

# BCR SOP

## STANDARD OPERATING PROCEDURES

**BIOCARBON REGISTRY™**

Version 1.0 | January 13, 2023

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BIOCARBON REGISTRY® 2023. BCR SOP. STANDARD OPERATING PROCEDURES. Version 1.0. January 13, 2023. Bogotá, Colombia. 34 p. <https://www.biocarbonregistry.com>

## Table of Contents

1	Introduction .....	5
2	Objectives .....	5
3	Version .....	6
4	Scope and area of application .....	6
5	Terms and definitions.....	7
6	The purpose of BIOCARBON REGISTRY .....	10
7	Values and principles based on ethics .....	11
7.1	BIOCARBON REGISTRY principles .....	11
7.2	Principles for certification and registration .....	12
8	Antibribery Policy and impartiality management .....	14
9	Whistleblowing Policy and Internal Investigations Manual .....	14
10	Procurement Policy and Third-Party Due Diligence Procedures .....	15
11	Treatment and Protection of Data policy .....	16
12	Petitions, Complaints and Claims (PCC) Policy .....	16
13	BioCarbon Registry procedures .....	17
13.1	Public Consultation.....	17
13.2	Methodologies development and approvals.....	19
14	The Project Cycle .....	19
14.1	Account creation on the registration platform .....	20
14.2	Validation and verification.....	21
14.3	Application for project registration.....	23
14.4	Certification and registration.....	24
14.5	Verified Carbon Credits (VCC) issuance.....	25
14.6	VCC Transfers and retirements .....	27
15	Traceability and Custody of VCCs.....	27
16	Permanence .....	28
17	Avoiding Double counting.....	28
18	Registry System and Registry Platform.....	29
18.1	Website .....	29
18.2	Public Registry .....	30

19	Registry System Security .....	31
19.1	Blockchain technology.....	32
20	Fees.....	33

**List of Figures**

Figure 1:	Serial Identification .....	26
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## 1 Introduction

Under the corporate governance criteria of BIOCARBON REGISTRY (“BCR”), all the Standard Operating Procedures (“SOP”) which contain the objectives, functions, organization, and procedures to ensure process quality during the certification and registration of Greenhouse Gas Projects “GHG Projects”.

The SOP comprise of the explicit, orderly, and systematic procedures and processes required for the certification and registration of GHG Projects and the issuance of Verified Carbon Credits (“VCC”).

The BCR STANDARD is a system for registering and certifying GHG Projects that have led to GHG emission reduction or removals. Once the GHG reduction or removals are verified by the Conformity Assessment Body (“CAB”) they are assigned a unique serial number for registration.

BIOCARBON REGISTRY ensures the review of the documentation related to the GHG Project validation and verification. In addition, the review confirms that the CAB comply with the requirements of the applicable regulations and others defined by the BCR STANDARD. In this way, BIOCARBON REGISTRY can guarantee the projects' integrity and the Verified Carbon Credits (“VCC”) contained in the BIOCARBON REGISTRY registration platform.

The registration system and documentation are available to the public on BIOCARBON REGISTRY 's website ([www.biocarbonregistry.com](http://www.biocarbonregistry.com)). The BIOCARBON REGISTRY 's website host a depository of all GHG Projects certified and registered by BIOCARBON REGISTRY alongside the VCC issued and corresponding documentation.

This document describes the process for the certification and registration of GHG Projects, as well as the procedures for the issuance of VCC in the BIOCARBON REGISTRY Standard (“BCR STANDARD”). All the instruments and documents mentioned in this SOP are available to the public on the BIOCARBON REGISTRY website ([www.biocarbonregistry.com](http://www.biocarbonregistry.com)).

## 2 Objectives

The objectives of the document "BIOCARBON REGISTRY Standard Operating Procedures" are the following:

- a) Provide information on the organizational structure of BIOCARBON REGISTRY,

- b) Provide the necessary procedures to comply with the certification and registration requirements, GHG Projects,
- c) Provide the necessary procedures to comply with the requirements for certification and registry of GHG Projects;
- d) Ensure consistency and clarity for the presentation of documents related to the registration system and the issuance of VCC;
- e) Maintain the integrity and efficiency of the procedures related to the BIOCARBON REGISTRY system.

### 3 Version

This document constitutes Version 1.0. January 13, 2023.

This version may be adjusted periodically. Intended users should ensure they are using the most recently updated version.

### 4 Scope and Area of Application

This document describes the processes and procedures applicable to the members of the BIOCARBON REGISTRY team, project holders, account holders in the registry system, Conformity Assessment Bodies (“CAB”) and other interested parties for the certification and registration of a project, the issuance of Verified Carbon Credits (“VCC”) and related actions.

This document is intended for:

- (a) BIOCARBON REGISTRY team, including the Executive Board and the Technical Committee;
- (b) GHG Project holders;
- (c) Conformity Assessment Bodies (“CAB”);
- (d) Stakeholders, agents related to the trade and transaction of GHG emission reductions and removals and other interested parties.

The scope of this document includes the requirement to certify and register GHG Projects with the BIOCARBON REGISTRY PROGRAM: account creation, request for certification,

registration of a project, evaluation of a project's documentation, initial issuance of VCC, and periodic issuance of VCC.

## 5 Terms and Definitions

### **Administrator**

BIOCARBON REGISTRY is the registry system administrator and as such is responsible for the management and reliability of data in the registry system. As a registry system administrator, BIOCARBON REGISTRY safeguards the information so that the system is transparent and reliable, ensuring that it is properly stored and secure, and when necessary, easily accessible.

### **Administrator's Web Site**

BIOCARBON REGISTRY Website: [www.biocarbonregistry.com](http://www.biocarbonregistry.com)

### **Authorized Representative**

The Authorized Representative is the person (natural or legal) authorized by the account holder to give instructions to the BIOCARBON REGISTRY system administrator on their behalf. The authorization is granted by means of an agreement that includes the request to open an account and the declaration of representation, in accordance with the modalities and procedures defined by BIOCARBON REGISTRY, and any additional instructions / guidance from the BIOCARBON REGISTRY system administrator.

