

VERSION 2.0

**June 2021**



Australian  
Carbon Industry  
**Code of Conduct**



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## 1 Introduction

The Carbon Market Institute (**CMI**) is the peak body representing Australia's carbon industry.

### 1.1 Purpose and Objectives

This non-prescribed voluntary Code of Conduct (the **Code**) aims to:

- (1) define industry best practice for carbon service providers, project owners, agents, aggregators and advisers in Australia's carbon industry;
- (2) promote consumer protection and appropriate and open interaction with project owners, Traditional Owners and landowners;
- (3) provide guidance to carbon service providers; and
- (4) promote market integrity, accountability and display international leadership in carbon project development.

This Code is not intended to replace existing consumer, carbon farming, emissions reduction or environmental legislation, policy, regulations or guidance at local, state or federal government levels.

### 1.2 Vision

A strong emissions reduction and carbon sequestration industry (hereafter referred to as the **carbon industry**) for Australia that operates at the scale and quality required to significantly contribute to Australia's greenhouse gas reduction commitments under the Paris Agreement.

### 1.3 Mission

To enhance the integrity, transparency and accountability of Australia's carbon industry, using the Code framework to monitor, review and define industry best practice.

### 1.4 Carbon Industry Code of Conduct

This voluntary Code has been developed to ensure that the carbon industry operates to achieve the vision set out in section 1.2 in collaboration with government, land owners, Traditional Owners, land managers and other stakeholders.

The Code will be important to a range of stakeholders who will rely on it to provide assurance that the carbon industry is fulfilling its compliance obligations and is seeking to adopt industry best practice and continual improvement in its carbon project activities.

This Code aims to address issues that may impact the reputation of the carbon industry and also to promote international leadership on carbon project development. It is anticipated that implementation of the Code will result in:

- (1) increased transparency and accountability from carbon service providers;
- (2) environmental and social integrity of projects;
- (3) appropriate consultation with project stakeholders, including Native Title Holders and Native Title Holders with a Claim, native title representative bodies, land councils and natural resource management (**NRM**) bodies;



- (4) compliance with international norms and best practice standards to obtain the free, prior and informed consent of Indigenous parties;
- (5) clarity regarding carbon offsetting and accounting principles;
- (6) fair treatment of project owners, such as landholders; and
- (7) enhanced compliance with the ERF scheme, other Voluntary Offset Schemes, or consumer and financial legislation.

The Code has been predominantly designed to suit the regulatory regime of the Emissions Reduction Fund (**ERF**) (which was previously known as the Carbon Farming Initiative (**CFI**)). The Code is also relevant to other Voluntary Offset Schemes (for example Gold Standard and the Verified Carbon Standard).

The Code will be updated from time to time to reflect legislative or policy changes, evolving industry concerns and independent reviews of the Code. The aim is to proactively ensure that the Code remains relevant and is consistent with the current best practice.

The principles underlying the rules in the Code are:

- (1) transparency and accountability;
- (2) environmental and social integrity;
- (3) legislative and regulatory compliance; and
- (4) community trust.

## 1.5 **Scope and Interpretation**

The Code aims to define industry best practice for project services and advisory services provided within Australia's Carbon Industry and represents the minimum standards that all Signatories agree to meet.

The Code applies to entities providing project services and advisory services to clients regarding:

- (i) the registration, implementation, and management of carbon projects in Australia,
- (ii) the provision of legal/financial/technical advice, and
- (iii) the trading of carbon credits in the Australian market.

It covers all types of projects undertaken within the ERF and other Voluntary Offset Schemes.

The variety of Signatories covered by the Code means the Code will apply differently to different Signatories. For example, an agent operating in the land based sector will have different requirements than a project proponent exclusively undertaking landfill gas or energy efficiency projects. Recognising this, the Code Administrator will provide guidance regarding the application of the Code and compliance for different Signatory types and sectors. In providing guidance and applying the Code, the Code Administrator will consider what is reasonable in the particular circumstances.

