



AFMA partners with CMI to drive carbon market standards

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The Australian Financial Markets Association (AFMA) and the Carbon Market Institute (CMI) have come together in an affiliate membership arrangement to support the development of the Australian carbon market and establish high professional standards for participants in the market.

AFMA currently administers Carbon Market Conventions that streamline market practices and maintains legal documentation that enable Australia's over-the-counter (OTC) markets, while one of CMI's key focus areas is to facilitate best practice and integrity in decarbonisation strategies, investments, carbon projects amongst market participants.

The partnership will see AFMA and CMI work together to ensure carbon market design is optimised and functions with principles of integrity, additionality, transparency and liquidity.

AFMA quote:

“Strong and stable carbon markets will be critical to the transition to net zero. We look forward to jointly taking forward these important initiatives, unlocking greater economic potential and driving towards net zero. The passing of the safeguard mechanism represents another opportunity to advance the use of such markets in the transition. AFMA stands ready to develop market standards, promote best practice and foster efficient market design. We look forward to working with the CMI to advance these markets.”

CMI quote:

“Australian carbon credits are a tradeable commodity and regulated financial product, and carbon market participants must therefore hold an Australian Financial Services Licence in order to operate efficiently, honestly and fairly under ASIC's requirements.”

“While we don't facilitate any commercial transactions of these units, one of our roles is to promote and help facilitate best practice and integrity amongst market participants, so that they understand their obligations and have access to the right resources to act on them.”

“Our partnership with AFMA is an important step in driving and upholding these standards across the market.”

Please contact Brett Harper, CEO, AFMA with any queries at bharper@afma.com.au

Notes for Editors:

AFMA promotes efficiency, integrity and professionalism in Australia's financial markets. 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.