### **BIOCARBON REGISTRY Standard ("BCR STANDARD")**

The BCR Standard is the document that compiles and outlines the set of principles and requirements necessary for the design, development, validation, verification, and certification of GHG Projects and ultimate issuance of Verified Carbon Credits ("VCC").

### **Conformity Assessment Body ("CAB")**

The CAB is the body that performs conformity assessment for activities with the object of accreditation.

Note 1 to entry: Whenever the term "conformity assessment body" is used in the text, it applies to both the applicant and accredited conformity assessment bodies, unless otherwise specified.

[SOURCE: ISO/IEC 17000:2004, 2.5, modified — The words “and that can be the object of accreditation” have been added to the definition and the Note to entry has been added; [ISO/IEC 17011:2017(en), 3.4]

### **Greenhouse Gas project (“GHG Project”)**

The GHG Project is the activity or activities that alter the conditions of a GHG baseline and cause GHG emission reductions or GHG removal enhancements.

[SOURCE: ISO 14064-3:2019(en), 3.4.1.]

### **Greenhouse Gas Statement (“GHG Statement”)**

A formal written statement, addressed to the intended user, assuring compliance with the BIOCARBON REGISTRY certification program requirements, and compliance with the criteria contained in ISO 14064-2, and evaluated under ISO 14065 and ISO 14064-3.

### **Intended User**

The intended user of this contract is the individual or organization responsible for decision-making related to greenhouse gas (GHG) emissions, as identified by those reporting to them. This individual or organization will use the information contained within the contract to inform their decision-making processes.

### **Interested Party**

The person or organization that can affect, be affected or perceive itself as affected by a decision or activity.

### **Methodology or Methodological Document**

The document that gathers, systematizes, and defines the techniques, methods and procedures that shall be applied according to the type and particular characteristics of each project for the quantification of GHG removals or reductions.

### **Project Document**

The document that describes the GHG emission reduction and removal activities of the project, in accordance with the requirements of the Program and the GHG quantification methodologies.

## **Project Documents**

The documents required to register the Project and/or issue VCC.

## **Project Holder**

The person (natural, legal, public, or private), responsible for the development, implementation, monitoring and registration of the GHG Projects.

## **Registration Process**

The project registration process refers to all or any of the stages that a project shall fulfill under the BCR STANDARD, to register a project and issue VCC.

## **Registration System and Registration Platform**

The Registry System is used for the issuance, transfer, and retirement, through a custody service of VCC. A VCC is generated for each ton of GHG reduction or removal certified by the BIOCARBON REGISTRY Program, which can be transferred between user accounts and retired in the Registration Platform. The data comprised in the registry includes information on validated and verified GHG emission reductions and removals.

The Registration Platform is the web application through which users can self- manage the processes of i) account registration, ii) project registration, iii) registration of verification periods, iv) issuance of VCC, v) VCC transfers, and vi) retirements of VCC.

## **Registry User**

The Registry User is the natural or legal person who, under the terms and circumstances provided by law, can access the information of one or more owners of the information provided by the operator or by the source, or directly by the owner of the information. The user, insofar as they have access to third-party information, is subject to compliance with the duties and responsibilities provided to guarantee the protection of the rights of the data owner.

## **Retirement Statement**

The formal written declaration, addressed to the intended user, that provides a guarantee on compliance with the requirements of the BIOCARBON REGISTRY program, for the cancellation or retirement of VCC.

### **Validation Body**

body that performs validation.

Note 1 to entry: A validation body can be an organization, or part of an organization.

[SOURCE: ISO/IEC 17029:2019, 3.4, modified — Note 2 to entry has been added.]; [ISO 14065:2020(en), 3.3.26]

### **Validation Report**

The validation report is the report prepared by a validation and verification body (“VVB”), which reports the results of the validation process and includes the amount of greenhouse gas emissions reduction, which can be achieved during the project registration period.

### **Validation/Verification Statement**

The formal written statement, addressed to the intended user, which provides assurance of what is detailed in the GHG statement from the responsible party. This statement, made by the validator or verifier, may contain information about the GHG Project’s removals/reductions, or increases in removals.

### **Verification Body**

body that performs verification.

Note 1 to entry: A verification body can be an organization, or part of an organization.

### **Verification Period**

The period during which the GHG reductions or removals, indicated in the verification report and the Verification Statement, are quantified.

### **Verification Report**

The report prepared by a validation and verification body (“VVB”), which reports the results of the verification process. It is the written assurance and confirmation that the project has achieved the intended amount of reduction or removal of GHG emissions during the specified period.

## **6 The purpose of BIOCARBON REGISTRY**

The purpose of BIOCARBON REGISTRY is to:

- (a) Certify and register greenhouse gas (GHG) projects that demonstrate compliance with the rules and procedures established by the BIOCARBON REGISTRY PROGRAM;
- (b) Build confidence in the carbon market, promoting private sector participation and strengthening mechanisms that favor the implementation of internal mitigation actions, in order to achieve the objectives of national contributions;
- (c) Promote best practice within the carbon market by including conservative and legal requirements within the standards and methodologies;
- (d) Develop technological and information tools to facilitate the process of certification and registration ensuring traceability of actions, required by the program;
- (e) Develop methodologies that include emerging markets and that promote investment in GHG Projects in different sectors of the economy;
- (f) Promote a collaborative environment with other stakeholders, including government actors, to strengthen the development of legislation on the carbon market and form an integral part of an emissions trading system.

## 7 Values and Principles based on ethics

The principles that structure the organizational bases of BIOCARBON REGISTRY are a set of values and norms that govern the actions of the company both at the corporate level (Section 7.1 - Principles of BIOCARBON REGISTRY) and at the level of Standards (Section 7.2 Principles for certification and registration).

### 7.1 BIOCARBON REGISTRY principles

BIOCARBON REGISTRY fulfills its functions within the highest levels of transparency, truthfulness, best practice and business behavior focused on quality, ethics, integrity and responsibility, and among other principles that govern the actions of the organization.