This Code co-exists with relevant state or federal legislation, including *Australian Consumer Law* (Cth) (Schedule 2 of the *Competition and Consumer Act 2010*). Signatories' obligations under other relevant laws are not replaced or restricted by this



Code. This Code applies to the extent that it is consistent with all existing state and federal legislation and regulation. Where the Code is found to be inconsistent with any existing state or federal legislation or regulation, that regulatory obligation will take precedence to the extent of the inconsistency. Compliance with this Code does not guarantee compliance with any legislation.

## 1.6 Signatories to the Code

Signatories to this Code are compliant with and agree to adhere to the Code. They:

- (1) Include entities, such as project owners, aggregators, and agents who provide direct project services to clients, and
- (2) Include entities, such as carbon or environmental market-related consultants, auditors, lawyers, traders/brokers, and financial consultants, who provide advisory services to clients, and
- (3) Include entities that provide services for the purposes of the registration, implementation, and management of carbon projects under the ERF and other Voluntary Offset Schemes, providing legal/financial/technical advice, and/or the trading of carbon credits in the carbon market, and
- (4) Are committed to developing and conducting their business in line with industry best practice and interacting with their clients and other stakeholders in a professional and ethical manner.

A regularly updated list of current Signatories to the Code is available online at the Carbon Market Institute's website: [www.carbonmarketinstitute.org/code](http://www.carbonmarketinstitute.org/code)



## 2 General Rules and Standards

Signatories to the Code comply with the rules and standards in this section as set out below.

### 2.1 General Principles

- (1) Signatories adhere to the following general principles in their business activities and in all of their dealings with their clients or other stakeholders:
  - (a) Full transparency and accountability;
  - (b) Ensuring environmental and social integrity of the scheme;
  - (c) Compliance with legislation and regulation; and
  - (d) Facilitating community trust in the outcomes of the scheme.
- (2) Signatories must take reasonable steps to avoid any actions, omissions or business practices that could damage the reputation of the carbon industry, or may adversely impact on the achievement of the objectives or vision of this Code.

### 2.2 Pre-project Activities

*It is expected that the requirements set out in this section will be satisfied before an application is lodged for project registration.*

- (1) **Communication with clients**
  - (a) When engaging with clients, Signatories must provide sufficient accurate information in a medium of communication that is linguistically and culturally appropriate for the audience and their level of maturity in the carbon market to allow clients to make informed decisions about whether to:
    - (i) undertake a Carbon Offsets Project; and
    - (ii) enter an agreement with the Signatory.
  - (b) The information should include, but is not limited to:
    - (i) the nature of the legal relationship between the Signatory and the client;
    - (ii) any legal rights which the Signatory obtains, or the client forgoes, as a result of that relationship;
    - (iii) the financial benefit, if any, to the client arising from the relationship;
    - (iv) the financial benefit, if any, to the Signatory from the relationship; and
    - (v) any legal, regulatory or activity-based obligations of the client arising as a result of the relationship.



**(2) Advice on project development models for Carbon Offsets Projects**

- (a) Signatories must inform clients that there are different project development models for undertaking a Carbon Offsets Project. For example, models may include (but are not limited to):
  - (i) Aggregation model, where aggregation services are provided to support the process of bringing multiple sources (projects and/or methods) of carbon abatement together under one carbon project. Signatories may act as a project owner or agent.
  - (ii) Agent model, where the client is the project owner and the Signatory acts as the agent for the project owner.
  - (iii) Carbon service provider as the project owner model, where the client assigns the legal right to act as the project owner to the carbon service provider.
- (b) Signatories must discuss their preferred project development model with, and provide information on the costs, benefits and risks over the lifecycle of the project for that model to, the client.

