



## MARKET NOTICE

**Market Notice: 2023\_02**

**Date: 28/03/2023**

**Subject: Amendments to Environmental Product Conventions**

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AFMA Members and market participants are advised that AFMA's Environmental Product Committee has adopted changes to the AFMA [Environmental Products Conventions](#) to:

- Incorporate Peak Demand Reduction Certificates (PRCs)
- Remove references to Australian Carbon Credit Units (ACCUs)
- Make minor amendments to ensure consistency with other AFMA conventions and indicate the non-mandatory nature of AFMA conventions

The amendments to existing conventions and implementation of new conventions will take effect from 28 March 2023

The changes are detailed below.

### **1. Section 1 Description**

The product descriptions have been updated to remove the description of ACCUs, as they are now dealt with under the AFMA [Carbon Market Conventions](#), and to include a description of PRCs.

### **2. 3.4 Customary Market Parcel**

*Section 3.4 Customary Market Parcel* has been:

- renamed from "Standard transaction Size (market parcel)" to "Customary Market Parcel" to align with other AFMA conventions and indicate its non-mandatory nature.
- Updated to remove references to ACCUs and include PRCs

### **3. Consequential Updates**

*Sections 2.2 Forward Contract, 3.8 Maturity Conventions, 3.11 Expiry Conventions, 3.12 Broker Conventions and 5.1 Physical Settlements* have been updated to:

- Remove references to ACCUs
- Include references to PRCs
- Make minor amendments to ensure consistency with other AFMA conventions and indicate the non-mandatory nature of AFMA conventions

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Please contact [Lindsay Gamble](#) – Policy Director if you have any questions regarding this notice.

**About AFMA**

The Australian Financial Markets Association (AFMA) is the leading industry association promoting efficiency, integrity and professionalism in Australia's financial markets and provides leadership in advancing the interests of all market participants. These markets are an integral feature of the economy and perform the vital function of facilitating the efficient use of capital and management of risk. Market participants perform a range of important roles within these markets, including financial intermediation and market making. AFMA represents over 120 members, including Australian and international banks, leading brokers, securities companies, state government treasury corporations, fund managers, traders in electricity and other specialised markets and industry service providers.