

EXPOSURE DRAFT



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Corporations Amendment (Emissions Reduction Fund Participants) Regulation 2015

Select Legislative Instrument No. , 2015

I, General the Honourable Sir Peter Cosgrove AK MC (Ret'd),
Governor-General of the Commonwealth of Australia, acting with the
advice of the Federal Executive Council, make the following regulation.

Dated 2015

Peter Cosgrove
Governor-General

By His Excellency's Command

Josh Frydenberg [**DRAFT ONLY—NOT FOR SIGNATURE**]
Assistant Treasurer

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1 Name

This is the *Corporations Amendment (Emissions Reduction Fund Participants) Regulation 2015*.

2 Commencement

This instrument commences on the day after it is registered.

3 Authority

This instrument is made under the *Corporations Act 2001*.

4 Schedules

Each instrument that is specified in a Schedule to this instrument is amended or repealed as set out in the applicable items in the Schedule concerned, and any other item in a Schedule to this instrument has effect according to its terms.

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Schedule 1—Amendments

Corporations Regulations 2001

1 Subregulation 1.0.02(1)

Insert:

carbon abatement has the same meaning as in the *Carbon Credits (Carbon Farming Initiative) Act 2011*.

carbon abatement contract has the same meaning as in the *Carbon Credits (Carbon Farming Initiative) Act 2011*.

eligible offsets project has the same meaning as in the *Carbon Credits (Carbon Farming Initiative) Act 2011*.

project proponent has the same meaning as in the *Carbon Credits (Carbon Farming Initiative) Act 2011*.

2 At the end of subregulation 5C.11.01(1)

Add:

; (e) either of the following arrangements:

- (i) an arrangement under which a person who undertakes carbon abatement makes the carbon abatement available to a project proponent, or a proposed project proponent, for the purposes of an eligible offsets project or a proposed eligible offsets project;
- (ii) an arrangement under which a person provides a project proponent, or a proposed project proponent, with the means (other than by the provision of any money or any Australian carbon credit units) to undertake carbon abatement for the purposes of an eligible offsets project or a proposed eligible offsets project.

Note: For *carbon abatement*, *eligible offsets project* and *project proponent*, see subregulation 1.0.02(1).

3 At the end of subregulation 7.1.04(8)

Add:

-
- ; (c) an arrangement mentioned in subparagraph 5C.11.01(1)(e)(i) or (ii);
 - (d) a carbon abatement contract.

Note: For *carbon abatement contract*, see subregulation 1.0.02(1).

4 After regulation 7.1.07I

Insert:

7.1.07J Specific things that are not financial products—carbon abatement

For paragraph 765A(1)(y) of the Act, each of the following is declared not to be a financial product:

- (a) an interest in an arrangement mentioned in subparagraph 5C.11.01(1)(e)(i) or (ii);
- (b) a carbon abatement contract.

Note: For *carbon abatement contract*, see subregulation 1.0.02(1).

5 After subregulation 7.1.08(4) (before the note)

Insert:

- (5) Subregulation (6) applies to the following:
 - (a) a project proponent or a proposed project proponent;
 - (b) a person who contributes, or proposes to contribute, carbon abatement to an arrangement mentioned in subparagraph 5C.11.01(1)(e)(i) or (ii).

Note: For *carbon abatement* and *project proponent*, see subregulation 1.0.02(1).

- (6) For paragraph (b) of the definition of *exempt document or statement* in subsection 766B(9) of the Act, a document or statement is prescribed if it:
 - (a) is provided to a person to whom this subregulation applies; and
 - (b) is incidental to technical advice provided to the person; and
 - (c) relates to any of the following:
 - (i) entering into an arrangement mentioned in subparagraph 5C.11.01(1)(e)(i) or (ii);
 - (ii) having a project declared an eligible offsets project;

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- (iii) entering into a carbon abatement contract;
 - (iv) carrying out a project or otherwise generating carbon abatement;
 - (v) after a carbon abatement contract is entered into—a decision about whether to provide more or less carbon abatement.
- (7) However, a document or statement of a kind mentioned in subregulation (6) is not prescribed if it relates to a decision about buying or selling Australian carbon credit units on a secondary market.

Note 1: For *carbon abatement*, *carbon abatement contract* and *eligible offsets project*, see subregulation 1.0.02(1).

6 Regulation 7.1.08 (note)

After “Note”, insert “2”.