**(3) Advice on project ownership and engagement with interest holders**

- (a) Signatories must undertake appropriate due diligence to ensure that:
  - (i) The project owner has the legal right for the project, which includes both the ability to carry out the project and the exclusive right to receive any carbon credits generated by the project; and
  - (ii) All eligible interest holders are identified.
- (b) If appropriate or required, Signatories will arrange to have the legal right transferred to the entity who will be the project owner.
- (c) Where the Signatory is facilitating the transfer of the legal right, the Signatory must undertake due diligence to ensure that the existing legal right holder has access to independent legal advice on their rights, interests and effect of transfer.
- (d) Where an area-based project occurs on native title land, the Signatory must use reasonable efforts to follow the best practices set out in the 'Seeking free, prior and informed consent from Indigenous communities for carbon projects' guidance published by the Indigenous Carbon Industry Network (ICIN) (version published February 2020), and must follow the 'Native title, legal right and eligible interest-holder consent guidance' published by the Regulator (available on the Regulator's website), taking into account current market conditions and industry practices.
- (e) Signatories must undertake due diligence to ensure that:
  - (i) Relevant representative bodies within Indigenous communities are utilised to identify affected Indigenous peoples and organisations and the appropriate mechanisms for engagement;
  - (ii) Native Title Holders and their legal representatives are advised of the intention to register a project over Native Title Land or Waters;



- (iii) Native Title Holders are provided with guidance on project registration and implementation, including, but not limited to:
  - (A) The information set out in Clauses 2.2(5) – 2.2(8), 2.2(10), 2.2(11), 2.2(12) and 2.3(2), as relevant to the Native Title Holders' interest in the project, whilst remaining compliant with confidentiality clauses in Carbon Abatement Contracts;
  - (B) The existence of the Code, the Code Administrator's complaints handling process and the Signatory's own complaints handling process; and
  - (C) Any approvals that have been obtained or are required to be obtained from any government or regulatory authority;
- (iv) All reasonable efforts have been made to ensure that genuine and early engagement with Native Title Holders (and where possible, Native Title Holders with a Claim) has been undertaken in the mode of communication and language that is most appropriate for the relevant stakeholders, to ensure all parties have a mutual understanding about project conditions and requirements;
- (v) The Signatory understands and has used reasonable efforts to comply with the principles set out in the United Nations Declaration on the Rights of Indigenous Peoples, including in particular the principle of free, prior and informed consent, when running a project on land subject to native title;
- (vi) Reasonable efforts have been used to enter into legally binding agreements with Native Title Holders before the application to register the project. Where timely agreement is unable to be reached, Native Title Holders have been engaged with and have provided relevant forms of agreement to the registration of a project, as appropriate, including a process by which final consent will be sought;
- (vii) Reasonable efforts have been used to consult with Native Title Holders with a claim and to obtain agreement, as appropriate, prior to the application to register a project;
- (viii) The requirements of the *Native Title Act 1993* (Cth) have been complied with;
- (ix) All reasonable efforts have been used to ensure that Native Title Holders have provided consent to the ongoing operation of the project, prior to the application to register a project; and
- (x) Reasonable efforts have been used to obtain consent from Native Title Holders with a claim prior to the application to register a project .
- (xi) Signatories must use all reasonable efforts to ensure that they genuinely understand the relevant Indigenous stakeholders' perspectives and their priorities for the land or resource which is to be the subject of the carbon project;
- (xii) All reasonable efforts have been used to ensure ongoing and dynamic engagement with Native Title Holders, Native Title





Holders with a Claim and other relevant Traditional Owner stakeholders including through the planning, development and implementation phases of the project, applying the principles of free, prior and informed consent throughout the life of the project; and

(xiii) All reasonable efforts have been used to ensure that the relevant Native Title Holders are fully informed about their rights to give or deny consent, as well as the costs, benefits, risks and any other implications of the relevant project, and have the opportunity to seek independent advice, prior to the application to register the project being submitted.

(f) All reasonable efforts have been used to ensure that the requirements set out in (e)(i) through (xiii) above occur with reasonable time for Native Title Holders and Native Title Holders with a Claim to reach an informed decision.

(g) Signatories will consider the option of discontinuing plans to develop a project if the relevant Native Title Holder representative bodies express active dissent for a project.

(h) Signatories will ensure that consents from eligible interest holders are sought in accordance with the requirements of the CFI Act.