#### ***Responsibility***

It refers to the fulfillment of the obligations and care from BIOCARBON REGISTRY actions at the time of decision-making and during the practice of its duty.

#### ***Quality***

It refers to the fulfillment of the obligations in a satisfactory way for all interested parties.

### ***Business Ethics***

It refers to compliance with the rules and principles that BIOCARBON REGISTRY professionals apply in the exercise of their professional activity.

### ***Integrity***

It refers to the robustness and originality of the program.

### ***Competition***

It refers to the expertise, abilities, and aptitudes of BIOCARBON REGISTRY professionals to carry out certain tasks or to intervene in a specific matter.

## **7.2 Principles for Certification and Registration**

The GHG Project holders, and in general, all those involved in the design, development, validation, verification, and certification of GHG Projects shall apply the following principles<sup>1</sup>:

### ***Relevance***

Select the sources, sinks, reservoirs of GHG, data and methodologies appropriate to the needs of the intended user.

### ***Total Coverage***

Include all relevant GHG emissions and removals and all relevant information to support the criteria and procedures.

### ***Consistency***

Allow meaningful comparisons in GHG-related information.

### ***Accuracy***

Reduce bias and uncertainty, where possible.

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<sup>1</sup> Established in the Norm ISO14064-2

### ***Transparency***

Disclose sufficient and appropriate information related to GHG removals or reductions to allow future users to make decisions with reasonable confidence.

### ***Conservative Attitude***

Use conservative assumptions, values, and procedures to ensure that GHG emission reductions or increased removals are not overestimated.

#### 7.2.1 Other Principles

### ***Reliability***

It refers to the use of variable data and models, from recognized and technically supported sources to make estimates and calculations within the framework of climate change management.

### ***Comparability***

It refers to the homologation capacity between the results obtained from the use of methodologies, guides, and protocols for estimating emissions, reducing GHG emissions and removals, as appropriate.

### ***Consistency***

It refers to the coherence over time, of the data and the methodologies applied to the calculations and estimates of emissions, reductions of emissions and removals of GHG, adaptation to climate change and climate financing.

### ***Accuracy***

It refers to the management of information, to avoid systematic errors in the calculation of emissions, emission reductions or GHG removals, minimize uncertainty, increase confidence in the data for decision-making and produce reliable, comparable and consistent and reproducible results.

### ***Completeness***

It refers to the inclusion of all sources of GHG emission or removal in the analysis of GHG emissions and reductions, to avoid overestimations or underestimations in the calculations.

### ***Integrity***

It refers to the inclusion of MRV System approaches in the analysis of information related to climate change management and the benefits associated with GHG Projects.

### ***Relevance***

It refers to the correspondence of the information identified, compiled and published, with the characteristics and context of each one of the actions for the management of climate change.

### ***Transparency***

It refers to providing, generating, and publicly making available information that allows understanding the scope, coverage, and limitations of the analysis, as well as the calculations of emissions, emission reductions and GHG removals.

## **8 Anti-bribery Policy and Impartiality Management**

BIOCARBON REGISTRY has developed a regulatory document<sup>2</sup> for the management of impartiality in the certification and registration processes of GHG Projects.

This document defines that the fundamental principle for the management of impartiality, applied by BIOCARBON REGISTRY, is that the people involved in or participants of the organization's professional team will not be part of the GHG Project's certification process. In addition, BIOCARBON REGISTRY does not and will not provide consulting or advisory services to any client of the organization. The **Anti-bribery Policy**<sup>3</sup> of BIOCARBON REGISTRY comprises aspects related to potential or actual conflict of interest, including the requirements and escalation procedures that should be met and followed in case of conflict of interest.

## **9 Whistleblowing Policy and Internal Investigations Manual**

BIOCARBON REGISTRY is committed to conducting all its activities to the highest professional and ethical standards in accordance with applicable local and international

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<sup>2</sup> BIOCARBON REGISTRY. 2022. Impartiality management in the processes of certification and registration. Version 2.0, January 22, 2022

<sup>3</sup> BIOCARBON REGISTRY. 2022. Anti-Bribery Policy and Procedures. Version 1.0. April 21, 2022. 23 p. Bogotá, Colombia.

laws and regulations. Integrity in our business behavior and in our management is crucial to the success of the business and to the fulfilment of our corporate responsibilities and compliance obligations.

We are aware that the employees and external stakeholders of the Company in the context of their work-related activities are often the first to know about breaches of laws and regulations and threats to the public interest which arise in that context.

For this reason, we have set up an **Ethics and Compliance Channel** which is a visible and accessible tool freely available to our internal and external stakeholders at: <https://canaletico.es/en/biocarbonregistry>, which can be used confidentially or anonymously to report cases of suspected or actual misconducts or wrongdoings, with full confidence and without fear of retaliation.

We also encourage our internal and external stakeholders to use our Ethics and Compliance Channel to raise questions and/or concerns about possible breaches of the principles and standards of the Company, established in this Code of Ethics, as well as in our Policies, regulations, or any applicable laws.

This Policy is in line with the relevant national and international legislations and standards that specifically govern the required behaviors and business conduct regarding:

- (a) The prevention of transnational bribery and corruption;
- (b) Whistleblowing systems; and
- (c) Whistleblower protection.

## **10 Procurement Policy and Third-Party Due Diligence Procedures**

Procurement has been generally recognized as an area vulnerable to risks of corruption and malpractices. This Procurement Policy is intended to provide guidance to all personnel of BIOCARBON REGISTRY that contract with third parties, including (but not limited to) clients, suppliers, agents, consultants, commercials, collaborators, subcontractors and professional service providers to enhance integrity throughout the Procurement process.

In particular, the objectives of this Policy are to:

- (a) Guide BIOCARBON REGISTRY'S personnel to carry out Procurement processes in an ethical, transparent, accountable and fair manner;

- (b) Provide general guidance to enhance the capacity of BIOCARBON REGISTRY 's personnel in managing procurement effectively;
- (c) Obtain value for money when procuring goods and services; and
- (d) Contribute to BIOCARBON REGISTRY 's commitment in the fight against corruption and fraudulent purchase.

