MARINE CONSERVATION CREDITS

Corresponding Adjustment and Double Counting Prevention Policy v1.0

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PURPOSE AND SCOPE

0001 This Policy establishes the framework for corresponding adjustments (CA) and double counting prevention within the MCC carbon credit ecosystem.

0002 The Policy shall apply to all credit issuance, transfer, retirement, and registry operations conducted on MCC platforms.

0003 MCC shall implement controls to prevent double counting, double claiming, double issuance, and double use of carbon credits.

0004 The Policy shall define corresponding adjustment requirements for internationally transferred mitigation outcomes (ITMOs) and ensure host country notification and tracking.

0005 All project developers, credit buyers, registry operators, and verification bodies shall comply with provisions contained herein.

0006 The Policy shall establish labelling standards for credits indicating corresponding adjustment status to enable market transparency.

0007 MCC shall conduct cross-programme integrity checks against external registries to prevent project duplication across schemes.

0008 The Policy shall detail enforcement mechanisms and consequences for violations of double counting prevention controls.

0009 MCC shall maintain an immutable registry of all credits, their status, and corresponding adjustment history throughout their lifecycle.

0010 This Policy shall be reviewed and updated annually to incorporate emerging market practices and regulatory developments.

DEFINITIONS

0011 Corresponding Adjustment (CA) shall mean the reduction in mitigation credits recognized by a host country when ITMOs are transferred to another jurisdiction for use toward climate targets.

0012 Double Counting shall mean the inclusion of the same mitigation outcome in the climate targets or emission reduction claims of two or more countries or entities.

0013 Double Claiming shall mean the use of a single credit to satisfy emission reduction obligations in multiple jurisdictions or programmes simultaneously.

0014 Double Issuance shall mean the simultaneous or sequential issuance of credits from the same underlying mitigation project in multiple programmes without corresponding adjustments.

0015 Double Use shall mean the retirement or cancellation of the same credit twice, resulting in claimed emission reductions exceeding the actual mitigation impact.

0016 International Transfer of Mitigation Outcomes (ITMO) shall mean the cross-border transfer of credits from one country or programme to another.

0017 Host Country shall mean the nation where a mitigation project is physically located and where emissions reductions or removals occur.

0018 Buying Country shall mean the jurisdiction acquiring and using ITMOs to meet climate objectives under national or international agreements.

0019 Serial Number shall mean a unique, immutable identifier assigned to each credit at issuance that persists throughout its lifecycle.

0020 Credit Lifecycle shall mean the sequence of states through which a credit passes: issuance, holding, transfer, retirement, and cancellation.

0021 Retirement shall mean the permanent removal of a credit from circulation, preventing further transfer or use.

0022 Registry shall mean the centralized database system that records all credits, their serial numbers, ownership, status, and transaction history.

0023 Cross-Programme Integrity shall mean the verification that a single project does not receive credit issuance in multiple external registries or programmes.

0024 Verification Body shall mean an independent third party authorized to audit mitigation projects and certify credit issuance eligibility.

0025 Programme Exclusivity Declaration shall mean a written commitment from a project developer confirming the project participates in only one credit programme.

DOUBLE COUNTING PREVENTION CONTROLS

0026 MCC shall implement a unique project registration requirement prohibiting the same physical project from generating credits in multiple programmes simultaneously.

0027 Each registered project shall receive a universal project identifier (UPI) that shall be retained throughout its operational lifetime.

0028 Project developers shall declare the single programme in which their project participates and shall be bound to this declaration.

0029 MCC shall reject registration applications for projects that have previously generated or currently generate credits in other registries unless all such credits have been cancelled and corresponding adjustments made.

0030 Every credit issued by MCC shall be assigned a unique serial number at issuance that shall be cryptographically linked to its project UPI and issuance timestamp.

0031 Serial numbers shall be generated using a distributed ledger mechanism to prevent collision, duplication, or forgery.

0032 The serial number format shall include issuing programme code, project identifier, vintage year, batch number, and sequential counter elements.

0033 Serial number uniqueness shall be enforced through a central uniqueness registry that is consulted prior to issuance authorization.

0034 MCC shall maintain an immutable ledger of all serial numbers ever issued, preventing reuse even after credit retirement.

0035 Credits shall not be transferable once retired; retirement transactions shall be irreversible and shall trigger permanent serial number deactivation.

0036 Retirement immutability shall be enforced through cryptographic hashing such that any attempted modification of retirement records is detectable.

