

UPDATE 30
September 2009

[U30] Section 3.13 – Carbon

A new section 3.13, available by separate subscription, has been added to the Guide.

It contains Word versions of the *AFMA Form of Part [6] to the Schedule to an ISDA Master Agreement for Emissions Allowance Transactions* and a *Confirmation of OTC Physically Settled Emissions Allowance Forward*.

Although there is uncertainty around the introduction of the CPRS, AFMA recognised that it is important industry-recommended material was produced as quickly as possible to avoid market confusion arising from inconsistent bespoke agreements coming into use.

Changes to the established EU Part [6] document have been kept to a minimum to encourage international acceptance, whilst meeting the requirements of the Carbon Pollution Reduction Scheme (CPRS).

The AFMA documents can be used for either or both of AEU and CER and allow for specific vintages of the former to be specified. Material covering failure to deliver, including failure stemming from a registry disruption, and abandonment of Scheme provisions has been included.

The Australian confirmation is based on the EU form and sets out the most appropriate choice when dealing in Australia where elections are required from the various alternatives in Part [6].

Early drafts of the material were developed by a Sub-Group of the AFMA Carbon Markets Committee comprising:

Mallesons Stephen Jaques	Scott	Farrell (Chair)
ANZ	Michelle	Smith
Baker & McKenzie	Paul	Curnow
Baker & McKenzie	Teresa	Ientile
Clayton Utz	Graeme	Dennis
Commonwealth Bank	Keith	Doree
Johnson Winter & Slattery	Fiona	Melville
Macquarie Group	Fiona	Smith
National Australia Bank	Petar	Kuessner

Origin Energy

Mary

Whyte

RBS

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McBurnie

Snowy Hydro

Leigh

Creswell

Westpac

Robert

McGrory

with a smaller group (in bold) completing the project.