**(4) Advice on ERF Method requirements**

(a) Signatories must provide information on potential ERF Methods that may apply to a client's project.

(b) The information provided by the Signatory to the client should include:

(i) the type of activity covered by the ERF Method,

(ii) the particular requirements of the chosen ERF Method,

(iii) eligibility requirements,

(iv) baselines,

(v) abatement calculations,

(vi) monitoring requirements,

(vii) record keeping, and

(viii) the tools and documents required for use with the ERF Method.

(c) Signatories should undertake their own due diligence assessments regarding the client's ability to meet the chosen ERF Method requirements.

**(5) Advice on ERF project administration**

(a) Signatories must provide clients with information regarding the administrative and compliance requirements associated with undertaking an ERF Project, including, but not limited to:



- (i) Project registration, including eligibility criteria;
  - (ii) Establishing 'legal right';
  - (iii) (If applicable) eligible interest holder consents;
  - (iv) Reporting periods;
  - (v) Offsets reports;
  - (vi) Audits;
  - (vii) Certificates of entitlement;
  - (viii) Reporting and notification;
  - (ix) Record keeping; and
  - (x) For sequestration projects, the information outlined in section 2.2(11).
- (b) Compliance with section 2.2(5)(a) may be satisfied through provision of an ERF Guide to a client.
- (c) If relevant, Signatories must provide clients with information concerning the ability to vary projects (including the project area and project proponent) and end projects and the associated implications.
- (d) If relevant, Signatories should provide clients with advice on relinquishment triggers and revocation triggers, and the implications of relinquishment notices or revocation of a project.
- (6) **Feasibility advice**
- (a) Signatories should base any feasibility advice given to a client about a Carbon Offsets Project on the relevant ERF Method requirements, the scheme requirements and the client's individual circumstances.
  - (b) Signatories must comply with the Australian financial services licensee requirements under the *Corporations Act 2001* (Cth) (**Corporations Act**) when providing feasibility advice in line with section 2.2(6)(a) above, particularly regarding the client's individual circumstances (see section 2.4(2) Requirement to hold an AFSL).
- (7) **Advice on estimates of carbon credit generation**
- (a) When providing estimates of carbon credit generation, Signatories must disclose assumptions made, the source or method used to calculate estimates, and risks and uncertainties inherent in those assumptions.
  - (b) In providing estimates on carbon credit generation, Signatories must account for and disclose the impact of applicable abatement buffers or discounts under the CFI Act or ERF Method which may reduce the number of carbon credits that can be claimed based on the net abatement achieved by the project.
- (8) **Advice on crediting periods**



- (a) For ERF projects, Signatories must provide information to clients regarding crediting periods, including, to the extent relevant, that:
  - (i) a project can only claim carbon credits for abatement achieved within the crediting period;
  - (ii) a project is only eligible for one crediting period; and
  - (iii) there is flexibility regarding the project start date provided that the proposed start date is within 18 months of the project registration date, however there are limitations on the number of times a start date can be changed.

**(9) Advice on establishment of an ANREU account**

- (a) If the client is required to establish an Australian National Registry of Emissions Units (ANREU) account, Signatories must provide the client with appropriate information and support to enable the establishment of the account.
- (b) Relevant information includes, but is not limited to:
  - (i) ANREU authorised representatives
  - (ii) The fit and proper person test
  - (iii) Police check requirements
  - (iv) Documentary evidence and certification requirements
- (c) In complying with this section of the Code, Signatories may utilise guidance material available on the Regulator website:  
<http://www.cleanenergyregulator.gov.au/DocumentAssets/Pages/Guidance-for-opening-an-ANREU-account-and-for-participating-in-the-ERF.aspx>

**(10) Advice on carbon credit sales and markets**

- (a) Signatories must inform clients of the relevant options available for the sale of carbon credits.
- (b) Signatories must inform clients whether or not they hold an Australian Financial Services Licence (**AFSL**), and the implications of whether or not they hold an AFSL in relation to the level of financial advice they can provide. See also section 2.4(2) regarding AFSL requirements.
- (c) If the client will be entering a Carbon Abatement Contract with the Regulator in relation to a Carbon Offsets Project, the Signatory must explain to the client:
  - (i) the financial risks associated with entering a Carbon Abatement Contract; and
  - (ii) the implications of non-delivery under a Carbon Abatement Contract.