This Policy hence defines the requirements for the effective management and oversight of third parties and sets out the rules and procedures to follow for establishing and monitoring business relationships with clients, suppliers, agents, consultants, commercials, collaborators, subcontractors and professional service providers, namely with regards to:

- (i) Assessing the need of goods or services to contract;
- (ii) Determining who will be the best supplier of the goods or services; and
- (iii) Ensuring that the goods or services are delivered according to agreed terms and specifications.

## **11 Treatment and Protection of Data Policy**

Framed in the foundations and principles of corporate governance of the BIOCARBON REGISTRY organization, is the commitment to guarantee privacy, and respect the rights to privacy, and the good name of people, during the process of processing any personal data, in all activities related to certification and registration of GHG Projects.

Acceptance of BIOCARBON REGISTRY's Treatment and Protection of Data policy by users is a fundamental and mandatory requirement for them to be able to access the certification and registration processes of climate change mitigation projects offered through the registration platform of BIOCARBON REGISTRY.

## **12 Petitions, Complaints and Claims ("PCC") Policy**

In the area of corporate governance of the organization, and in compliance with both the provisions of the applicable regulations and the principles that govern the certification and registration processes of climate change mitigation projects, BIOCARBON REGISTRY has policies and procedures related to the Management of Petitions, Complaints and Claims ("PCC").

The management of PCCs is expected to help identify areas for improvement within the framework of a continuous learning process, and enhance the skills to identify trends, eliminate the causes of complaints, and improve the organization's operations.

In this sense, BIOCARBON REGISTRY has developed the *Manual of Policies and Procedures for the Management of Petitions, Complaints and Claims*.

## 13 BioCarbon Registry Procedures

### 13.1 Public Consultation

Through the preparation and consolidation of its own standards and methodologies, BIOCARBON REGISTRY seeks to reduce the risks associated with the certification and registration of GHG Projects, and to strengthen and conservatively maintain the interests of the interested parties.

In order to optimize the implementation of BIOCARBON REGISTRY standards and methodologies, the BIOCARBON REGISTRY PROGRAM requires that every Standard and Methodological Document be submitted to the public consultation process.

The public consultation process is essential to ensure that the transparent interaction between BIOCARBON REGISTRY and all stakeholders continues, and to respond to the application of the principles of the program BIOCARBON REGISTRY, essentially responsibility, quality, and integrity (see section 7.1). Also, the consultation with the interested parties guarantees the right of intervention that citizens have to participate in a free, individual, and collective manner to directly influence decisions on standards and methodologies.

The public consultation procedure is carried out in accordance with the following requirements:

1. BIOCARBON REGISTRY, individually or collaboratively, develops a Standard or Methodological Document. The document for public consultation contains the following information:
  - (a) Document title;
  - (b) Objectives;
  - (c) Scope and area of application;
  - (d) Release date and version;
  - (e) Mark or note (watermark for example) indicating that it is a document for public consultation.

2. BIOCARBON REGISTRY publishes on its website the document for public consultation indicating at least:
  - (a) That the document is in the process of public consultation;
  - (b) Deadline for submitting comments. The minimum deadline date corresponds to thirty (30) calendar days, counted from the date of disclosure;
  - (c) Contact details of the person who receives the comments.
3. BIOCARBON REGISTRY discloses through the available media that its document is under public consultation and discloses the access link and/or directly shares the document with interested parties. Stakeholders shall include at least:
  - (a) Any relevant actor at the local and national level in the carbon market, including at least: other certification and registration programs, verification and validation bodies, associations participants in the carbon markets, and other national and international associations BIOCARBON REGISTRY is a member, developers of GHG Projects.
  - (b) Any relevant actor at the local and national level in the sector of the economy for which the document applies.
  - (c) Regulatory government entities.
4. During the public consultation period, BIOCARBON REGISTRY collects and documents all the comments received in the BioCarbon Registry **Public Consultation Results** format.
5. At the end of the public consultation period, BIOCARBON REGISTRY responds to each comment in the BIOCARBON REGISTRY **Public Consultation Results** document and makes the pertinent adjustments within the Standard or Methodological Document.
6. Once the adjustments have been made and approved by the BIOCARBON REGISTRY technical committee, the final version of the Standard or Methodological Document and the **Public Consultation Results** document are published on the BioCarbon Registry website.

## 13.2 Methodologies Development and Approvals

### 13.2.1 Development of Methodologies

The BCR STANDARD includes methodological documents for quantifying GHG emission reductions or removals at the project level. The methodological documents contain the applicability criteria and detailed steps for quantifying and monitoring results against a given project type's design and implementation of GHG Projects.

The process of developing and reviewing a methodological document depends on the party who identifies the opportunity for methodological document development as: a) BCR Initiative and b) Initiative of any interested party.

The development of a new methodology may occur only when:

- (a) A potential GHG Project that has additionality characteristics and is included within the types of activities and sectors eligible under BIOCARBON REGISTRY, and;
- (b) There is not a CDM methodology applicable to the type of activity.

The development of methodological documents in BIOCARBON REGISTRY oversees the technical committee. It shall be reviewed and approved by the direction and a technical committee delegate before public consultation and final disclosure on the BCR website.

The process of developing and approving a new methodological document in BCR Program is completely described in **METHODOLOGICAL DOCUMENT DEVELOPMENT. BCR GUIDANCE.** Available at <https://biocarbonregistry.com/tools/methodologies-development-and-approval.pdf>

## 14 The Project Cycle

The BIOCARBON REGISTRY Project Cycle comprises of the processes and procedures that shall be followed to carry out the certification and registration of GHG Projects, GHG emission and VCC transactions through the BIOCARBON REGISTRY System. The methods described below are mandatory and shall be carried out in the order indicated.

