



**Ministry of Foreign Affairs
Commonwealth of The Bahamas
Diplomatic Week 2022**

Carbon Credit Trading Act, 2022

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Baha Mar Convention Center
Tuesday 18 October 2022

- Objective/Why a Carbon Credit Trading Act
- SCB's Approach
- Carbon Credit Trading Act, 2022
 - Regulatory Framework overview
 - Who can Participate
 - What will the Act Accomplish



SCB is responsible for the administration of:

- Securities Industry Act, 2011
- Investment Funds Act, 2019
- Financial and Corporate Service Providers Act, 2020
- Digital Assets and Registered Exchanges Act, 2020
- Carbon Credit Trading Act, 2022



174
Registered firms,
Marketplaces,
Clearing facilities



47 Investment
Fund
Administrators



705 Investment
Funds



265 Financial &
Corporate Service
Providers



1 Registered
Exchange,
2 FCSPs approved
to carry on digital
assets business



Environmental Benefits

- Key Benefits of Carbon Credit Trading
 - Enhances Financial Viability of Low Carbon Projects
 - Assists in Financing Green Projects
 - Creates Measurable Emission Reductions

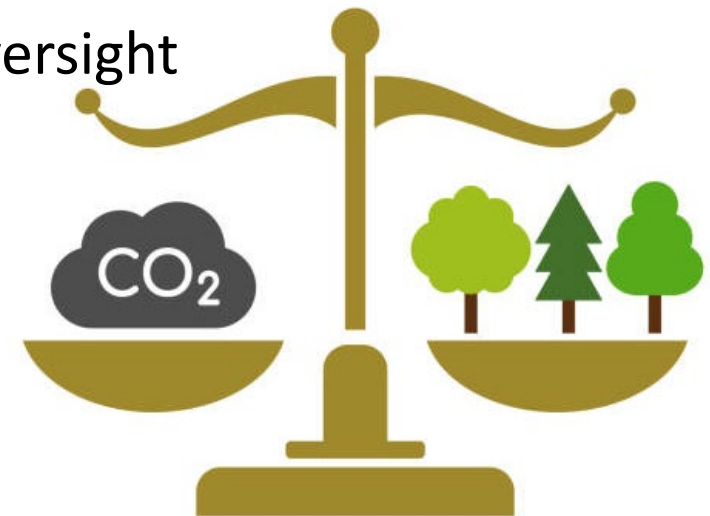
Honor Paris Agreement

- Obligations under section 6.2 of the Paris Agreement are fulfilled
 - Introduction of finance/climate change disclosures
 - Ensuring that financial goals and carbon reduction are connected



Leverage Market Growth

- Carbon trading has grown exponentially
 - Market integrity is foundational for market development
 - Related products and derivatives will require regulation
 - Market integrity requires robust regulation and effective oversight



Overview

- Regulatory Framework for trading of Carbon Credits
- Best practices of international standards setting bodies are incorporated
- Defines Carbon Trading Product and provides for the registration of Carbon Credit Trading Businesses
- Defines the Commission's functions and powers in the Carbon Credit Trading Market

Registration

- Registration triggers for persons carrying on or involved in carbon trading business, operating in or from within The Bahamas defined
 - carbon trading exchanges
 - carbon trading registries
 - carbon verification bodies
- No initial public offerings or initial coin offerings made via this Act anticipated.


AML/CFT Requirements

- Registrants required to maintain professional conduct, meet financial requirements and be in compliance with the Act
- Reporting of suspicious transactions to the financial intelligence unit required
- Provisions and penalties for noncompliance



Thank you!





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