0037 MCC shall conduct automated registry cross-checks against the databases of Verra, Gold Standard, and other major programmes at defined intervals.

0038 Cross-registry checks shall query external APIs or consume published datasets to identify projects claiming credits in multiple systems.

0039 Upon detection of potential project duplication, MCC shall impose a hold on credit issuance pending investigation and remediation.

0040 Project developers shall be required to submit an affidavit confirming exclusive participation in a single programme at time of registration.

0041 MCC shall implement a blockchain-based digital ledger that maintains tamper-evident records of all credit transactions and status changes.

0042 The digital ledger shall enforce transaction validation such that credits cannot be transferred from accounts lacking verified ownership.

0043 Credits in held, disputed, or investigation status shall be flagged in the registry and shall not be transferable or retirable.

0044 MCC shall perform quarterly audits of registry transactions to identify anomalies, unauthorized transfers, or serial number irregularities.

0045 Registry access shall be logged with user identification, timestamp, transaction type, and outcome recorded for forensic review.

0046 Suspicious registry activities shall trigger automated alerts to compliance personnel for immediate investigation.

0047 Project retirement claims shall require cryptographic proof of project completion and approved verification report before processing.

0048 MCC shall implement time-locked escrow mechanisms such that transferred credits are held in restricted status until receiving country confirms receipt.

0049 The time-locked period shall be a minimum of 30 days to allow host country verification of corresponding adjustment implementation.

0050 Credits shall be released from escrow only upon receipt of signed corresponding adjustment confirmation from the host country.

0051 MCC shall maintain a secondary immutability control through multi-signature authorization requirements for any administrative intervention in credit status.

0052 Credits entering dispute resolution shall be sequestered in a restricted account preventing further transfer pending resolution.

0053 Resolution of disputes shall result in either restoration of full credit status or formal cancellation with public documentation.

0054 MCC shall implement automated controls preventing the same credit serial number from appearing in multiple retirement events.

0055 Batch retirement operations shall be validated for serial number uniqueness prior to processing.

Double Counting Type	Definition	Prevention Control
Double Claiming	Same credit used in multiple jurisdictions	CA status labelling; buyer disclosure requirements
Double Issuance	Same project issues in multiple programmes	Unique project registration; serial number uniqueness
Double Use	Same credit retired twice	Immutable retirement ledger; deactivation on retirement
Project Duplication	Same physical project in multiple registries	Cross-programme integrity checks; exclusivity declarations
Vintage Doubling	Same vintage year credited twice	Verification report linkage; issuance immutability

CORRESPONDING ADJUSTMENT FRAMEWORK

0056 A corresponding adjustment shall be required whenever a carbon credit generated by a project in the host country is transferred internationally and used by a buying country toward its climate target.

0057 The corresponding adjustment shall be calculated as a reduction in the host country's mitigation credits or an adjustment of its emissions baseline by an amount equal to the transferred credits.

0058 The host country shall be notified by MCC of all international transfers of credits derived from projects located in its territory within 5 business days of transfer initiation.

0059 Notification shall include the credit serial numbers, vintage year, quantity, buying country, intended use, and verification documentation.

0060 The host country shall have the right to review all metadata associated with transferred credits and may request cancellation if irregularities are identified.

0061 Host countries shall be required to implement corresponding adjustments in their national climate accounting and report such adjustments to the UNFCCC on an annual basis.

0062 MCC shall provide host countries with standardized templates and guidance documents for implementing corresponding adjustments in their reporting systems.

0063 The corresponding adjustment shall be implemented at the point of credit retirement by the buying country or final user.

0064 Upon retirement of a credit by a buying country, MCC shall notify the host country and record the corresponding adjustment in the International Transfer Registry.

0065 The International Transfer Registry shall be a public-facing database maintained by MCC that tracks all CA events and associated metadata.

0066 Registry entries shall include host country name, buying country name, credit quantity, serial numbers, transfer date, retirement date, and adjustment status.

0067 The registry shall be updated in real-time and accessible to all governments, programme operators, and accredited entities.

0068 MCC shall reconcile the International Transfer Registry with host country reporting to UNFCCC to verify corresponding adjustment consistency.

0069 Discrepancies between MCC records and country submissions shall be escalated to both countries for investigation and resolution.

0070 Credits transferred but not retired within 5 years shall trigger an automatic review to assess whether CA should have been implemented earlier.

0071 Host countries may request temporary suspension of transfers from their territory if CA processes are not functioning as specified.

