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GB/ED/mk D(2012)0835 C 2011-1153

Subject: Notification concerning the European Union Transaction Log (EUTL) and the Registry

Dear Mr Renaudière,

On 14 December 2011 you sent us the notification concerning the "European Union Transaction Log (EUTL) and the Registry". Following our meeting of 14 March 2012 and after careful analysis of the content of the notification and complementary information you provided, we have concluded that the processing operations are not subject to prior checking.

EUTL and Single Registry (called the "Registry") seem to be two sub-systems that compose one unique system. They are hosted in the Commission's Data Centre and have two different functions but appear to be inseparable, complementary and cooperative systems. The Registry holds the accounts of actors involved in the EU Emissions Trading Scheme and records transactions performed between accounts. The EUTL records the allocations, transfer and cancellation of CO2 emission allowances in the EU and checks the consistency and coherence of certain operations. The Registry is a central electronic registry that replaces the system of national registries set up at EU level to support emission trading by account holders within and across Member States. Its ultimate purpose is to help controlling and reducing greenhouse gas emissions in the European Union. The legal basis for the Union Registry is Commission Regulation No 1193/2011. The full activation including migration from exiting national registries is planned for June 2012.

Emission allowances exist only in electronic format. They are allocated to energy-intensive industrial installations by Member States, and can then be traded across account holders. The account information includes the name of at least two representatives of the account holders. Application log files are created to record elements that trace any operation on the system. These elements may be the name, the user id, the logical address (IP address), a time stamp giving the beginning and the end of the operation. System log files are also created by the supporting infrastructure (European Commission Data Centre) for operation of the information system.

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Under Article 10 of the Commission Regulation No 1193/2011 the Member States are responsible for opening, suspending, limiting access to, or closing an account, approving authorised representatives and permitting changes to account details that require the approval of the administrator. They verify whether the information and documents provided for account opening is complete, up to date, accurate and true. Documentation to open accounts, including ID and criminal records is collected and stored separately from the Union registry by the Member States. The Commission cannot modify any personal data and appears to be not responsible for its quality, correction and update.

According to the information provided, the Commission seems to be only responsible for the operation and smooth running of the system which includes, among others, ensuring the correct recording of application log files. The EUTL carries out automatic checks on the transactions initiated and recorded in the Registry and sends an automatic notification and report to the national administrator concerned when problems are detected. Access to the application log files is restricted to the system administrators (EC officials, subcontractors under EC officials guidance) who use them in the framework of their tasks.

The notification was submitted under Article 27(2) (a) of Regulation 45/2001. It focuses on the processing of the application's log files. However, the EDPS has not identified any specific risk in the application which could lead to prior checking under Article 27 (2)(a). Data relating to suspected offences, offences, criminal convictions or security measures are not processed in the Union Registry. The processing of personal data by EC officials seems to be limited to data processing operations which are essential to monitor the behaviour of the system and to secure the smooth running. Moreover, according to the Commission a system-specific security plan complemented by a security gap analysis sets the foundation of security for the Union Registry. The Commission provided the EDPS with a description of the security measures in the Union Registry (including EUTL). The security measures include, among others, password protected authentication, penetration tests and a regular review of the measures with monthly Steering Committee meetings.

Furthermore, the processing operations are not "*intended to evaluate personal aspects relating to the data subject, including his or her ability, efficiency and conduct*" and are therefore not prior checkable under Article 27 (2)(b).

Therefore, the EDPS has decided to close the case on the EUTL and the Registry.

Should you provide him with reasons indicating that this processing operation involves a specific risk within the meaning of Article 27(1), this could lead the EDPS to review his position. In this context we would also like to point out that a potential future blacklisting procedure which is currently under consideration should be notified to the EDPS for prior checking under Article 27 (2)(b).

Our comments in this letter should be read in conjunction with, and are without prejudice to, the formal Opinion of the EDPS on Commission Regulation (EU) No 1193/2011.

We thank you and the unit representing the data controller on this case for your cooperation.

Yours sincerely,

(signed)

Giovanni BUTTARELLI

Cc: Ms Ivonne Slingenberg, Head of Unit, European Commission, DG CLIMA