

[Article 5⁶

1. Any Party included in Annex I or acting under Article 10 may [, under the international framework to be established under paragraph 4,] transfer to or acquire from any other Party included in Annex I or acting under Article 10 any of its emissions allowed under Article 3, for the purpose of meeting its commitments under Article 3, provided that each such Party is in compliance with its obligations under Articles [2, 3,] 4 and 7, and has in place a national mechanism for the certification and verification of emissions trades.

2. A Party may authorize intermediaries to participate, under the responsibility of that Party, in actions leading to the transfer or acquisition, under this Article, of emissions allowed.

3. Emissions trading, as defined in paragraph 1 above, shall be subject to the following criteria:

[(a) Emission levels achieved before the start of any trading system established under this Protocol can[not] be used as the basis for emissions trading;]

(b) Emissions trading shall be supplemental to domestic policies and measures [, which should provide the main means/for the purposes] of meeting commitments under Article 3; and

(c) A Party whose emissions are in excess of its emissions budget in any budget period may acquire, but may not transfer, emissions allowed.

4. The Meeting of the Parties shall, at its first session or as soon as practicable thereafter, decide upon modalities, rules and guidelines for emissions trading, as provided for in paragraph 1 above, including methodologies for verification and reporting.

5. If a question of a Party's implementation of the requirements of Articles [2, 3,] 4 or 7 is identified in accordance with the provisions of Article 8, transfers and acquisitions of emissions allowed may continue to be made, provided that any such emissions allowed may not be used by any Party to meet its obligations under Article 3 until any issue of compliance is resolved. If a question of a Party's implementation of paragraph 3(c) is identified in accordance with the provisions of Article 8, the provisions of this paragraph shall apply only to transfers of emissions allowed by such Party.]

⁶ The Group of 77 and China has requested the deletion of this Article.