0072 MCC shall provide quarterly reports to each host country detailing all transfers, retirements, and corresponding adjustments affecting its projects.

0073 The CA framework shall explicitly state that transferred credits represent only the mitigation impact at the point of transfer and no additional claims may be made.

0074 Buying countries shall be prohibited from claiming emission reductions beyond the quantity of credits retired on their behalf.

0075 MCC shall implement an automated calculation system that determines CA requirements based on project location, transfer destination, and intended use.

0076 The CA calculation system shall apply standardized rules for environmental and organizational boundary adjustments if applicable.

0077 Host country confirmation of CA implementation shall be a binding condition for credit transfer finality.

0078 MCC shall establish a dispute resolution mechanism for CA-related disagreements between buying and host countries, with decisions binding on both parties.

0079 The dispute resolution process shall be initiated by either country and shall be concluded within 60 days.

0080 Credits in dispute shall be held in escrow status and shall not be retired until the dispute is resolved.

0081 MCC shall maintain technical capacity to audit the correspondence between credit quantities transferred and host country CA accounting.

0082 Annual third-party audits shall verify the accuracy of all CA records and the completeness of international transfer documentation.

0083 Results of CA audits shall be published in aggregate form to maintain transparency while protecting sensitive country-level data.

0084 MCC shall prohibit any project developer or buyer from making unilateral CA claims; all adjustments shall flow through the official MCC process.

CA Status	Trigger Condition	Host Country Notification	Adjustment Timeline
CA Required	Credit transferred to another country	Within 5 business days of transfer initiation	At point of retirement
CA Pending	Transfer initiated but not finalized	Preliminary notification sent	Awaiting host country confirmation
CA Confirmed	Host country implements adjustment	Confirmation recorded in registry	Immediately upon confirmation
CA Not Applicable	Credit retired in host country only	No international transfer	N/A

CREDIT LABELLING AND TRANSPARENCY

0085 Every credit displayed in the MCC registry shall include a visible CA status label indicating its corresponding adjustment classification.

0086 The CA status label shall use one of three standardized classifications: 'With CA', 'Without CA', or 'CA Pending'.

0087 A credit shall be labelled 'With CA' only after the host country has implemented and confirmed the corresponding adjustment through official MCC processes.

0088 A credit shall be labelled 'Without CA' if it is retained by the host country and retired in its domestic market, or if the country explicitly waives CA requirements.

0089 A credit shall be labelled 'CA Pending' if it has been transferred but the host country has not yet confirmed CA implementation.

0090 CA status labels shall be displayed prominently in all credit marketplaces, transaction confirmations, and registry reports.

0091 Labels shall be updated in real-time and shall be machine-readable for integration with trading platforms and accounting systems.

0092 The MCC registry shall display the full provenance of every credit including project details, verification status, vintage year, serial number, and ownership history.

0093 Public registry displays shall include the name and location of the underlying project and shall hyperlink to the detailed project record.

0094 Buyers of credits without CA status shall receive explicit notice that their purchase does not convey international transfer rights.

0095 Buyers shall be required to electronically acknowledge receipt of CA status information prior to completing any purchase transaction.

0096 Credit marketplaces operating on or linked to the MCC platform shall display CA status labels in a uniform format across all trading interfaces.

0097 Brokers, traders, and intermediaries shall be prohibited from obscuring, misrepresenting, or omitting CA status information in client communications.

0098 Any trading interface that fails to display accurate CA status information shall be delisted from MCC affiliation pending remediation.

0099 Price information for credits with and without CA status shall be displayed separately to enable market comparison and informed purchasing decisions.

0100 MCC shall publish weekly aggregate statistics on the volume, price, and CA status distribution of all credits traded on affiliated platforms.

0101 Project developers shall disclose the intended use of transferred credits at the time of credit issuance and shall update this information if plans change.

0102 Disclosure of intended use shall include the buying country, sector of application, and whether credits will be used for Article 6 purposes or domestic climate targets.

0103 Buyers shall be required to disclose their intended use of transferred credits within 30 days of receipt.

0104 Public disclosure of credit buyer identity, location, and intended use shall occur automatically upon credit transfer unless the buyer requests anonymization.

0105 Anonymization requests shall be granted only in cases where the buyer demonstrates legitimate confidentiality or security concerns.

