
STATUTORY INSTRUMENTS

2021 No. 484

The Greenhouse Gas Emissions Trading
Scheme Auctioning Regulations 2021

PART 11

Management of Collateral

Collateral given by the bidder

32.—(1) Prior to the opening of the bidding window for the auctioning of two-day spot or five-day futures, bidders or any intermediaries acting on their behalf, are required to give collateral.

(2) If so requested, any unused collateral posted by an unsuccessful bidder, together with any interest accrued on cash collateral, is to be released, as soon as practicable after the close of the bidding window.

(3) If so requested, any collateral posted by a successful bidder that has not been used for settlement, together with any interest accrued on cash collateral, must be released, as soon as practicable after settlement.

Collateral given by the auctioneer

33.—(1) Prior to the opening of the bidding window for the auctioning of two-day spot or five-day futures, the auctioneer may only be required to give allowances as collateral to be held in escrow by the clearing system or settlement system acting as custodian, pending their delivery.

(2) Where any allowances given as collateral under paragraph (1) are not used, the clearing system or settlement system may retain them in a nominated holding account held in escrow by the clearing system or settlement system acting as custodian, pending their delivery.