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STATUTORY INSTRUMENTS

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**2022 No. 1173**

**The Greenhouse Gas Emissions Trading  
Scheme (Amendment) (No. 2) Order 2022**

**PART 3**

**Free Allocation Regulation amended**

**Article 25 amended (mergers and splits)**

**22.**—(1) Article 25 is amended as follows.

(2) In paragraph 3(b) for “the activity level of each sub-installation of each new installation in the calendar year preceding the transfer date” substitute “the activity level (if any) of each sub-installation of each new installation in the first relevant calendar year”.

(3) In paragraph 6(b) for “scheme year after the year in which the transfer date occurs” substitute “first recalculated scheme year”.

(4) In paragraph 8(a) for “scheme year after the year in which the transfer date occurs” substitute “first recalculated scheme year”.

(5) In paragraph 9(b) for “after the scheme year in which the transfer date occurs” substitute “beginning with the first recalculated scheme year”.

(6) After paragraph 10(b) insert—

“(c) “first relevant calendar year” means—

- (i) where the transfer date is before 31 March in a scheme year, the calendar year beginning 2 years before the scheme year in which the transfer date occurs;
- (ii) where the transfer date is on or after 31 March in a scheme year, the calendar year before the scheme year in which the transfer date occurs;

(d) “first recalculated scheme year” means—

- (i) where the transfer date is before 31 March in a scheme year, the scheme year in which the transfer date occurs;
- (ii) where the transfer date is on or after 31 March in a scheme year, the scheme year after the scheme year in which the transfer date occurs.”.