The Signatory should also ensure that the client has been encouraged to obtain legal and financial advice in relation to the terms of the Carbon Abatement Contract.



- (d) Signatories must disclose any interest or benefit they have in a particular sales option.

(11) **Advice relating to sequestration projects**

- (a) If a client proposes to undertake a sequestration project under the ERF, Signatories must provide the client with information specific to sequestration projects, including, but not limited to:
  - (i) obligations and timelines relating to the project's permanence period, including obligations relating to land use during the permanence period;
  - (ii) the implications of choosing a 100 year or 25 year permanence period, including the consequences of discounts applied to the generation of carbon credits;
  - (iii) the commencement date for the permanence period;
  - (iv) the ability to vary the area of the project;
  - (v) the risk of abatement reversal and consequences of reversal;
  - (vi) the impact of natural disturbances on abatement and the notification requirements applicable to natural disturbances;
  - (vii) relinquishment triggers and requirements;
  - (viii) carbon maintenance obligations; and
  - (ix) the implications of a sale of land which is the subject of a sequestration project.

(12) **Co-benefits**

- (a) Signatories recognise that carbon projects may deliver a number of social, environmental and economic co-benefits.
- (b) In planning and implementing projects, Signatories:
  - (i) acknowledge it is best practice to implement co-benefits where feasible and practical;
  - (ii) will consider whether there are potential co-benefits associated with the project; and
  - (iii) may apply their own discretion to determine the extent to which a project incorporates and delivers co-benefits, subject to their overall obligation to deliver on the general principles identified in section 2.1.

## 2.3 **Project Activities**

(1) **Provision of a management plan**

- (a) Signatories must develop a written project management plan in consultation with the client and other relevant stakeholders (eg NRM bodies, traditional owners) that is timely, addresses all compliance



requirements for the project having regard to the applicable ERF Method and promotes the general principles of this Code.

- (b) Signatories will implement appropriate processes to ensure the management plan is understood by all relevant parties, and that obligations and responsibilities allocated in the plan are met.
- (c) Signatories will ensure that there is regular contact with landholders to identify whether or not the plan is being followed and that any issues are addressed in a timely and efficient way.

(2) **Advice on project activities**

- (a) Signatories must identify relevant project risks and inform the client, so far as possible, of these risks and how they can best be managed.
- (b) Signatories must provide ongoing advice to ensure that the client understands what is required in order to comply with the relevant ERF Method.
- (c) Where appropriate, project risks and appropriate management activities may be outlined in the management plan referred to in section 2.3(1).
- (d) Where ambiguities arise regarding interpretation of any matter, the Signatories will:
  - (i) have regard to any relevant guidance provided by the Regulator;
  - (ii) in the absence of any such guidance, apply an approach that is consistent with:
    - (A) the objectives under section 3 of the CFI Act;
    - (B) the offsets integrity standards under section 133 of the CFI Act; and
    - (C) the principles and objectives of this Code.

(3) **Offsets reporting and audits**

- (a) Signatories must inform the client of the offset reporting requirements under the CFI Act, ERF Method or other scheme.
- (b) Signatories must provide the client with a summary of the kind of information and records that will be required for reporting and audit purposes.
- (c) Where relevant, Signatories will advise the client that the project will be subject to mandatory audit.
- (d) Signatories will explain the audit purpose and process to the client. The client will be made aware that:
  - (i) A site visit may be required; and
  - (ii) The client may be required to sign a statutory declaration regarding certain aspects of the project activities and records.



- (e) The requirements set out in (a) through (d) above, do not apply where a Signatory is an ERF project proponent for the relevant project, as project proponents are required to comply with offsets reporting and audit obligations under the CFI Act and related legislative provisions. Signatories are still required under section 2.2(5) of this Code to provide general information to clients on administration and compliance requirements for offset reporting and audits under the CFI Act.

