
DRAFT STATUTORY INSTRUMENTS

2021 No.

The Greenhouse Gas Emissions Trading
Scheme Auctioning Regulations 2021

PART 9

Payment and Transfer of the Auction Proceeds

Consequences of late or non-payment

28.—(1) A successful bidder, or its successor in title, will only be entitled to delivery of the allowances notified to the successful bidder pursuant to regulation 44(1)(a), if the entire sum due notified to it pursuant to regulation 44(5)(c), is paid to the auctioneer pursuant to regulation 27(1).

(2) A successful bidder, or its successor in title, that fails to meet its obligations under paragraph (1) in full by the due date notified to the successful bidder pursuant to regulation 44(5)(d) is in default of payment.

(3) A bidder in default of payment may be charged interest for each day beginning with the date on which payment was due pursuant to regulation 44(5)(d) and ending on the date on which payment is made at an interest rate set out in the contract appointing the auction platform concerned, calculated on a daily basis.

(4) Without prejudice to paragraphs (1), (2) and (3), where a successful bidder is in default of payment one of the following may occur—

- (a) the central counterparty may interpose to take delivery of the allowances and effect payment of the sum due to the auctioneer;
- (b) the settlement agent may apply collateral taken from the bidder to effect payment of the sum due to the auctioneer.

(5) Where a successful bidder is in default of payment, and settlement has not been effected in accordance with paragraph (4), the allowances must be auctioned at the next two auctions scheduled on the auction platform concerned.