
STATUTORY INSTRUMENTS

2014 No. 2011

The Contracts for Difference (Allocation) Regulations 2014

PART 5

Allocation processes

CHAPTER 2

Requirements applicable to allocation frameworks

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30.—(1) An allocation framework must ensure that, in respect of an allocation round to which it applies, the allocation process included in the framework complies with the following paragraphs.

(2) Except in respect of a CFD notification which is required to be made further to Part 8—

- (a) the total value of qualifying applications for which CFD notifications are to be given must not exceed the overall budget; and
- (b) an allocation process must not result in an application being a successful application if that result would be in breach of sub-paragraph (a).

(3) Subject to paragraph (2)(b), where minima apply to an allocation round and the value of qualifying applications to which the minima apply is less than or equal to the minima, the allocation process must result in—

- (a) all those applications being successful applications; and
- (b) the final strike price which applies to those successful applications being the administrative strike price applicable to those applications.

(4) Where maxima apply to an allocation round, the allocation process must result in the value of successful applications to which such maxima apply not exceeding the maxima.

(5) Subject to paragraph (2)(b), for those applications where maxima do not apply or the maxima are not exceeded, the allocation process must result in—

- (a) all those applications being successful applications; and
- (b) the final strike price which applies to those successful applications being the administrative strike price applicable to those applications.

(6) Except for those applications which become successful applications further to paragraph (3) or (5), the allocation process must include a competitive process (or more than one) which when complied with by the delivery body enables the delivery body to determine—

- (a) which qualifying applications are successful applications; and
- (b) the final strike price applicable to those successful applications.

(7) The administrative strike price applicable to a qualifying application must be the maximum final strike price which may apply to that application.

(8) The allocation process must apply to each qualifying application.