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S T A T U T O R Y I N S T R U M E N T S

2021 No. 513

CLIMATE CHANGE

The Recognised Auction Platforms and Greenhouse Gas Emissions Trading Scheme Auctioning (Amendment) Regulations 2021

Made - - - - *27th April 2021*

Laid before the House of Commons *28th April 2021*

Coming into force - - *19th May 2021*

The Treasury, in exercise of the powers conferred by section 96 of the Finance Act 2020(**a**), makes the following Regulations.

Citation, commencement and extent

1.—(1) These Regulations may be cited as the Recognised Auction Platforms and Greenhouse Gas Emissions Trading Scheme Auctioning (Amendment) Regulations 2021.

(2) They come into force on 19th May 2021.

(3) They extend to the whole of the United Kingdom.

Amendments to the Recognised Auction Platforms Regulations 2011

2.—(1) Regulation 20 of the Recognised Auction Platforms Regulations 2011(**b**) is amended as follows.

(2) In paragraph (4)—

(a) in sub-paragraph (a), omit “established in the United Kingdom”;

(b) after sub-paragraph (a), insert—

“(aa) investment firms which—

(i) satisfy the condition in sub-paragraph (a)(i); and

(ii) are authorised under Directive 2014/65/EU of the European Parliament and of the Council on markets in financial instruments(**c**) as amended from time to time;”;

(c) in sub-paragraph (b), omit “established in the United Kingdom”;

(**a**) 2020 c. 14.

(**b**) S.I. 2011/2699. Regulation 20 has been amended by S.I. 2013/3115, and 2021/494. There are other amendments to S.I. 2011/2699 which are not relevant to these Regulations.

(**c**) OJ L173, 12.6.2014, p.349.

settlement prices of the relevant December futures contract as traded on the largest carbon market exchange (as determined by volume of sales of relevant December futures contracts during the month) for each relevant day in the month by the number of relevant days in the month;

- (b) the “2-year average carbon price” must be calculated by dividing the sum of the end of day settlement prices of the relevant December futures contract as traded on the relevant carbon market exchange for each relevant day in the 24 months ending with the last month before the first month of the period of 3 or, as the case may be, 6 months referred to in paragraph (3) by the number of relevant days in the 24-month period.

(5) In this regulation—

“end of day settlement price”, in relation to the relevant December futures contract, means the end of day settlement price per tonne of carbon dioxide equivalent published by the carbon market exchange on which the relevant December futures contract is traded expressed in pounds sterling or, where expressed in Euros, converted to pounds sterling by reference to the Bank of England daily spot exchange rate for that day;

“EU emissions allowance” means an allowance to emit 1 tonne of carbon dioxide equivalent during a specified period that is valid for the purposes of meeting the requirements of Directive 2003/87/EC of the European Parliament and of the Council of 13th October 2003 establishing a system for greenhouse gas emission allowance trading within the Union(a) and is transferable in accordance with the provisions of that directive;

“relevant carbon market exchange”—

- (a) in relation to the trading of the relevant December futures contract on a day in 2019, 2020 or 2021 means the carbon market exchange operated by ICE Futures Europe (company no. 01528617);
- (b) in relation to the trading of the relevant December futures contract on a day in any subsequent year (the “relevant year”), the largest carbon market exchange as determined by volume of sales of relevant December futures contract during the calendar year preceding the relevant year;

“relevant day” means a day for which an end of day settlement price is published;

“relevant December futures contract”, in relation to a day in the month referred to in paragraph (4)(a) or the 24-month period referred to in paragraph (4)(b), means—

- (a) if the day falls in January to November of 2019 or 2020, a futures contract for EU allowances deliverable in December of the year in which the day falls;
- (b) if the day falls in December of 2019 or 2020, a futures contract for EU allowances deliverable in December of the year after the year in which the day falls;
- (c) if the day falls in January to November of 2021 or a subsequent year, a futures contract for allowances deliverable in December of the year in which the day falls;
- (d) if the day falls in December of 2021 or a subsequent year, a futures contract for allowances deliverable in December of the year after the year in which the day falls.”.

Regulation 16 (persons eligible to apply for admission to bid)

10.—(1) Regulation 16 is amended as follows.

(2) In paragraph (1)—

- (a) after sub-paragraph (b), insert—
“(ba) investment firms which—

(a) OJ L 275, 25.10.2003, p. 32.

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