

5 November 2015

## Guidance on Converting CERs to VCU

VCS allows for GHG emission reductions and removals issued by an approved GHG program to be canceled and issued as VCUs in the VCS registry.<sup>1</sup> This document provides further guidance on the procedure for cancelling Certified Emission Reductions (CERs) issued by the UNFCCC's Clean Development Mechanism (CDM) held in CDM or European Union (EU) registries to be converted to VCUs.

CERs may be converted to VCUs using the following steps:

- 1) The project proponent or CER holder completes voluntary cancellation of CERs with the corresponding registry administrator.

Where CERs are being cancelled in the CDM registry, information on the CDM voluntary cancellation process can be found at the following

link: [http://cdm.unfccc.int/Registry/guidance/index.html#voluntary\\_cancellation](http://cdm.unfccc.int/Registry/guidance/index.html#voluntary_cancellation).

When completing the "Purpose/beneficiary of the request" section of the CDM form *Certified emission reductions forwarding request (F-CDM-FWD)*, project proponent should provide a statement that the CERs are being voluntarily cancelled to transfer to the VCS Program and have not been used for any offsetting purposes, or mandatory or voluntary compliance purposes.

Where CERs are located in an EU registry account, please contact VCS regarding serial number confirmation before making any cancellations.

- 2) Once cancelled, the project proponent or CER holder contacts a VCS registry administrator and requests a CER conversion by submitting the following documentation:
  - a) A statement of the quantity of CERs for which conversion is being requested
  - b) A completed and signed [VCU conversion representation](#)
  - c) Evidence of cancellation
    - i) For cancellations transacted by the CDM registry, the attestation letter of cancellation serves as evidence
    - ii) For cancellations transacted by an EU registry, the transaction receipt of the cancellation serves as evidence
  - d) CDM monitoring and verification reports corresponding to the cancelled CERs
- 3) The VCS registry administrator and VCS staff will ensure the authenticity and accuracy of the evidence of cancellation documents and quantity of units cancelled, as follows:

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<sup>1</sup> See Section 4.2.14 of VCS document *Registration and Issuance Process* v3.5, or latest version

- a) Where CERs are cancelled by the CDM registry, the documentation submitted is checked against the attestation letter posted to the CDM website.
  - b) Where CERs are cancelled by an EU registry, VCS staff will check the authenticity of the document with the CER holder. Please contact VCS with more information how this is done.
- 4) Once VCS is assured of the authenticity of the evidence of cancellation, the VCS registry administrator will issue the cancelled CERs as VCU and post the conversion documentation to the VCS project database.<sup>2</sup> Please note that VCS does not allow incremental issuance of VCUs from converted CERs and all converted CERs must be issued in one VCU transaction.

For more information on this procedure, or general questions about the conversion process, please contact VCS at [secretariat@v-c-s.org](mailto:secretariat@v-c-s.org).

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<sup>2</sup> If the project is not also registered with VCS, a new project record will be created on the VCS project database. New projects added to the VCS project database as the result of CER conversion will be clearly labelled that they are not registered VCS projects.