
DRAFT STATUTORY INSTRUMENTS

2014 No.

The Contracts for Difference (Allocation) Regulations 2014

PART 10

Directions to offer to contract

Directions under section 10 of the Act

57.—(1) A direction given by the Secretary of State under section 10(1) of the Act must—

- (a) be in writing and be dated;
- (b) specify a date by which the CFD counterparty to whom it is given must comply with the direction; and
- (c) specify the period for which the CFD counterparty must keep the offer of a contract on the specified terms open for acceptance, subject to regulation 59.

(2) The date specified in accordance with paragraph (1)(b) must be no earlier than 20 working days from and including the date on which the direction is given.

Obligation to notify the specified person

58. No later than 5 working days after the date on which a direction under section 10(1) of the Act is given, the Secretary of State must give a copy of the direction to each specified person.

Directions ceasing to have effect

59.—(1) A direction given under section 10(1) of the Act ceases to have effect, if the specified person (or, if there is more than one specified person, any of them)—

- (a) rejects the offer to contract on the specified terms; or
- (b) does not accept the offer to contract on the specified terms before the expiry of the period specified pursuant to regulation 57(1)(c).

(2) If a direction ceases to have effect in accordance with paragraph (1), the CFD counterparty must withdraw any offer of a contract that it has made in compliance with that direction.

Publication of contracts

60.—(1) If a CFD counterparty offers a CFD in accordance with a direction given under section 10(1) of the Act and subsequently enters into that CFD, the CFD counterparty must publish that CFD, subject to paragraph (2).

(2) The CFD counterparty must exclude any confidential information from the CFD that is published.

(3) For the purposes of paragraph (2), “confidential information” means information—

- (a) which is identified in the specified terms as information to which paragraph (4) applies; and

- (b) in relation to which it is an initial term of the CFD that it must not be disclosed.
- (4) This paragraph applies to information if, in the opinion of the Secretary of State at the time the relevant direction is given, it is information—
 - (a) which constitutes a trade secret;
 - (b) the disclosure of which would or would be likely to prejudice the commercial interests of any person; or
 - (c) the disclosure of which would constitute a breach of confidence actionable by any person.
- (5) Paragraph (4) does not apply to the strike price or the reference price.
- (6) In this regulation—
 - “initial term” means a term of a CFD which is agreed at the time the CFD is first entered into;
 - “reference price” means the sum that is specified in, or determined under, the CFD as the reference price in respect of electricity generated in the period specified in, or determined under, the contract;
 - “strike price” means the sum that is specified in, or determined under, the CFD as the strike price in respect of electricity generated in the period specified in, or determined under, the contract.

Interpretation of Part 10

- 61.** In this Part—
 - “specified person” means a person specified in the direction as the person with whom the CFD counterparty must offer to contract;
 - “specified terms” means the contract terms specified in the direction.