CA Status Classification	Definition	Eligible for ITMO Use	Public Registry Display
With CA	Host country has implemented corresponding adjustment	Yes - eligible for international climate targets	Display as 'With CA' with adjustment date
Without CA	Host country retained credit or waived CA requirement	No - for domestic use only in host country	Display as 'Without CA' with retention note
CA Pending	Transfer initiated; awaiting host country confirmation	Conditional - in escrow pending confirmation	Display as 'CA Pending' with escrow date

CROSS-PROGRAMME INTEGRITY

0106 MCC shall conduct systematic cross-programme integrity checks to verify that projects registered with MCC do not simultaneously generate credits in Verra, Gold Standard, or other recognized external registries.

0107 Cross-programme checks shall be performed at the time of project registration, at regular intervals thereafter, and upon any transfer or retirement transaction.

0108 The initial phase of cross-programme checking shall rely on manual queries to external registry databases, published project lists, and direct inquiries to programme operators.

0109 MCC shall request direct API access to external programme databases to enable automated periodic querying and real-time verification.

0110 Upon establishment of API access, MCC shall implement automated nightly checks comparing active MCC projects against external programme registries.

0111 Any project identified as potentially registered in multiple programmes shall immediately be flagged for investigation.

0112 Investigation of flagged projects shall be conducted jointly with the external programme operator and shall be completed within 15 business days.

0113 Project developers shall provide written certification at registration that the project is exclusively registered with MCC and does not generate credits elsewhere.

0114 The programme exclusivity declaration shall be a binding legal document with penalties for misrepresentation.

0115 MCC shall require project developers to maintain this declaration throughout the project lifetime and to immediately notify MCC if circumstances change.

0116 If a project developer violates the exclusivity declaration by subsequently registering the same project in another programme, MCC shall suspend credit issuance immediately.

0117 Suspended credits shall not be transferred, retired, or used toward any climate claims while suspension remains in effect.

0118 Violations of exclusivity declarations shall result in cancellation of all credits issued under the violation and permanent blacklisting of the developer.

0119 Upon discovery of a project participating in multiple programmes, both programmes shall jointly determine which registration is valid and shall cancel invalid credits.

0120 The programme determining its registration is invalid shall conduct a full audit of all credits issued from the project and shall facilitate their cancellation.

0121 MCC shall maintain a public list of blacklisted project developers and shall share this list with all external programme operators.

0122 Blacklisted developers shall be permanently ineligible to register projects in any programme until successfully appealing the decision through formal grievance procedures.

0123 Cross-programme coordination shall include monthly calls with representatives of Verra, Gold Standard, and other major programmes to share integrity findings.

0124 MCC shall subscribe to all external programme registries and shall maintain real-time monitoring systems to detect new projects that may indicate duplication.

0125 Any evidence of intentional project multiplication across programmes shall be reported to relevant national authorities and may trigger criminal fraud investigations.

Cross-Programme Check	Timing	Method	Action on Violation
Project Registration Check	At registration and annually thereafter	Manual query + API check of Verra, Gold Standard	Investigation within 15 days; suspension if confirmed
Transfer Verification	Prior to each international transfer	Confirmation check in originating programme	Halt transfer if inconsistencies detected
Retirement Audit	Upon retirement of credit batch	Cross-check with external retirement records	Investigation; cancellation if duplicate retirement found
Developer Declaration Review	Quarterly	Audit of exclusivity declarations and certifications	Suspension and blacklisting if violated

PLATFORM INTEGRATION

0126 The MCC registry platform shall implement a standardized data model with defined entities, attributes, and relationships enabling consistent capture of all CA and double counting prevention information.

0127 Core entities shall include: Project, Credit, SerialNumber, Transfer, CorrespondingAdjustment, Verification, Registry, Account, and Dispute.

0128 The Project entity shall include fields for: projectName, uniqueProjectIdentifier, hostCountry, projectType, registrationDate, exclusivityDeclaration, verificationStatus, and creditIssuanceStatus.

0129 The Credit entity shall include fields for: serialNumber, projectIdentifier, vintageYear, quantity, issuanceDate, retirementDate, currentStatus, caStatus, ownerAccount, and transferHistory.

0130 The Transfer entity shall include fields for: transferID, creditSerialNumber, transferDate, sourceAccount, destinationAccount, buyingCountry, intendedUse, and caNotificationStatus.

0131 The CorrespondingAdjustment entity shall include fields for: adjustmentID, creditSerialNumber, hostCountryConfirmation, adjustmentImplementationDate, unfcccReportingStatus, and auditVerification.

0132 All entities shall include automatic timestamp fields recording creation, last modification, and all subsequent state changes.