- (a) Creating an account on the registration platform
- (b) Project registration
- (c) Certification and registration
- (d) VCC issuance

## (e) VCC Transfers and Retirements

### 14.1 Account Creation on the Registration Platform

Market participants who intend to request VCCs' issuance through BIOCARBON REGISTRY's registration system shall have an account in the Registration Platform. They may ask for account creation at any time. Thus, account holders may have an account in the registry platform before having the documentation to submit / register a project or before having a legal agreement to purchase VCCs, as the case may be.

For this purpose, the interested party shall apply to create the account, uploading the documentation related to the natural person or legal entity that will represent the account holder. Once the information is evaluated, and the request is approved, an account is created in the registration system.

The **BCR Handbook and Good Practices Registry Platform** guide and regulate the use and functionality of the Registration Platform. Any potential user who needs to access the platform and register in BIOCARBON REGISTRY shall follow step by step the guidance outlined in the referred handbook. This document complements each of the processes described in this document, starting from the creation of an account in the Registration platform to the VCC Retirement process.

The account holder will then provide the Registration System Administrator with an authorization, authorizing a designee to access the Registration Platform on his or her behalf.

The Registry use and the registry site are subject to terms and conditions, which constitute a binding contract between the Account Holder as a user of the Registry and the Administrator. Thus, by using or accessing the Registry, the Account Holder agrees to be bound by the terms of use and accepts actual responsibility to fulfil the users' duties. That is, by using the Registry, the Account Holder shall be subject to the rules and operating procedures, applicable to such use.

The account types are as follows: Project Holder Account, General Account and Aggregator Account. The description of each account is listed below.

#### 14.1.1 Project Holder account

A project holder is a natural or legal person, responsible for the formulation, implementation, monitoring and registration of a GHG Project.

The owner of this type of account may register projects, request the issuance of VCC, transfer them to other account holders, or retire them in their own name. This type of account cannot receive VCC transfers or hold or retire on behalf of third parties. Project Holder accounts are designed for project developers who do not trade credits in the market. If the project holder wishes to participate in the trading of VCC, a General Account will be required to do so.

The project holder may only register the GHG Project in his own name, provided that he submits the related documentation.

The project holder account cannot retire VCC in the name of third parties, and it can only withdraw them in his own name and transfer them to other account holders.

#### 14.1.2 General Account

The owner of a general account may be a project holder or act on behalf of the project holder(s).

A Market Participant holding this type of account may register projects, request the issuance of VCC, transfer VCC to other accounts, receive transfers of VCC from other accounts and retire VCC in their own name. A General Account holder can also withdraw VCC on behalf of third parties. This account is tailored to the needs of organizations that buy and sell VCC and those that develop projects and, in turn, market VCC.

#### 14.1.3 Aggregator Account

Aggregator Accounts are secondary market accounts. This type of account allows the holder to receive VCC transfers from other accounts and withdraw them on behalf of third parties. The holder of an Aggregator Account cannot transfer VCC to other account holders. This type of account is recommended for those who purchase VCC to withdraw them on behalf of third parties.

### 14.2 Validation and Verification

Validation is a systematic, independent, and documented process to assess a GHG Project's activities and baseline them against defined criteria to verify that it meets the requirements of current regulations, as stipulated by the BCR STANDARD. Verification is the systematic, independent, and documented process for assessing the GHG Declaration against the verification criteria.

Project holders shall ensure that the validation and verification processes are carried out by an accredited and independent third-party. They shall confirm that the independent

third-party meets all accreditation requirements with the authorities defined in this document.

#### 14.2.1 Principles of validation and verification

In accordance with ISO 14064-3, the principles to be applied in the validation and verification processes are the following: Independence, integrity, impartial presentation, due professional care, professional judgment, and an evidence-based approach.

#### 14.2.2 Conformity Assessment Bodies (CAB)

BIOCARBON REGISTRY certify projects and issue Verified Carbon Credits (VCC) for GHG emissions reductions or removals that have been validated and verified by a Conformity Assessment Body (CAB) that complies with the principles and requirements for the competence, consistency, and fairness.

The GHG Conformity Assessment Body shall be accredited by an accreditation body signatory member of the International Accreditation Forum (IAF), and offers services to validate and verify GHG Emissions in accordance with the ISO 14065 requirements.

The bodies accredited by the Executive Board of the Clean Development Mechanism (CDM) as designated operational entity (DOE), may carry out validation and verification processes under the requirements of the norm ISO 14065.

BIOCARBON REGISTRY accept only validations/verifications carried out by accredited bodies, complying with the following:

- (a) GHG Projects shall undertake validation and verification processes, by an independent third-party, in order to ensure that they employ GHG emission reduction or removal quantification methodologies that are verifiable within the framework of ISO 14064-3.
- (b) The validation and verification processes shall be carried out by a Conformity Assessment Body (CAB), which complies with the requirements described in current legislation, and the others defined by the BCR STANDARD.
- (c) CABs shall issue a validation and verification statement, indicating that the GHG emission reductions or removals were generated in accordance with the guidelines defined in the norm ISO 14064-2, and the results obtained in the verification carried out under the norm ISO14064-3 or those that adjust and update them.
- (d) The CAB shall be a legal entity, or a defined part of a legal entity, that can be held legally responsible for all its validation and verification activities.

- (e) The CAB shall be responsible for the validation and verification statements, and retain authority over its decisions, concerning the validation and verification.
- (f) The CAB shall be responsible for the impartiality of its validation and verification activities and not allows commercial, financial, or other pressure to compromise the guarantee of impartiality.
- (g) The CAB shall demonstrate that it has assessed the risks derived from its validation and verification activities, and that it has adequate arrangements to cover the responsibilities derived from its activities in each validation and verification activity.

The Conformity Assessment Body (CAB) interested in providing their services as Validation and Verification Bodies (VVB) for GHG Projects that intend to certify and issue Verified Carbon Credits (VCC) under the BCR STANDARD, shall fill out the **CAB Application Form** available for consultation on the website: [https://biocarbonregistry.com/template/BioCarbonRegistry\\_CAB-Application-form.pdf](https://biocarbonregistry.com/template/BioCarbonRegistry_CAB-Application-form.pdf) and send it to [admin@biocarbonregistry.com](mailto:admin@biocarbonregistry.com), with the related information.

