



For Immediate Release
April 16, 2012

Release of the International Emissions Trading Master Agreement (IETMA)

Since its foundation in 1999, the International Emissions Trading Association has promoted carbon trading across the world by informing, lobbying and helping create the concepts and tools to make this extraordinary idea into a reality. From the start, this mission included the design of viable and reliable legal trading documents.

By publishing this new industry standard master agreement, the new IETMA, IETA is providing further momentum to the development of an efficient market. Our aim is to provide a greenhouse gas emissions-specific document with concise definitions of emissions trading concepts, which is easy to use, allows adaptation to new markets and new instruments as they arise, and appeals to a broad spectrum of counterparties.

Existing standardized emissions trading documentation is solely designed for trading under the European Union Emissions Trading Scheme (EU ETS). But the world is changing. In order to meet the market need for providing trading standards that are simple and flexible at the same time, the new IETMA developed by IETA can be used in combination with multiple regional or national emissions trading systems around the world, as and when they develop.

The International Emissions Master Trading Agreement is the principal trading document in a comprehensive new system of documentation. For each region or type of certificate, sub-schedules can be added. As a first step, a sub-schedule for the EU ETS has been finalized. A Kyoto schedule is in the making. Further schedules for Australia, California and potentially other schemes will follow.

Today, IETA is delighted to announce the publication of the following documents¹:

- [IETA Emissions Trading Master Agreement \(IETMA\)](#)
- [Schedule 1 – Definitions](#)
- [Schedule 2 – Elections](#)
- [Schedule 4 – EU ETS System Schedule](#)

The IETMA has been drafted along the following principles:

- 1. Recognition of the individuality of local Systems:**
 - System or scheme neutrality of the Master Agreement
 - Avoiding imposition of EU centric approaches
 - Flexibility at Confirmation, Schedule and Master Agreement level
- 2. Enable parties to take ownership of the Agreement for local Systems through the ability to adapt to:**

¹ Work on Schedule 3 - Kyoto System Schedule is underway and will be published shortly.

IETA - Climate Challenges, Market Solutions

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- Multiple currencies
- Interest rates
- Local time zones
- Local carbon units

3. Adaptability to a changing framework:

- Schedule 4 - EU ETS System Schedule is designed for trading under Phase 3 of the EU ETS, and includes transitional provisions for trading in the remainder of Phase 2, and Suspension Events which anticipate the new European Union Registry infrastructure
- Enabling Kyoto specific changes caused by regulatory flux to be addressed without impacting the remainder of the Agreement

4. Compatibility with other trading documentation:

- Reduction of documentation basis risk
- Consistency across the ISDA and EFET documents to facilitate greater trading
- Changes minimised from existing ETMA

The documentation is the result of three years of dedicated work of a drafting sub-group of the IETA Legal Committee under leadership of the Chair Peter Zaman (Clifford Chance LLP) and Vice-Chair Felix Tse (Gazprom Marketing & Trading) and we would like to warmly thank the contributors in this group for their work:

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To learn more about what has changed in IETMA compared to previous trading documentation, please visit the IETMA FAQ page on our [website](#).

For all further questions, please contact:

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IETA has been the leading voice of the business community on the subject of carbon markets since 2000. IETA's 155 member companies include some of the world's leading corporations, including global leaders in oil, electricity, cement, aluminum, chemical, paper, and other industrial sectors; as well as leading firms in the data verification and certification, brokering and trading, legal, finance, and consulting industries.