

Markit Environmental Registry

February, 2010



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About Markit

- Markit is a leading global financial information services company with over 1,400 employees, with 20 offices worldwide
- We provide independent data, valuations and trade processing across all asset classes in order to enhance transparency, reduce risk and improve operational efficiency
- Our ownership structure a majority shareholding by 12 of the largest banks in the world



About Markit Environmental Registry

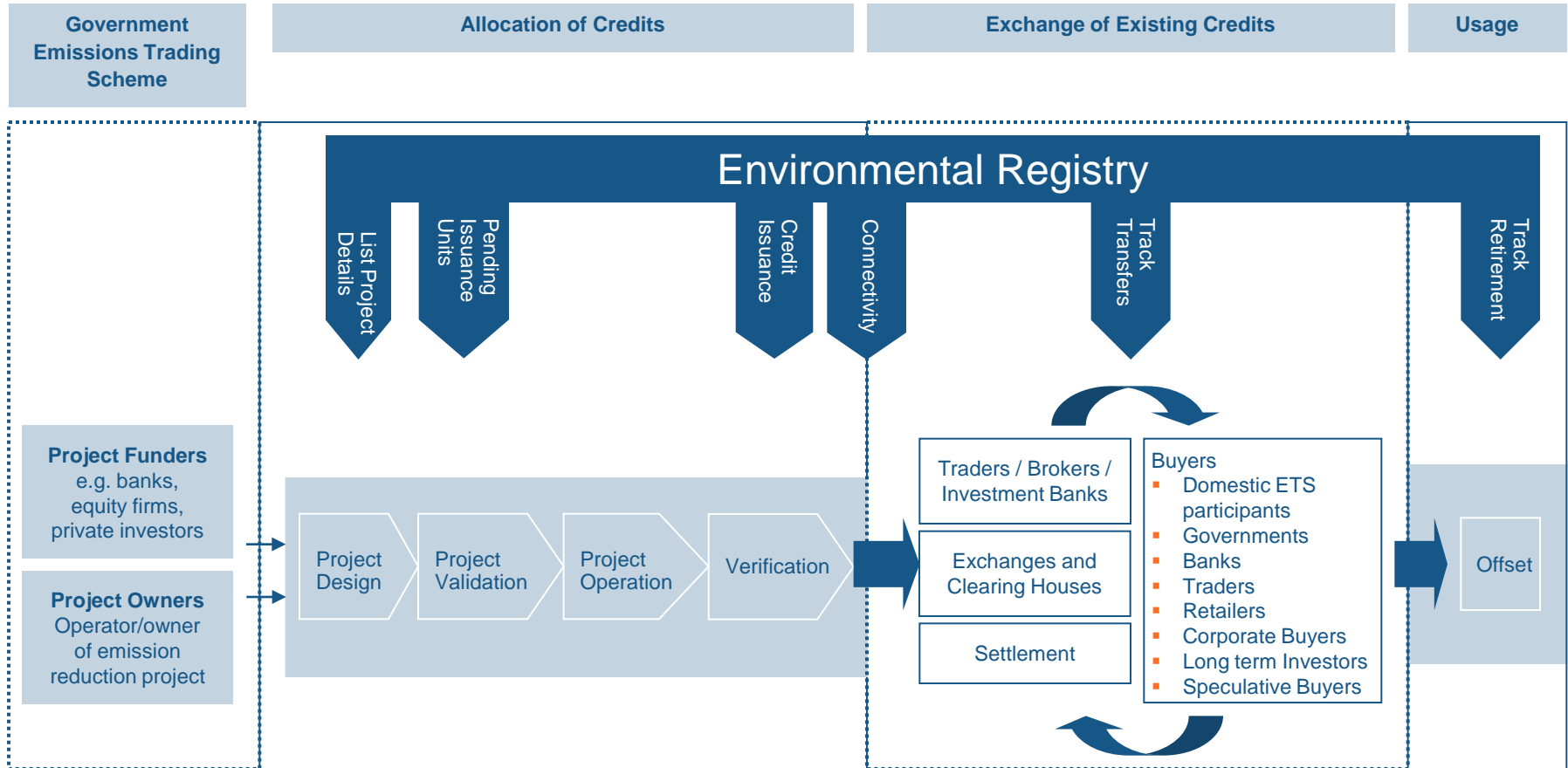
- The world's largest registry for the listing and management of carbon and environmental assets
- Accepts the majority of international voluntary standards
- A leader in developing transparency in ecosystem markets such as water, wetlands, conservation banking and other biodiversity
- Offers interoperability to exchanges, clearing and settlement platforms



The Role of the Registry



The Role of Environmental Registries



Integrity of Credits

Measures to ensure the integrity of registered credits

- Unique serialization processes
- Credit management
- Rigour in the credit and allowance lifecycle management
- Checking procedures

Other registries (international, Kyoto) – any registry with credit listings

Other processes including GPS location checking



Efficiency and Liquidity

Advantages of using mechanisms, frameworks, and providers that have been established for financial markets:

- Facilitates efficient trading
- Supports increased liquidity and participation
- Supports and interoperates with financial markets and regulatory reporting
- Robustness and speed to market
- Helps to ensure that a credible and transparent market evolves and grows

Registries and Policy Goals

- Registries play a critical role in ensuring the success of environmental policies by providing

Integrity	<ul style="list-style-type: none">▪ Create confidence in the provenance and singularity of credits▪ Minimize risks in the management of the issuance and lifecycle of credits▪ Allow for effective market oversight and auditability▪ Prevent fraudulent activity
Transparency	<ul style="list-style-type: none">▪ To market participants and the public▪ To governments and regulators
Efficiency	<ul style="list-style-type: none">▪ Straight through processing▪ Robust and efficient platform▪ Nimble and easily adaptable with rapid speed to market
Liquidity	<ul style="list-style-type: none">▪ Interoperability with financial markets fosters liquidity

- The integrity, transparency, efficiency and liquidity of environmental markets will ultimately ensure achieving the desired behavioural changes
- Current reviews of the management and operation of environmental registries will allow policy makers to optimize the operation of registries relative to these goals



National and Regional Infrastructure Options

Current Registry Engagement

With the consolidation in registry infrastructure worldwide. Many countries, states, provinces and exchanges are looking to take advantage of existing registry infrastructure.

- Registry is needed for cap and trade markets for OTC and Exchange traded carbon credit and allowances – many benefits regulatory benefits if there is one registry for both.
- Many models to do this we work with each country etc to find the best solution for them

Nature of Service Provision

	Benefits	Disadvantages
Outsourced	<ul style="list-style-type: none"> ▪ Fully contracted accountable provider ▪ Speed to market ▪ Leverage experienced provider ▪ Permits governments to focus on policy ▪ Government still have oversight and regulation ▪ User pays or government contracted 	<ul style="list-style-type: none"> ▪ No in-house management ▪ No asset ownership
Software Acquisition	<ul style="list-style-type: none"> ▪ Single infrastructure ▪ In-house management ▪ Technology asset ownership ▪ Proven technology implementation ▪ Speed of implementation 	<ul style="list-style-type: none"> ▪ Software cost ▪ Must manage in-house ▪ Need to set up and manage rules and processes ▪ Resource requirements in-house
Hybrid	<ul style="list-style-type: none"> ▪ Software owned by governments ▪ Services provided externally under accountable provider ▪ Leverage experienced provider ▪ Permits government to focus on policy ▪ Government performs oversight and regulation 	<ul style="list-style-type: none"> ▪ Cost of software



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