Likewise, the CAB shall use the **Manual for Validation and Verification of GHG Projects** available for consultation on the website: [https://biocarbonregistry.com/procedures/BCR\\_Validation-and-Verification-Manual.pdf](https://biocarbonregistry.com/procedures/BCR_Validation-and-Verification-Manual.pdf). This manual specifies the principles and requirements for the independent entities that carry out validation and verification processes for GHG Projects, establishing the rules, procedures, and management processes necessary to carry out the conformity assessment, including the scope, object and field of application, the criteria, the level of assurance, also determining the approach and the necessary process for validation and verification. The manual is part of the BIOCARBON REGISTRY PROGRAM, consequently, the requirements described in the manual shall be met in addition to those established in the standards.

### 14.3 Application for project registration

The Project holder, or whoever is duly authorized by the holder, is the one who may request the registration of the Project.

First, the project holder shall request the registration of the Project in the BIOCARBON REGISTRY Registration Platform. The project holder may request to register the Project before the validation process is completed, attaching the information required in the online form and described in the **BCR Handbook and Good Practices Registry Platform**. Certification and registration may be required when the Project is in the

validation process. However, certification and registration will be given only when the Project has the validation report and statement.

#### 14.3.1 Project review and assessment

Once the process of evaluating the documentation's completeness and consistency has been completed, the BIOCARBON REGISTRY team carries out an assessment. It ensures that the Project, as well as the validation or validation/verification process, complies with the requirements of the BCR PROGRAM.

In addition, it determines whether the Project complies with the principles and requirements of the BCR STANDARD, and the conditions established in the applicable national regulations.

The Project will be registered in the registration platform only if: i) it complies with the requirements established in the Standard, ii) it submits all the information required in the registration form iii) the project holder demonstrate compliance of the applicable national regulations, and iv) the information presented is consistent.

### 14.4 Certification and Registration

To complete the certification and registration of a GHG Project, the project holder shall register a validation by registering their Project on the Registration Platform, including the documents required by the online form. Certification and Registration of GHG Projects is the main activity of the BIOCARBON REGISTRY, which is carried out after the review and project evaluation. The review and evaluation of GHG Projects includes:

- (a) Integrity and consistency of the project holder's documentation;
- (b) Integrity and reliability of the project documentation;
- (c) Project type and eligibility in BCR;
- (d) Compliance of the project with the legislation applicable;
- (e) Compliance with the BIOCARBON REGISTRY principles;
- (f) Use of appropriate methodologies;
- (g) Baseline identification (credible, reliable);
- (h) Additionality assessment;
- (i) Leakages and permanence;
- (j) Compliance with environmental aspects;

- (k) Compliance with socioeconomic aspects;
- (l) No Net harms compliance;
- (m) Fulfillment with the applicable SDGs;
- (n) Compliance with the Monitoring Plan;
- (o) The quantification period and the mitigation results;
- (p) Compliance of stakeholder consultation;

The validation shall comply with the applicable Standard and Methodological requirements, specifically with the requests for the starting date and quantification periods described in section 10.5 of BCR STANDARD.

The BIOCARBON REGISTRY team shall comprehensively review the request for registration of a project. To formalize the certification and registration of a GHG Project, the project holder shall satisfactorily comply with the applicable rules and procedures. The BIOCARBON REGISTRY team determines the conformity or non-conformity with respect to the fulfillment of the requirements needed by the BCR STANDARD and by the applicable legislation, checking the integrity of the project. If a project complies, the document **Certification GHG Project** is issued. The document includes general information of the project, participants of the project, and the CAB.<sup>4</sup>

After determining that the Project meets all requirements, the Registration Platform will issue a unique project reference ID to identify the Project in the registration platform.

## 14.5 Verified Carbon Credits (VCC) Issuance

Once the documentation related to the verification process has been received, the BIOCARBON REGISTRY team evaluates compliance with the Standard requirements and accepts or rejects the registration of the verification period and the issuance of the VCC.

The issuance of VCC will only be possible once the verification process and the subsequent evaluation of BIOCARBON REGISTRY's technical team's related documentation are concluded. For this process, the user shall request the issuance of VCC through the Registry Platform. The number of VCC issued through the Registry Platform will always

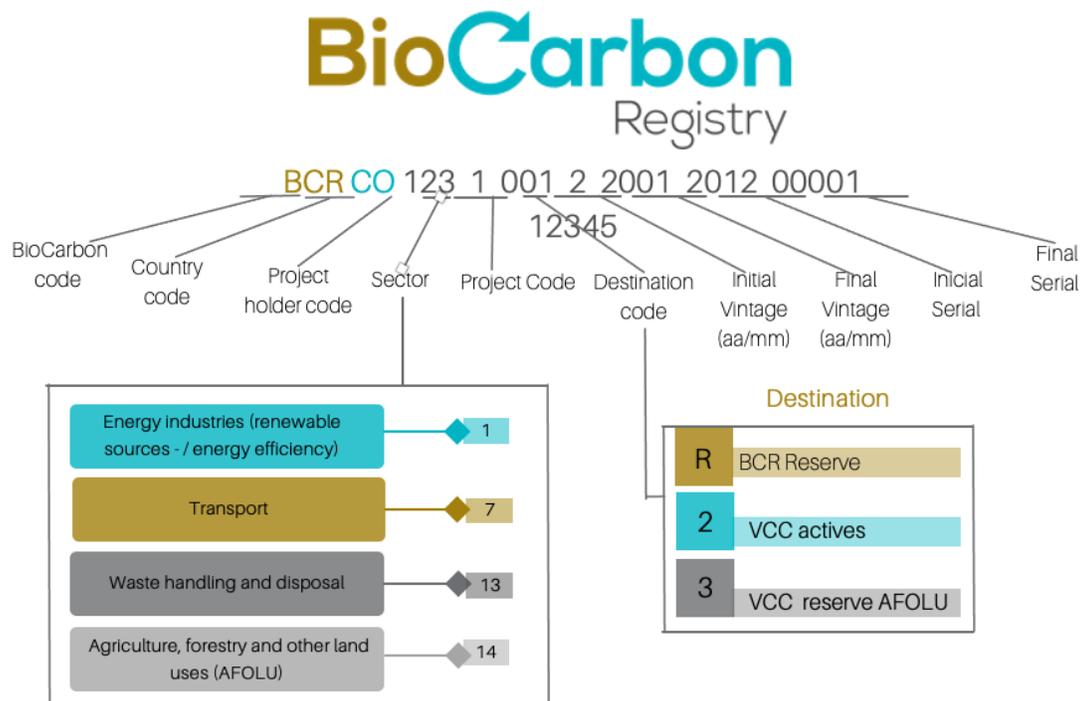
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<sup>4</sup> The BioCarbon Registry team reserves the right to accept or reject the registration of a project in the registration platform. If incomplete or inconsistent information is submitted, BIOCARBON REGISTRY shall reject the registration of a project until the validation requirements specified in the standard are met.

