

Financial Regulatory Authority Board

Decree No. 163 of 2023

Dated 9 August 2023

The Criteria for Registering Verification and Validation Bodies for Carbon Emission Reduction Projects at the Authority

In accordance with

The Capital Market Law No. (95) of 1992 and its Executive Regulations,

Law No. (10) of 2009 for the Regulation of Non-Banking Financial Markets and Instruments,

Financial Regulatory Authority Board Decision No. (57) of 2023, and

Following the recommendation of the Committee for Supervision of Carbon Emission Reduction Units,

The Board of Directors of the Financial Regulatory Authority (FRA) resolves the following:

(Article 1)

A registry shall be established at the FRA to approve Validation and Verification Bodies (VVBs) for carbon emission reduction projects. The registry shall include detailed information on each approved VVB, including their sector of specialization, which may include but is not limited to:

- Renewable/Nonrenewable Energy
- Energy Distribution
- Energy Demand
- Manufacturing Industries
- Chemical Industries
- Construction
- Transport
- Mining/Mineral Production
- Metal Production
- Fugitive Emissions (Fuels, Solid, Oil, Gas)
- Fugitive Emissions (Industrial Gases)
- Solvents Use
- Waste Handling and Disposal
- Agriculture

- Carbon Capture and Storage
- Livestock and Manure Management

Only VVBs approved in this registry may conduct verification and validation for carbon emission reduction projects intended for trading in Egypt.

(Article 2)

Egyptian VVBs seeking registering in FRA must meet the following criteria:

1. The entity applying for registration must be an incorporated legal entity.
2. Certified ISO 14065:2020 the general principles and requirements for bodies validating and verifying environmental information or certified ISO/IEC 17029:2019 the conformity assessment — General principles and requirements for validation and verification bodies (or any update thereof).
3. Certifies ISO 14064-3:2019 the specification with guidance for the verification and validation of greenhouse gas statements.
4. Demonstrate professional competence
5. Demonstrate professional competence and the CEO or his/her representative shall pass the interview set by the FRA.
6. No member of the management team or personnel involved in verification and validation at the entity seeking registration has been convicted of a felony or a misdemeanor related to a crime against honor or trust within the past three years, unless their rights have been fully restored.

(Article 3)

International VVBs seeking registration must meet the following criteria:

1. The entity is one of the Designated Operational Entities (DOE) in accordance with the standards issued by the Secretariat of the United Nations Framework Convention on Climate Change (UNFCCC), or one of the entities recognized under Article 6 of the Paris Agreement or the entity is listed in one or more international voluntary carbon registries, including but not limited to:
 - Gold Standard Voluntary Carbon Registry
 - The Verified Carbon Standard (VCS)
 - Global Carbon Council (GCC)
2. The entity must submit comprehensive documentation of its expertise and experience in verification and validation, including a minimum of three projects registered in one of the aforementioned international voluntary carbon registries.
3. Include at least one Egyptian expert with relevant competence and experience in their verification and validation team.

(Article 4)

International entities or projects with carbon emission reduction certificates issued outside Egypt and intending to trade these certificates in Egypt must notify the FRA of the accredited VVBs involved within one week of approval for trading, using the FRA's designated form.

(Article 5)

VVBs seeking registration must submit an application using the FRA's designated form, along with supporting documentation demonstrating compliance with the criteria outlined in this decree. The FRA will review applications and render a decision within thirty days of receiving a complete submission.

(Article 6)

To maintain their registration with the FRA, the VVB Should:

1. Fulfill the Terms and Conditions of registration with FRA as stipulated herein.
2. Abide to commitments stated in the registration application or its renewal.

(Article 7)

Registration is valid for one year and renewable upon meeting the required criteria.

The fees for assessment of registration application with the Authority shall be as follows:

- Egyptian VVBs: EGP 10,000 for initial registration and EGP 2,000 for renewal.
- International VVBs: USD 500 for initial registration and USD 100 for renewal.

(Article 8)

In case of non-compliance with FRA standards or loss of registration criteria, the FRA Board of Directors may take one or more of the following actions:

1. Issue a warning and set a deadline for rectification.
2. Temporarily suspend registration for up to six months.
3. Revoke accreditation with a minimum one-year waiting period for reapplication.

Chairman of the Board of Directors

Financial Regulatory Authority

Dr. Mohammed Farid Saleh