



Frequently asked questions about the AAU auction

Who is the seller?

Seller is Slovakian company. No further information is provided for public viewers. After signing the NDA for serious buyers, full documentation will be revealed, with the contact information to the project developer, and all certified reduction data.

What do you mean by Green AAUs?

The project developer has project to reduce Green house gasses (GHG). Project is already running and reduction has been done. More than 75% GHG were reduced and project developer seeks to sell these reduced allowances.

Who can participate in the auction?

Any government, broker, trader or investor can participate in the auction.

How much does it cost to participate in the auction?

There is an option with no direct costs.

How much does it cost to receive the project documentation?

There is an option with no direct costs, although the buyer will have to credit his CEB settling currency account with at least 2% of the auction value. It is approximately 10.000 EUR. If this money will not be used for the auction, member can withdraw them to his bank account.

Do I need to become exchange member in order to buy allowances?

No and yes. Anyone has an option to trade through the exchange member as broker. Although if someone wants to receive the documentation, he must become at least the Free carbon member.

What are all membership types we can participate in the auction and how much does it cost?

Free carbon member (FCM):

- No entry fee
- No annual fee
- Trading fee **0,015 €** per credit (Offer from TT Consulting)
- Trading is done by a client of the brokerage company. Invoicing goes through brokerage company.

Direct Exchange Member (DEM):

- Entry fee: 2000 €
- Annual fee: 1000 €
- Trading fee: **0,001 €**/credit

Gold Exchange Member (GEM):

- Entry fee: 10000 €
- Annual fee: 5000 €
- **No trading fee**



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How can I become member?

Contact CEB secretariat at secretary@kbb.sk or fill in the registration form <http://www.carbonplace.eu/register>

Process is simple. We will need the KYC form from you. After that we will verify the data. If you want to be DEM or GEM, we will issue an entry fee and first annual fee in the invoice. After successful verification, you will be granted membership.

What is the form of the auction?

Commodity Exchange Bratislava has implemented the auction type for EUA market for third trading period. The same type of the auction will be used.

Traders are allowed to place a bid for volume and price. Traders can place multiple bids at different volumes and prices.

At the end of the auction, every successful participant pays the same price. After sorting bids by price, final price is evaluated from the last bid that fits in the auction.

Example: Auction for 90k credits

1) Auction bids

1	50 000	6.00 €
2	20 000	5.50 €
3	20 000	6.20 €
4	20 000	6.30 €
5	20 000	10.00 €

2) Auction results

5	20 000	6 €
4	20 000	6 €
3	20 000	6 €
1	30 000	6 €
2	0	

Is there any money needed to place a bid?

Yes, for the security reasons. Auction uses Guarantee system 1.

Free carbon trader must have on the account at least **5%** of the bid value.
DEM or GEM must have **2%** of the bid value.

From the example above, trader number one must have 15.000 EUR on the account if he is the Free carbon member. ($50000 * 6 * 0,05$)

Trader number 2 (DEM) must have 2.200 EUR on his currency account to place a bid. ($20000 * 5,5 * 0,02$)

If trader wants to place two bids, he must cover all bids by the collateral.

Bids are hidden. No information about any bid will be public, shared or released before end of the auction to anyone.

What is minimum price for the bid?

5,40 EUR



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System does not allow placing bids below this price. It is the same as in the EC Directive 1031/2010, where EUA auctions will not finish successfully way below the market price.

What will happen to collateral I had blocked with the bids after the auction?

For successful buyers money will be used as collateral for contracts.

Unsuccessful buyers will have money unblocked and can use them for further trading or withdrawal to their bank account.

Can I change bids till the end of the auction?

Any participant can insert, update or delete any bid until the end of the auction.

Will the trade be done with VAT?

If buyer will be Slovakian company, than the trade will be with VAT because seller is the Slovakian company.

If buyer will be outside of Slovakia, trade will be **VAT excluded**.

Does the Slovak 80% tax apply to this trade?

No. It was only for emitters that has the oversupply.

As participant of this auction, can I trade also something else?

As Free carbon members, traders can trade EUA, Safe EUA, CER, ERU, AAU, and Green AAU.

Is this statement in the Point Carbon true: “No bids had been received for the AAUs by the time of writing, though the exchange quoted a market price of 5.25 euros each.” ?

No trader, or media partner does not have any information about bids in the auction. Bids are hidden, and only at the end of the auction successful volume and price will be published.

I did not find some information in this document, what can I do?

You can contact us. If the information you are looking for should be publically available, we will share it with you.

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