(4) **Record keeping**

- (a) Signatories must have written policies and processes for record keeping which support compliance with the record keeping requirements under the relevant scheme.
- (b) Records must be kept in a manner that are easily accessible for audit or other purposes including, but not limited to:
  - (i) correspondence between the project owner and the Regulator or operator of relevant scheme in relation to the project;
  - (ii) information about:
    - (A) the project owner's legal right to carry out the project, and
    - (B) (if applicable) ownership of the applicable carbon sequestration right;
  - (iii) information to support decisions made by the project owner in relation to obligations under the CFI Act or other relevant scheme;
  - (iv) information about any variations to the project;
  - (v) information about regulatory approvals obtained in relation to the project;
  - (vi) information about how applicable NRM plans have been considered;
  - (vii) offsets reports and audit reports;
  - (viii) information used to prepare an offsets report;
  - (ix) information about any uncertainties associated with data used to determine abatement, including information and procedures used to derive uncertainty estimates;
  - (x) information about any assumptions made in abatement calculations and the procedures used to derive the assumptions;
  - (xi) information about any event that is reasonably likely to significantly increase or decrease abatement;
  - (xii) information about all procedures used to collect, document, monitor and process data used in determining abatement for the project; and
  - (xiii) any other information required under the applicable scheme.



- (xiv) written records of engagement with Indigenous stakeholders and their representative bodies, where legally and culturally appropriate to do so.
  - (c) With respect to 2.3(4)(b)(xiv) above, Signatories must provide copies of the written records to stakeholders involved in those consultations where legally and culturally appropriate to do so.
  - (d) The requirements set out in (a) and (b) above, do not apply where a Signatory is an ERF project proponent for the relevant project, as project proponents are required to comply with record keeping obligations under the CFI Act and related legislative provisions. Signatories are still required under section 2.2(5) of this Code to provide general information to clients on administrative and compliance requirements for record keeping under the CFI Act.
- (5) **Consultation with stakeholders**
- (a) Signatories should have a written policy for identifying and consulting with relevant stakeholders.
  - (b) Signatories will proactively make available information to stakeholders that is accurate, accessible and timely.
  - (c) In developing project management plans for land based projects, Signatories will consult with the relevant NRM body and any traditional owners.
  - (d) Where the project will occur on native title land, the Signatory will comply with the requirements set out in section 2.2(3) and 2.3(4) above.
  - (e) When engaging with Traditional Owners and their representative bodies, Signatories must consider cultural contexts, as outlined in ICIN guidance, including but not limited to significant cultural events and Sorry Business that may impact on timeframes for engaging and seeking consents.
- (6) **General disclosures**
- (a) Signatories will communicate effectively with clients, government agencies and other stakeholders to provide them with relevant and accurate information about the projects they are involved with.

## 2.4 Compliance

### (1) Compliance with law

- (a) Signatories must comply with all local, state and federal legislation including but not limited to:
  - (i) the CFI Act which is supported by the *Carbon Credits (Carbon Farming Initiative) Regulations 2011* and *Carbon Credits (Carbon Farming Initiative) Rule 2015*;
  - (ii) the relevant ERF Method;
  - (iii) regulatory guidance provided on the Clean Energy Regulator's website;



- (iv) Schedule 2 of the Competition and Consumer Act 2010 (Cth);
- (v) the AFSL requirements under the Corporations Act, including general obligations for a financial services licensee under s 912A of the Corporations Act; and
- (vi) the *Native Title Act 1993* (Cth).

(2) **Requirement to hold an AFSL**

- (a) Signatories understand that an ACCU is a financial product, and therefore financial services activities relating to ACCUs are regulated under the Corporations Act.
- (b) Signatories understand that providing financial services regarding ACCUs and other carbon credits may require an AFSL.
- (c) Signatories must undertake appropriate due diligence to determine whether an AFSL is required for their business activities. In determining whether an AFSL is required, signatories must consider:
  - (i) the requirements of the Corporations Act; and
  - (ii) ASIC Regulatory Guide 236: Do I need an AFS licence to participate in carbon markets.
- (d) In dealing with and providing advice regarding ACCUs and other carbon credits, Signatories will have regard to the Australian Financial Markets Association Code of Conduct <http://www.afma.com.au/code-of-conduct>. For dealing with and providing advice to wholesale customers, Signatories will:
  - (i) refer to section 3 of the Australian Financial Markets Association Code of Conduct.

