

[REDACTED]

From: [REDACTED]
Sent: Monday, 3 June 2024 8:16 PM
To: RG236 Feedback
Cc: [REDACTED]
Subject: CMI Policy Workshop: ASIC Regulatory Guidance for Carbon Markets Participants Scenario examples

[REDACTED]

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Hi,

We understand from the abovementioned CMI workshop that ASIC is seeking scenarios regarding activities that could form “making a market” or “dealing” “providing financial product advice” relating to SMCs.

In response to that request, please find list of high-level scenarios below relating to ‘ABC Group’ (parent company listed on the ASX):

1. An Australian entity, being a Related Body Corporate of ‘ABC Group’ provides information to support the following entities in deciding whether to hold or surrender SMCs:
 - a. An entity wholly owned by the ABC Group that is a Safeguard Responsible Entity, authorised as an operator of a Safeguard Facility on behalf of a JV that is majority owned by the ABC Group.
 - b. An entity wholly owned by the ABC Group that is a Safeguard Responsible Entity, authorised as an operator of a Safeguard Facility on behalf of a wholly owned ABC Group entity.
 - c. An entity that is a Safeguard Responsible Entity, owned 50% by the ABC Group – i.e. is *not* a Related Body Corporate that is authorised as an operator of a Safeguard Facility on behalf of a JV that is 50% owned by ABC Group

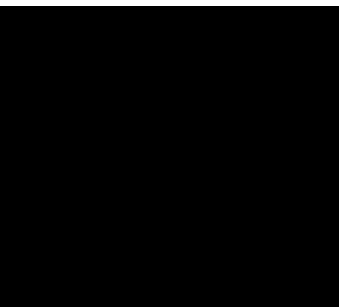
2. An overseas incorporated entity being a Related Body Corporate of the ABC Group provides information to support the following entities in deciding whether to hold or surrender SMCs:
 - a. An entity wholly owned by the ABC Group that is a Safeguard Responsible Entity, authorised as an operator of a Safeguard Facility on behalf of a JV that is majority owned by the ABC Group.
 - b. An entity wholly owned by the ABC Group that is a Safeguard Responsible Entity, authorised as an operator of a Safeguard Facility on behalf of a wholly owned ABC Group entity.
 - c. An entity that is a Safeguard Responsible Entity, owned 50% by the ABC Group – i.e. is *not* a Related Body Corporate that is authorised as an operator of a Safeguard Facility on behalf of a JV that is 50% owned by ABC Group

3. An overseas incorporated entity being a Related Body Corporate of the ABC Group surrendering SMCs on behalf of:
 - a. An entity wholly owned by the ABC Group that is a Safeguard Responsible Entity, authorised as an operator of a Safeguard Facility on behalf of a JV that is majority owned by the ABC Group.
 - b. An entity wholly owned by the ABC Group that is a Safeguard Responsible Entity, authorised as an operator of a Safeguard Facility on behalf of a wholly owned ABC Group entity.

- c. An entity that is a Safeguard Responsible Entity, owned 50% by the ABC Group – i.e. is *not* a Related Body Corporate that is authorised as an operator of a Safeguard Facility on behalf of a JV that is 50% owned by ABC Group
4. An overseas incorporated entity being a Related Body Corporate of the ABC Group selling SMCs on behalf of the following (noting that the SMCs are generated by the Responsible Entity whose liability they are being surrendered against):
 - a. An entity wholly owned by the ABC Group that is a Safeguard Responsible Entity, authorised as an operator of a Safeguard Facility on behalf of a JV that is majority owned by the ABC Group.
 - b. An entity wholly owned by the ABC Group that is a Safeguard Responsible Entity, authorised as an operator of a Safeguard Facility on behalf of a wholly owned ABC Group entity.
 - c. An entity that is a Safeguard Responsible Entity, owned 50% by the ABC Group – i.e. is *not* a Related Body Corporate that is authorised as an operator of a Safeguard Facility on behalf of a JV that is 50% owned by ABC Group
5. An overseas incorporated entity being Related Body Corporate of the ABC Group acquiring SMCs from a trader, broker or external Safeguard Responsible Emitter to surrender on behalf of a Safeguard Responsible Entity that is:
 - a. An entity wholly owned by the ABC Group authorised as an operator of a Safeguard Facility on behalf of a JV that is majority owned by the ABC Group.
 - b. An entity wholly owned by the ABC Group authorised as an operator of a Safeguard Facility on behalf of a wholly owned ABC Group entity.
 - c. An entity owned 50% by the ABC Group – i.e. is *not* a Related Body Corporate that is authorised as an operator of a Safeguard Facility on behalf of a JV that is 50% owned by ABC Group
6. An overseas incorporated entity either buying SMCs from an ABC Safeguard Responsible entity to surrender on behalf of another ABC Group Responsible Entity or facilitating a sale/purchase of SMCs between two ABC Group Safeguard Responsible Entities.

Please feel free to reach out if you have any questions.

Thanks,



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