0133 Workflow gates shall be implemented such that credits cannot progress from issuance to transfer until verification reports are attached and validated.

0134 Transfer workflow gates shall prevent finalization until the host country confirms receipt and CA initiation.

0135 Retirement workflow gates shall prevent finalization until corresponding adjustment status is verified and the host country has been notified.

0136 The platform shall expose standardized API endpoints enabling authorized third parties to query registry data, retrieve credit metadata, and verify credit status.

0137 API endpoints shall be secured through OAuth 2.0 authentication and shall log all requests for audit purposes.

0138 The platform shall provide an API endpoint for international transfer of credits that enforces all CA requirements and escrow mechanisms.

0139 The platform shall provide an API endpoint for corresponding adjustment notification allowing host countries to confirm or reject proposed adjustments.

0140 The platform shall provide a public read-only API endpoint for registry queries that does not require authentication but is rate-limited.

0141 All data retrieved via API shall include full audit trails and metadata indicating the authoritative source of information.

0142 The platform shall implement version control for all policy rules and registry schemas such that historical versions are retrievable for audit purposes.

0143 The platform shall enforce referential integrity such that all foreign keys and cross-references remain valid throughout the data lifecycle.

0144 The platform shall implement automated backup and disaster recovery procedures with recovery time objectives of 4 hours and recovery point objectives of 1 hour.

0145 The platform shall undergo annual third-party security audits and shall remediate identified vulnerabilities within 30 days.

ENFORCEMENT

0146 Enforcement actions shall be triggered upon confirmed violations of any provision within this Policy and shall be proportionate to the severity and intentionality of the violation.

0147 Minor violations including administrative errors, incomplete documentation, or inadvertent disclosure failures shall result in written warning and a requirement to cure the violation within 30 days.

0148 Failure to cure a minor violation within the specified period shall escalate the violation to major status.

0149 Major violations including false exclusivity declarations, attempted project duplication, or CA status misrepresentation shall result in immediate credit suspension and project review.

0150 Suspended credits shall not be transferred, retired, or used toward any climate claims while suspension is in effect.

0151 Major violations shall trigger a formal investigation by MCC compliance personnel, which shall be completed within 30 days.

0152 Investigation results shall be communicated to the violating party with an opportunity to respond and provide evidence within 15 days.

0153 If investigation confirms a major violation, MCC shall issue a notice of intent to cancel the implicated credits.

0154 Credits shall not be cancelled until 30 days after issuance of the notice of intent, during which time the violating party may appeal through formal grievance procedures.

0155 Sustained major violations by a project developer shall result in permanent deactivation of all credits issued under that project.

0156 Deactivated credits shall be removed from circulation and shall be recorded in the registry as cancelled with the violation basis noted.

0157 Egregious violations including intentional double issuance, fraudulent verification, or systematic CA misrepresentation shall result in immediate cancellation of all affected credits without cure opportunity.

0158 Egregious violators including project developers, verification bodies, and traders shall be permanently blacklisted and ineligible to participate in MCC programmes.

0159 Blacklisting shall be published in the public registry with the violation category and evidence of misconduct.

0160 Violations involving international transfers shall be reported to the host buying country governments and may trigger regulatory investigation or sanctions.

0161 Any detected fraud or intentional misconduct shall be reported to relevant national law enforcement authorities.

0162 MCC shall recover costs associated with investigating and remediating violations through financial penalties or cancellation of future credit allocations.

0163 Enforcement actions and their outcomes shall be documented in a public Enforcement Actions Registry updated quarterly.

0164 The Enforcement Actions Registry shall include violator name, violation type, date detected, investigation completion date, action taken, and effective date of consequences.

0165 All enforcement actions shall be subject to formal appeal through an independent Dispute Resolution Committee, with decisions binding on the violating party.

Violation Severity	Examples	Investigation Period	Primary Enforcement Action
Minor	Late documentation submission; incomplete disclosure fields; administrative errors	5-10 business days	Written warning; 30-day cure period
Major	False exclusivity declaration; project duplication across programmes; CA status misrepresentation	30 business days	Credit suspension; project review; conditional cancellation
Egregious	Intentional double issuance; fraudulent verification; systematic CA fraud; organized misconduct	60 business days	Immediate credit cancellation; permanent blacklisting; law enforcement referral
Systemic	Programme-wide control failures; registry compromise; operator misconduct affecting multiple projects	90 business days	Registry reconstruction; operator replacement; comprehensive remediation