be equal to the number of GHG removals or reductions verified by a VVB and approved by BIOCARBON REGISTRY.

#### 14.5.1 Serial identification

The design of the serials in BIOCARBON REGISTRY platform ensures a unique serial ID. Through its code it is possible to trace the origin of the serial, including the Project Holder. Figure 1 describes the information provided by a VCC serial issued by BIOCARBON REGISTRY.



*Figure 1: Serial Identification*

The issuance of VCC is done through the creation of serials. These serials characterize each of the credits, differentiating their destination for VCC actives or VCC reserve, their crediting period (year) and their amount per year.

Serials are certified through the issuance of the **GHG Statement**, a document received by the Account Holder that registered the project, which contains the relevant information on the rights of the VCC issued and on the project information.

The generation of the BIOCARBON REGISTRY serial through the Registration Platform ensures that:

- (a) The same serial number shall not be issued more than once;
- (b) Serials have an assigned destination and therefore cannot be used for other purposes;
- (c) Once a serial has been retired it is deducted from the user's accounting of available VCC and cannot be used again.

## 14.6 VCC Transfers and Retirements

Market participants can create transfers and retirements of Verified Carbon Credits to buyers or/and other account holder following the allowances assigned to each type of account/user.

Retirements are made and registered through the Registration Platform through a self-management process, carried out by the account holder.

There are four (4) fundamental rules for retirements, controlled by the platform:

- (a) The system does not allow retirements from the Reserve destination if a verification period, unless the next verification period for which the VCC had been registered.
- (b) The system has an internal procedure that determines the availability of active credits and, therefore, does not allow retirements of unavailable amounts.
- (c) The system does not allow retirements of unavailable amounts.
- (d) The system does not allow you to request a retirement of a serial in the process of being approved for retirement from a previous transaction.

With each Retirement transaction, the system issues a ***Retirement Statement*** containing all the information about the transaction.

## 15 Traceability and Custody of VCC

The VCC identification serial can be traceable from the moment it is issued until its retirement. Through the Registration Platform, the system can register the issuance of VCCs the transfer of VCC between account holders and retirements, and the amount of active and withdrawn VCCs for each Project.

Through the Registration Platform and having access to a Holder Account can be consulted online:

- (a) Total number of active VCC;
- (b) Number of VCC retired;
- (c) Amount of VCC transferred;
- (d) Transfers Register (sender, receiver, amount, serial, date);
- (e) Retirement Register (Project, end-user, quantity, serial, date);

Additionally, the Public Registry provides relevant information on the custody of VCC.

## 16 Permanence

For AFOLU projects, once the GHG emission removals or reductions (estimated based on the selected quantification methodology) have been registered, the system will automatically discount and maintain a reserve of 20% of the total quantified GHG emission reductions or removals for each verified period.

The 10% discount on Verified Carbon Credits in each verification period is held in a reserve account for the project to which they belong. The remaining 10% will be placed in a General Reserve Account in the BioCarbon Registry.

At the end of the quantification period and during the final verification process, the percentage corresponding to the project reserve will be transferred to a general reserve account known as the BCR Reserve. This account is used to store Verified Carbon Credits (VCCs) as a safeguard against potential reversals in any project in the future.

## 17 Avoiding Double Counting

In order to achieve international targets related to GHG emission reductions and climate change mitigation, robust and transparent accounting is essential as it enables the effective assessment of national progress. Double counting could lead to an overestimation of benefits to projects and countries and would lead to an erroneous analysis of the real progress towards meeting this global objective.

Consequently, within the scope of this Standard, "double counting" is defined as the accounting of a Greenhouse Gas (GHG) mitigation result in tons of CO<sub>2</sub>e, in the following scenarios:

- (a) a ton of CO<sub>2</sub>e is counted more than once to demonstrate compliance with the same GHG mitigation goal;
- (b) one ton of CO<sub>2</sub>e is counted to demonstrate compliance with more than one GHG mitigation goal;
- (c) a ton of CO<sub>2</sub>e is used more than once to obtain remuneration, benefits, or incentives;
- (d) one ton of CO<sub>2</sub>e is verified, certified, or accredited assigning more than one serial to a single mitigation result.

Accordingly, avoidance of double counting is a requirement that prohibits the accounting, issuance, and retirement of GHG mitigation results that meet any of the conditions described above.

In accordance with the referred above, the account holder is prohibited to incur in a situation of double counting proscribed by the applicable rules and procedures.

## **18 Registry System and Registry Platform**

The Registry System is a system of accounting and custody of issuance, transfer, and retirement of VCC (Verified Carbon Credits). A VCC is generated for each ton of GHG reduction or removal certified by the BIOCARBON REGISTRY Program. The data available on the registry includes information on validated and verified GHG emission reductions and removals. The Registration System is part of the services offered by BIOCARBON REGISTRY through the Registration Platform.

The Registration Platform is BIOCARBON REGISTRY 'S web application through which users can self- manage the processes of i) account registration, ii) project registration, iii) registration of verification periods, iv) issuance of VCC, v) transfers of VCC and vi) Retirement of VCC.

