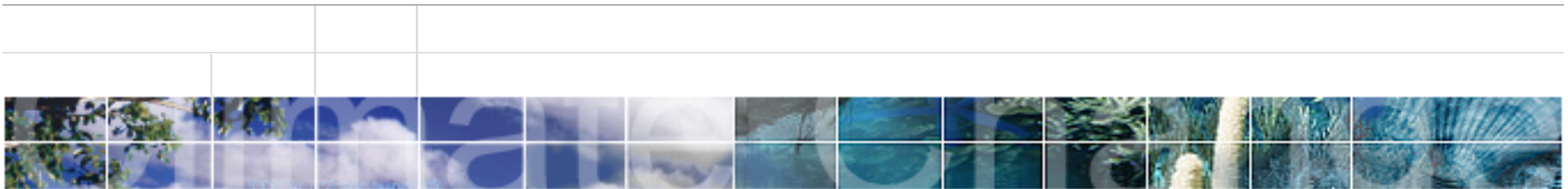


Shell Trading



International Transaction Log (ITL)

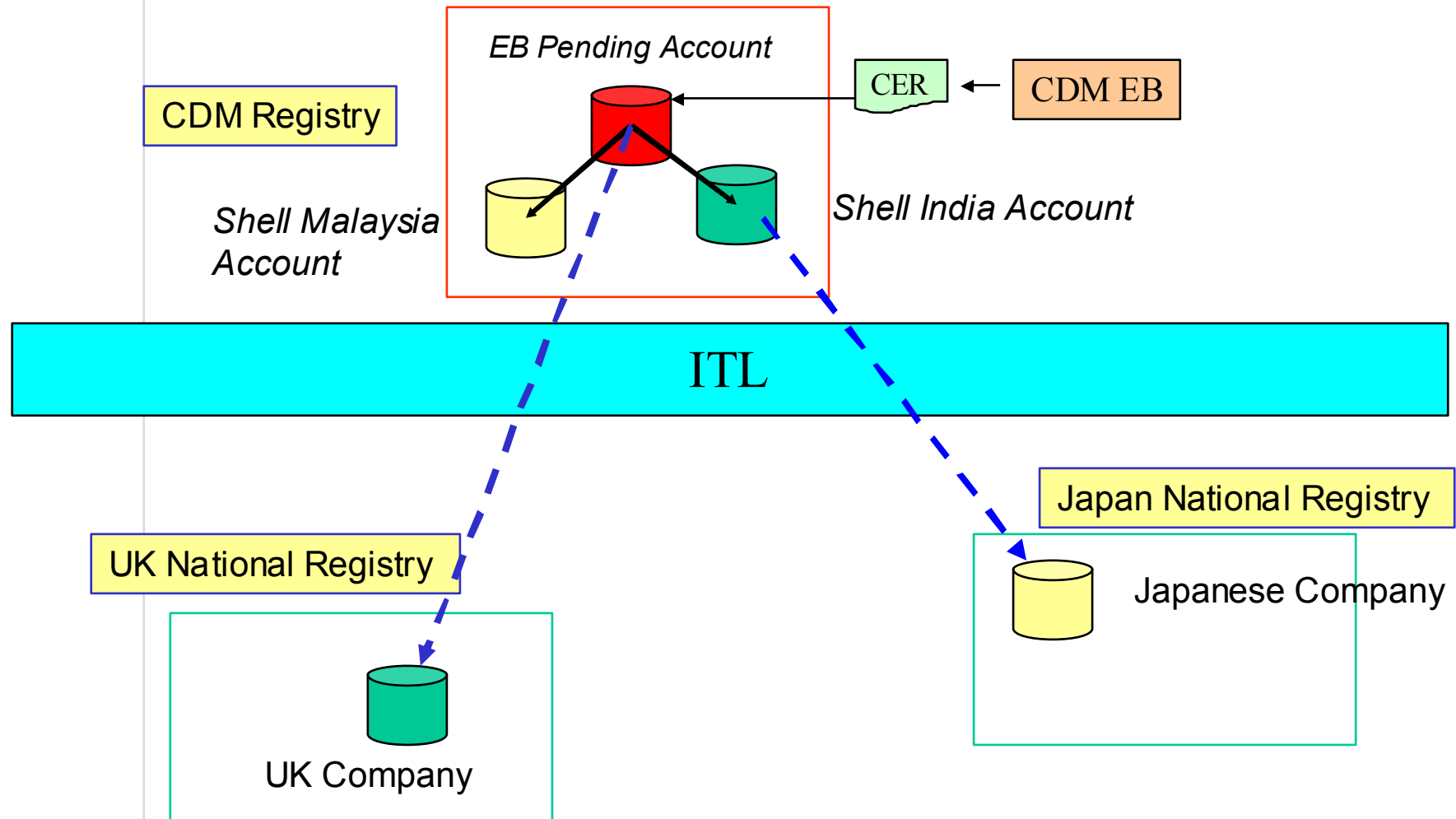


Shell Trading

What is the International Transaction Log?

- ✓ Records “transactions” of CERs from the CDM Registry to the national registries of Annex 1 Parties in accordance with the Kyoto Rules.
- ✓ “Transactions” include issuance, cancellation, replacement, retirement, and transfer of Kyoto Units.
- ✓ Ensures integrity and checks any proposals made by registries – policeman
- ✓ Makes a record of transactions – which may be published.
- ✓ Secretariat is tasked with establishing the ITL.





Why is the ITL important?

- ✓ Without the ITL, the delivery date can not be committed to by the seller. This means the buyer is unsure about date of receipt and cannot count on CERs for compliance under EUETS.
- ✓ Payment is typically made against delivery. Which means that the CDM project developer cannot be paid until physical delivery is complete.
- ✓ The lack of the ITL therefore stymies transactions, reduces CER price, and delays cash flow to CDM projects.
- ✓ This is bad for technology transfer and financial flows.
- ✓ But more important: this creates serious political exposure in the EU by reducing supply and raising compliance costs. With prices @ €29 the pressure is rising.

