

UPDATE 48

June 2013

Section 3.13 – Carbon

Further documents in respect of Emissions Allowance Transactions have been added to the Guide:

- A Word version of the *AFMA Form of Part [7] to the Schedule to an ISDA Master Agreement for Emissions Allowance Transactions (incorporating options)*;
- A commentary on the *AFMA Form of Part [7] to the Schedule to an ISDA Master Agreement for Emissions Allowance Transactions (incorporating options)*;
- A Confirmation of OTC Physically Settled Emissions Allowance Option; and
- A Confirmation of OTC Physically Settled Emissions Allowance Forward.

The AFMA Part [7] document, along with the relevant confirmation template described above, is intended to apply to transactions for the purchase, sale or exchange of an emissions product on a forward basis, or as an option to purchase, sell or exchange an emissions product. Emissions products covered by the AFMA Part [7] document include Australian carbon units and CER.

The AFMA Part [7] and the confirmation templates are based on the EU forms of these documents. Changes to the EU forms of these documents have been kept to a minimum to encourage international acceptance, whilst including reference to the form of the Clean Energy Act in existence at the time of publication.

As with the AFMA Part [6] document, the AFMA Part [7] was developed by a Sub-Group of the AFMA Carbon Markets Committee Chaired by Scott Farrell of King & Wood Mallesons.