
DRAFT STATUTORY INSTRUMENTS

2021 No.

The Greenhouse Gas Emissions Trading
Scheme Auctioning Regulations 2021

PART 4

Access to Auctions

Refusal, revocation or suspension of admission

19.—(1) The appointed auction platform must refuse to grant admission to bid in its auctions, revoke or suspend any admission to bid already granted to any person who—

- (a) is not or is no longer eligible to apply for admission to bid under regulation 16(1) or (2);
- (b) does not or no longer meets the requirements of regulations 16, 17 or 18;
- (c) is wilfully or repeatedly in breach of these Regulations, the terms and conditions of its admission to bid in the auctions conducted by the appointed auction platform or any other related instructions or agreements.

(2) The appointed auction platform must refuse to grant admission to bid in its auctions, revoke or suspend any admission to bid already granted, if it suspects money laundering, terrorist financing, or other criminal activity or market abuse in relation to an applicant, unless such refusal, revocation or suspension is likely to frustrate efforts by law enforcement authorities (within the meaning of regulation 44(10) of the Money Laundering Regulations), or the FCA, to pursue or apprehend the perpetrators of such activities.

(3) In such a case, the appointed auction platform must report to a person nominated for this purpose by the Director General of the National Crime Agency⁽¹⁾ in accordance with regulation 38(4), and to the FCA in accordance with regulation 39(1).

(4) The appointed auction platform may refuse to grant admission to bid in its auctions, revoke or suspend any admission to bid already granted, to any person—

- (a) who is negligently in breach of these Regulations, the terms and conditions of its admission to bid in the auctions conducted by the appointed auction platform or any other related instructions or agreements;
- (b) who has otherwise behaved in a manner that is prejudicial to the orderly or efficient conduct of an auction;
- (c) who is referred to in regulation 16(1)(b) or (c) or regulation 16(2) and has not bid in any auction during the preceding 220 trading days.

(5) Persons referred to in paragraph (4) must be notified of the refusal to grant admission, or the proposal to revoke or suspend admission, and be given a reasonable period, specified in that notification, to respond in writing.

⁽¹⁾ The National Crime Agency was established under the Crime and Courts Act 2013 (c. 22).

- (6) After considering the person's written response, the appointed auction platform must if warranted—
- (a) grant or reinstate admission with effect from a given date;
 - (b) grant conditional admission or conditional reinstatement of admission subject to fulfilment of the specified conditions by a given date, which must be duly verified by the auction platform concerned;
 - (c) confirm the refusal to grant admission, the revocation or suspension of admission with effect from a given date.
- (7) The auction platform must notify the person in question of its decision.
- (8) Persons whose admission to bid is revoked or suspended pursuant to paragraphs (1), (2) or (4) must take reasonable steps to ensure that their removal from the auctions—
- (a) is orderly;
 - (b) does not prejudice the interests of their clients or interfere with the efficient functioning of the auctions;
 - (c) does not affect their obligations to comply with any payment provisions, the terms and conditions of their admission to bid in the auctions or any other related instructions or agreements;
 - (d) does not compromise their obligations regarding the protection of confidential information pursuant to regulation 17(3)(b)(ii) which is to remain in force for 20 years following their removal from the auctions.
- (9) The notification of refusal to grant admission, revocation or of suspension of admission, referred to in paragraphs (1), (2) and (4), must specify any measures needed to comply with paragraph (8) and the auction platform must verify compliance with such measures.