

UPDATE 47

December 2012

Section 3.11 – Environmental Products

In conjunction with the Environmental Products Committee, Johnson Winter & Slattery has further updated Section 3.11 of the *Guide to Australian OTC Transactions*.

The Environmental Products Addendum at 3.11.4.10 has been amended to:

- remove references to GACs, since the underlying scheme has closed;
- refer to LGCs and STCs (in place of LRECs and SRECs), consistent with the terminology used elsewhere in the *Guide*; and
- amend the Settlement Disruption Events provisions to remove the requirement for three additional experts to be consulted where an independent expert is acting as Calculation Agent and to provide for Settlement Disruption Events for certain Transactions (generally, those to which only physical settlement applies other than those for ACCUs and KACCUs) to be an Additional Termination Event in some circumstances.

A marked-up comparison between the March 2012 and December 2012 versions is at 3.11.4.10.

The Commentary at 3.11.3 has been updated to reflect the changes, and to expand the commentary about Options and Swaptions. The Confirmations in 3.11.4 have also been updated.

In the Spot Contract, references to GACs have been removed.

The *Environmental Products Market Conventions* have been amended to remove references to GACs. The maturity conventions have been amended by changing the settlement date for ACCUs and KACCUs to 15 January (from 1 January). New option expiry conventions have been included under which options expire one week before the corresponding settlement date.