

## SCHEDULES

### SCHEDULE 2

#### TRADING SCHEMES

##### PART 1

##### SCHEMES LIMITING ACTIVITIES

###### *Use of allowances*

- 6 (1) The regulations may require each participant to have or acquire enough allowances to match the participant's activities in a trading period, subject to any offsetting in accordance with provision made under paragraph 7.
- (2) The regulations—
- (a) may permit allowances held by a participant at the end of a trading period in excess of the participant's activities in the period to be used to cover the participant's activities in a later trading period,
  - (b) may permit allowances allocated to a participant for a trading period to be used to cover the participant's activities in an earlier trading period, and
  - (c) may in either case provide for such use of allowances to be subject to such conditions and limitations as may be specified in or determined in accordance with the regulations.
- (3) The regulations must contain provision for ensuring that allowances used by a participant for the purposes of a trading scheme cannot be used by the participant for any other purpose.
- (4) The regulations—
- (a) may provide for the expiry of allowances after such period as may be specified in or determined in accordance with the regulations;
  - (b) may enable allowances to be cancelled by a person by whom they are held instead of being used for the purposes of a trading scheme.