For specific questions about the applicability and use of the platform, the intended users are encouraged to contact support through the email address: [registry@biocarbonregistry.com](mailto:registry@biocarbonregistry.com).

### **18.1 Website**

The official website of BIOCARBON REGISTRY is [www.biocarbonregistry.com](http://www.biocarbonregistry.com)

Through the BIOCARBON REGISTRY website public can access all the relevant documentation of the BIOCARBON REGISTRY program. The program components are presented in a summarized way, including the description of the organization, the carbon standards, the methodologies, the results of the public consultations. public documents, the relevant corporate governance documents (including the PCC and contact section), the regulatory documents of the VVB, among others.

Through the web page, it is possible to access the BIOCARBON REGISTRY platform by an assigned username and password. Only Account Holders and the BIOCARBON REGISTRY administrator have access to the Registration Platform.

Additionally, through the *Project Registry and VCC* sub-menu, the public can access the registry of projects, issued VCC, and retirements register.

## 18.2 Public Registry

The registered information of the GHG Projects that shall be available to the public, by legal requirement, is published at the BioCarbon Registry's home page; this, once the documents in the registry have been reviewed and approved by the BioCarbon Registry team in accordance with the provisions of the BCR STANDARD and the applicable methodology.

In the section *Project Registry and VCC* three (3) tables are presented containing the following information:

### 18.2.1 GHG Projects

This table publishes projects that have registered and projects in process of registration at BIOCARBON REGISTRY. The projects information includes the following:

- (a) Project ID;
- (b) Project name;
- (c) Project holder;
- (d) Conformity Assessment Body (CAB);
- (e) Project duration;
- (f) Verified GHG emissions reductions or removals;
- (g) Sector;
- (h) Project type;
- (i) Country;
- (j) SDG (Sustainable Development Goals);
- (k) Special category;
- (l) Status;

In the VIEW section, for the projects registered and in process, the public registry shows the following:

- (a) Project ID;
- (b) Project name;
- (c) Project holder;
- (d) TAX ID project holder;
- (e) Conformity Assessment Body (CAB);
- (f) Project duration;
- (g) Verified GHG emission reductions or removals;
- (h) Sector;
- (i) Country;
- (j) Relevant photographs of the Project;
- (k) Location on the map;
- (l) Project description;
- (m) Summary report;
- (n) Project documentation;
- (o) Validation and Verification Reports;

#### **18.2.2 Verified Carbon Credits (“VCC”)**

In this section all the serials issued by BIOCARBON REGISTRY are published, also the characteristics of each serial and the retired and available VVC.

#### **18.2.3 Transactions and Assignment**

This table publishes every transaction performed and its characteristics, including transaction date, project, addressee, account holder, amount retired, initial serial, final serial, and complete serial.

## **19 Registry System Security**

The BIOCARBON REGISTRY Platform was developed with secure code policies in mind. The software considers the security of the registry through the following components:

- **SSL Certification:** the information is encrypted and protected.
- **Google ReCAPTCHA** protects the site from *spam*, non-authorized access, or from malicious bots and robots. The system identifies when a human or a Bot attempt to attack and/or block the program.
- **Identity validation** through email verification.
- **Secure password:** for a user to create his password, the system forces him to enter a secure password that cannot be detected by strangers (minimum number of characters, numbers and symbols).

- Internal control of access to the platform: functionality to block users after 5 unsuccessful login attempts.
- Development based on secure code programming and OWASP policies<sup>5</sup>: latest stable version and verified *Laravel framework* for based-development programming.
- Server provider: the platform is developed in VULTR, a recognized server provider with high security standards.
- Automatic *backup*: Programming of 3 daily *backups* of automatic database that provide information reliability and traceability.
- Firewall: The application uses the *Cloudflare* interface as a *Firewall* and protective shield for the Web and the registration platform.

Preventive and corrective maintenance of cyber threats: prevention of unauthorized entry to the website as *plugins* and code (*hacking*), elimination of recurrent *hacking*, and prevention of modification of site content. Maintenance also includes **review** of the operating system configurations, Apache, and PHP, **scanning of vulnerabilities**, **analysis** of security into all sites (*Blackbox*, *Greybox*, *Whitebox*), **detection** and identification of malware present on the server, **implementation** of recommendations and server configuration settings, and site remediation.

## 19.1 Blockchain Technology

Security protection with BlockChain technology provides immutableness to the valuable information contained in the Registry Platform.

The registries are based on Hyperledger Fabric technology, including all the security mechanisms that guarantee the integrity of the data stored in the BlockChain.

The Stamping.io link is one of the BlockChain entities that have nodes deployed on top of LACChain. LACChain is a global partnership led by the Inter-American Development Bank Group's Innovation Lab (IDB Lab) for the development of the BlockChain ecosystem in Latin America and the Caribbean.

All processes carried out on the Platform are processed on the BlockChain and users can download BlockChain certificates, also in real time.

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<sup>5</sup> Open Web Application Security Project

Information about BCR on the BIDLab BlockChain can be found at the following link:  
<https://www.lacchain.net/projects/BioCarbon-Registry>.

## 20 Fees

For GHG Projects in the AFOLU Sector, the certification and registration fees for BIOCARBON REGISTRY differ depending on the amount of VCC to be issued. For all other sectors including transport, energy and waste standard fees apply which are publicly available on BIOCARBON REGISTRY'S website.

The BIOCARBON REGISTRY fees have been competitively designed and enable users to pay for the certification and registration through the different processes available on the platform. These processes are commonly performed at different times and allow users flexibility in payment times.

For more information, it is possible to consult the fee and payment conditions on the website: [www.biocarbonregistry.com](http://www.biocarbonregistry.com), under the "Fees" section:  
<https://biocarbonregistry.com/BioCarbon-Registry-Fees.pdf>

*Document history*

**Type of Document.** Standard

BCR Standard Operating Procedures

<b>Version</b>	<b>Date</b>	<b>Nature of the Documents</b>
1.0	January 13, 2023	First version