# ICE Futures Europe Emissions Auctions
# How to participate

### Introduction

- ICE was appointed to host emissions auctions on behalf of the UK Government's Department for Business, Energy and Industrial Strategy (BEIS) following the announcement from the UK Government and Devolved Administrations in December 2020 of the planned launch of a UK ETS to replace the UK's participation in the EU ETS. UK Allowances will be sold by way of a regular series of auctions in accordance with: **The UK Auctioning Regulation.**

- ICE has published its Rules and Procedures in relation to UKA Auction Contracts. See sections: 7F1 and 7F2 *(to be completed).*

- On 26 February 2021, ICE Futures Europe issued Circular 21030 notifying Members and market participants that the Exchange intends to auction UK Allowances on behalf of the UK Department for Business, Energy and Industrial Strategy.

- All participants are required to comply with the UK Auctioning Regulations, ICE Rules and Procedures and hold all necessary licences and authorisations.

- All participants must be added to the: **Auction Participant List »**

### How to participate: Exchange members

As an Exchange Member with an Emissions Trading Privilege you will have already satisfied the admission criteria set out in Article 16 of the UK Auctioning Regulations.

If applicable, check with your regulatory authority (e.g. the FCA) whether you require permission or variation to existing permissions to participate in the auctions.

Fill in the Auction Participant List and send to: **iceeuropemembership@ice.com**.

ICE Futures Europe may check with the FCA or other regulatory authorities that you have the necessary permissions and are therefore eligible in accordance with Article 16 of the UK Auctioning Regulations, or request evidence that you benefit from exemption.

Contact ICE User Admin team to request trading privileges. ICE Futures Europe will provide access to the auction via WebICE.

Request trading limits from your Clearer.

**How to participate: Non-member customers (ICE emissions)**

Contact an Exchange Member to request access to emissions auctions on ICE.

Your Exchange Member will check that you satisfy the eligibility and admission criteria set out in Articles 16 and 17 of the UK Auctioning Regulations.

Your Exchange Member may ask you to check with the relevant regulatory authority (e.g. the FCA) whether you require permission or variation to existing permissions to participate in the auctions.

Ask your Exchange Member to add you to the Auction Participant List and send to: iceeuropemembership@ice.com (by adding you to the Auction Participant List, the Exchange Member is providing you with access to the auctions).

Contact ICE User Admin team to request trading privileges: iceuseradministration@theice.com.

Request trading limits from your Clearer (Your Clearer may also be the Exchange Member who is providing access).

**How to participate: New participants**

Contact an Exchange Member or an Auction-only Access Provider (AAP). An AAP provides access and clearing services for the auctions only.

Your Exchange Member or AAP will check that you satisfy the eligibility and admissions criteria set out in Articles 16 and 17 of the UK Auctioning Regulations in accordance with the procedure set out in Article 18 of the UK Auctioning Regulations.

Your Exchange Member or AAP may ask you to check with your regulatory authority (e.g. the FCA) whether you require permission or variation to existing permissions to participate in the auctions.

Ask your Exchange Member or AAP to add you to the Auction Participant List and send to: iceeuropemembership@ice.com. (by adding you to the Auction Participant List, the Exchange Member is providing you with access to the auctions). Contact ICE User Admin team to register trading privileges.

Request trading limits from your Clearer or your AAP.

**Eligibility requirements**

Eligible persons include:

- Operators including parent companies, subsidiaries and affiliates bidding on their own account.
- Investment firms which:
  (i) have permission under Part 4A of the Financial Services and Markets Act 2000(1) to carry on regulated activities relating to investment services and activities, bidding on their own account or on behalf of their clients; and

(ii) would require authorisation under Directive 2014/65/EU of the European Parliament and of the Council on markets in financial instruments(2) (as that directive applied in the European Union immediately before IP completion day) if they had their head office in an EEA state;

- Business groupings of operators bidding on their own account and acting as agent on behalf of their members

Participants should refer to the UK Auctioning Regulations for the complete list of requirements.

The eligibility requirements are set out in Article 16 ("Persons eligible to apply for admission to bid") of the Auctioning Regulation.

Members and market participants are reminded that holding all the necessary authorisations and licences to access the ICE Futures Europe Auction Platform is required by the Exchange Rules. Members and market participants should check the Financial Conduct Authority Handbook (available here: **https:// www.handbook.fca.org.uk/)** to ensure they are in compliance with the necessary requirements.

## Admission requirements

Participants should refer to the UK Auctioning Regulations for the complete list of criteria, however in summary applicants must:

- Hold a nominated holdings account
- Hold a nominated bank account
- Satisfy due diligence in relation to the ownership, integrity and
- nature of bidder's business
- Satisfy financial standing requirements

The admission requirements are set out in Article 17 ("Requirements for admission to bid") of the UK Auctioning Regulations.

## Becoming an exchange member or auction-only access provider

If you wish to become an Exchange Member or an Auction-only Access Provider, please contact the Exchange: **theice.com/futures-europe/membership**

## ICE emissions contact

George von Waldburg
Director Utility Markets
+44 (0)20 7065 7755
**Sales-Utilities@ice.com**                    **www.theice.com/energy/environmental**