

Carbon Reduction Commitment – Penalties

Appendix 5(a)iii

No	Compliance Fail	Article	Penalty
1	Failure to Register	Article 73	<ul style="list-style-type: none"> · Immediate fine of £5,000 for failure to register by the deadline · Further £500 per working day for each subsequent working day of delay up to a maximum of 80 working days; and · Publication of non-compliance
2	Failure to disclose information on registration	Article 73	<ul style="list-style-type: none"> · £500 per meter not reported in the registration; and · Publication of non-compliance
3	Failure to submit an annual report on time	Article 74	<ul style="list-style-type: none"> · Immediate fine of £5,000 for failure to report by the deadline; and · Publication of non-compliance <p>Where the report is provided no more than 40 working days late, also a fine of £500 per working day for each subsequent working day of delay up to a maximum of 40 working days.</p> <p>Where the report is provided after the last working day of October after the end of the applicable year or not at all:</p> <ul style="list-style-type: none"> · £45,000 fine · CRC emissions to which the annual report relates are double the CRC emissions reported in the previous year's report, or where no such report exists, double the CRC emissions determined by the administrator · The participant must immediately purchase and surrender allowances equal to the CRC emissions (including the doubling) · £40 per tCO₂ penalty for each allowance not surrendered by the deadline (penalty is only applicable to the CRC emissions before the figure is doubled) <p>and</p> <ul style="list-style-type: none"> · Transfer of any allowances to third parties is blocked · Publication of non-compliance · If the participant fails to comply with the penalty requirement to purchase and surrender allowances by 31 March after the annual report was due and continues in the scheme, the unsurrendered allowances will be added to the surrender requirement for the next year.
4	Failure to provide accurate information or notifications (in relation to registration or designated change)	Article 75	<ul style="list-style-type: none"> · £5,000 fine; and · Publication of non-compliance
5	Inaccurate annual reports	Article 76	<ul style="list-style-type: none"> · £40 per tCO₂ of so much of those supplies or emissions that were inaccurately reported and · Publication of non-compliance <p>'Inaccurate' means where any supplies or emissions differ by more than 5% to those that should have been reported ignoring any estimation adjustments.</p>

6	Failure to surrender allowances	Article 77	<ul style="list-style-type: none"> · Participant must immediately acquire and surrender the allowances shortfall · £40 per tCO₂ of so much of the emissions represented by the allowances shortfall · Transfer of any allowances to third parties is blocked; and · Publication of non-compliance <p>If the participant fails to comply with the penalty requirement to surrender sufficient allowances and continues in the scheme, the shortfall allowances will be added to the surrender requirement for the next year.</p>
7	Later discovered failures to surrender allowances (so long as the error is identified within five years of the submission date for the report containing the error)	Article 78	<ul style="list-style-type: none"> · Shortfall allowances will be added to the quantity of allowances required to be surrendered in the next reporting year; and · Publication of the non-compliance <p>Where the non-compliant organisation is no longer a participant, a fine is imposed that represents the value of the shortfall allowances. 'Value' means the value of the allowances in the most recent sale of allowances before the shortfall was discovered.</p>
8	Failure to maintain records in respect of the information used to compile an annual report or relevant to any designated change	Article 79	<ul style="list-style-type: none"> · £40 per tCO₂ of so much of the CRC emissions of the participant in the annual reporting year immediately preceding the year in which the non-compliance is discovered; and · Publication of non-compliance
<p>Prior to simplification, there was also criminal offences which have since been removed which could have resulted in imprisonment up to two years.</p>			