
- (b) [<sup>F4</sup>‘emissions’ means the release of greenhouse gases into the atmosphere from sources in an installation or the release from an aircraft performing an aviation activity listed in Annex I of the gases specified in respect of that activity;]
- (c) [<sup>F5</sup>‘greenhouse gases’ means the gases listed in Annex II and other gaseous constituents of the atmosphere, both natural and anthropogenic, that absorb and re-emit infrared radiation;]
- (d) ‘greenhouse gas emissions permit’ means the permit issued in accordance with Articles 5 and 6;
- (e) ‘installation’ means a stationary technical unit where one or more activities listed in Annex I are carried out and any other directly associated activities which have a technical connection with the activities carried out on that site and which could have an effect on emissions and pollution;
- (f) ‘operator’ means any person who operates or controls an installation or, where this is provided for in national legislation, to whom decisive economic power over the technical functioning of the installation has been delegated;
- (g) ‘person’ means any natural or legal person;
- (h) [<sup>F2</sup>‘new entrant’ means any installation carrying out one or more of the activities listed in Annex I, which has obtained a greenhouse gas emissions permit for the first time within the period starting from three months before the date for submission of the list under Article 11(1), and ending three months before the date for the submission of the subsequent list under that Article;]
- (i) ‘the public’ means one or more persons and, in accordance with national legislation or practice, associations, organisations or groups of persons;
- (j) ‘tonne of carbon dioxide equivalent’ means one metric tonne of carbon dioxide (CO<sub>2</sub>) or an amount of any other greenhouse gas listed in Annex II with an equivalent global-warming potential<sup>F6</sup>;
- (k) [<sup>F7</sup>‘Annex I Party’ means a Party listed in Annex I to the United Nations Framework Convention on Climate Change (UNFCCC) that has ratified the Kyoto Protocol as specified in Article 1(7) of the Kyoto Protocol;]
- (l) ‘project activity’ means a project activity approved by one or more Annex I Parties in accordance with Article 6 or Article 12 of the Kyoto Protocol and the decisions adopted pursuant to the UNFCCC or the Kyoto Protocol;

- (m) ‘emission reduction unit’ or ‘ERU’ means a unit issued pursuant to Article 6 of the Kyoto Protocol and the decisions adopted pursuant to the UNFCCC or the Kyoto Protocol;
- (n) ‘certified emission reduction’ or ‘CER’ means a unit issued pursuant to Article 12 of the Kyoto Protocol and the decisions adopted pursuant to the UNFCCC or the Kyoto Protocol;]
- (o) [<sup>F1</sup>‘aircraft operator’ means the person who operates an aircraft at the time it performs an aviation activity listed in Annex I or, where that person is not known or is not identified by the owner of the aircraft, the owner of the aircraft;
- (p) ‘commercial air transport operator’ means an operator that, for remuneration, provides scheduled or non-scheduled air transport services to the public for the carriage of passengers, freight or mail;
- (q) ‘administering Member State’ means the Member State responsible for administering the [<sup>F2</sup>EU ETS] in respect of an aircraft operator in accordance with Article 18a;
- (r) ‘attributed aviation emissions’ means emissions from all flights falling within the aviation activities listed in Annex I which depart from an aerodrome situated in the territory of a Member State and those which arrive in such an aerodrome from a third country;
- (s) ‘historical aviation emissions’ means the mean average of the annual emissions in the calendar years 2004, 2005 and 2006 from aircraft performing an aviation activity listed in Annex I;]
- (t) [<sup>F3</sup>‘combustion’ means any oxidation of fuels, regardless of the way in which the heat, electrical or mechanical energy produced by this process is used, and any other directly associated activities, including waste gas scrubbing;
- (u) ‘electricity generator’ means an installation that, on or after 1 January 2005, has produced electricity for sale to third parties, and in which no activity listed in Annex I is carried out other than the ‘combustion of fuels’.]

#### Textual Amendments

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- F3** Inserted by [Directive 2009/29/EC of the European Parliament and of the Council of 23 April 2009 amending Directive 2003/87/EC so as to improve and extend the greenhouse gas emission allowance trading scheme of the Community \(Text with EEA relevance\).](#)
- F4** Substituted by [Directive 2008/101/EC of the European Parliament and of the Council of 19 November 2008 amending Directive 2003/87/EC so as to include aviation activities in the scheme for greenhouse gas emission allowance trading within the Community \(Text with EEA relevance\).](#)
- F5** Substituted by [Directive 2009/29/EC of the European Parliament and of the Council of 23 April 2009 amending Directive 2003/87/EC so as to improve and extend the greenhouse gas emission allowance trading scheme of the Community \(Text with EEA relevance\).](#)
- F6** Substituted by [Directive 2004/101/EC of the European Parliament and of the Council of 27 October 2004 amending Directive 2003/87/EC establishing a scheme for greenhouse gas emission allowance trading within the Community, in respect of the Kyoto Protocol's project mechanisms \(Text with EEA relevance\).](#)

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*Status: EU Directives are being published on this site to aid cross referencing from UK legislation. After IP completion day (31 December 2020 11pm) no further amendments will be applied to this version.*

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**F7** Inserted by Directive 2004/101/EC of the European Parliament and of the Council of 27 October 2004 amending Directive 2003/87/EC establishing a scheme for greenhouse gas emission allowance trading within the Community, in respect of the Kyoto Protocol's project mechanisms (Text with EEA relevance).

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