
DRAFT STATUTORY INSTRUMENTS

2021 No.

The Greenhouse Gas Emissions Trading
Scheme Auctioning Regulations 2021

PART 5

Appointment of the Auctioneer and its Functions

Appointment of the auctioneer

20.—(1) The Treasury may, by notice in writing, appoint as auctioneer—

- (a) the Secretary of State, the Scottish Ministers, the Welsh Ministers, the Department of Agriculture, Environment and Rural Affairs in Northern Ireland or any other persons;
- (b) any two or more such persons jointly.

(2) The appointment may be made subject to such conditions (including as to fees charged) and limitations as the Treasury see fit.

(3) The auctioneer must be appointed under paragraph (1) in good time before the commencement of the auctions so as to make any arrangements necessary with the auction platform appointed (or to be appointed) under regulation 22(1), and to implement those arrangements, including any clearing system and settlement system connected to it.

(4) No person may disclose inside information to a person working for the auctioneer unless the person makes such disclosure on a need-to-know basis in the normal course of the exercise of their employment, profession or duties and the Treasury is satisfied that the auctioneer has in place appropriate measures to prevent insider dealing, or the unlawful disclosure of inside information by any person working for an auctioneer, in addition to the measures provided for in Articles 18(8) and 19(10) of the Market Abuse Regulation, and for these purposes—

- (a) “insider dealing” means behaviour prohibited by points (a) and (b) of Article 14 of the Market Abuse Regulation;
- (b) “inside information” means the same as in Article 7 of the Market Abuse Regulation;
- (c) “unlawful disclosure of inside information” means behaviour prohibited by point (c) of Article 14 of the Market Abuse Regulation.

(5) No allowances may be auctioned unless a duly appointed auctioneer is in place and the arrangements referred to in paragraph (3) have been made and are in force.

The auctioneer’s functions

21.—(1) The auctioneer must carry out the following functions—

- (a) auction the volume of allowances assigned for auction;
- (b) receive the auction proceeds;
- (c) pay the auction proceeds due in accordance with paragraph (3).

(2) The auctioneer must ensure that these auction proceeds are paid to the Treasury or into the Consolidated Fund in accordance with paragraph (3), at the latest 15 days following the end of the month within which the auction proceeds were generated.

(3) Subject to any deduction in respect of costs made in accordance with paragraph (5)—

- (a) any sum received by the Secretary of State as auctioneer in return for the allocation of allowances must be paid into the Consolidated Fund; and
- (b) any sum received by the Scottish Ministers, the Welsh Ministers, the Department of Agriculture, Environment and Rural Affairs in Northern Ireland or any other person as auctioneer in return for the allocation of allowances must be paid to the Treasury.

(4) All sums received by the Treasury under paragraph (3)(b) are to be paid into the Consolidated Fund.

(5) Before the auctioneer makes payment under paragraph (3), the auctioneer may deduct any additional fees for their holding and disbursement, subject to the prior notification of the amount and the reason for these fees by the auctioneer to the FCA.