**2.5 General**

(1) **Written agreement with client**

- (a) The Signatory's agreement with the client must:
  - (i) be in writing; and
  - (ii) be expressed in a clear and transparent way, using language that is linguistically and culturally appropriate for the audience and their level of maturity in the carbon market; and
  - (iii) if the Signatory takes on the role of project proponent under the ERF, the written agreement between the Signatory and client must provide for orderly succession of project proponent, consistent with the environmental and social integrity of the scheme and with the relevant laws.

(2) **Recommending independent legal and financial advice**

- (a) Signatories must disclose to the client the Signatory's financial interest in the project.





- (b) Signatories should recommend to the client that the client obtains independent legal and/or financial advice.

(3) **Providing clients with a copy of the Code of Conduct Fact Sheet**

- (a) Clients must be given a fact sheet describing this Code and also including:
  - (i) The process for providing feedback and lodging Complaints; and
  - (ii) A link to further information at the Code of Conduct website: [www.carbonmarketinstitute.org/code](http://www.carbonmarketinstitute.org/code)
- (b) Signatories can determine their own marketing practices, in accordance with all other provisions of this Code and pursuant to the *Privacy Act 1988*.

(4) **In-house procedures and complaints handling**

- (a) Signatories must be responsive to, and deal appropriately with, clients and other stakeholders at all times.
- (b) Clients have the right to expect that any services supplied by a Signatory will comply with the Rules at all times.
- (c) If a client or stakeholder is dissatisfied with the activities of a Signatory, they can submit a Complaint to the Signatory.
- (d) Signatories must have an appropriate internal complaint handling procedure that is fair, efficient and transparent, in line with the following:
  - (i) the complaints handling procedure must be compliant with relevant legislation and standards including the Australian Standard on Complaints Handling AS/NZS 10002:2014.
  - (ii) information about the complaints process must be made available to clients and Signatory staff;
  - (iii) the Signatory must log the Complaint and begin its investigation within a reasonable time of its receipt;
  - (iv) every reasonable effort must be made to advise the Complainant as soon as possible of receipt of the Complaint and the expected timeframe for resolution of that Complaint;
  - (v) feedback on the outcome of a Complaint must be provided to the Complainant within 21 days of receipt. Where additional time is required:
    - (A) clients must be informed of the need for more time to complete the investigation; and
    - (B) the investigation must be completed within 45 days of receipt of the Complaint;
  - (vi) where a Complainant is dissatisfied with the outcome of a Complaint, the Signatory must provide the Complainant with the appropriate contact details for escalating that Complaint to the Code Administrator.



- (e) Signatories must maintain appropriate record keeping of Complaints and their outcomes.

(5) **Demonstrating compliance**

- (a) Signatories must be able to demonstrate compliance with the Code to the satisfaction of the Code Administrator and provide appropriate evidence of compliance. This may include, but is not limited to:
  - (i) documented procedures;
  - (ii) discussion of standard practices; and
  - (iii) examples of documentation given to clients, such as ERF Guides.

(6) **Information to be provided**

- (a) Signatories are required to provide an annual confirmation of their compliance with the Code, which also serves to reaffirm the Signatory's ongoing commitment to implementing the Code.
- (b) Signatories must nominate a person who is authorised by the company to be the primary contact for all matters and correspondence relating to the Code (the **Primary Contact**). Signatories must provide the Code Administrator with up-to-date details including email address, title and telephone number for the Primary Contact.
- (c) Signatories must inform the Code Administrator within 28 days of a change to the Primary Contact's details. Signatories must inform the Code Administrator immediately of any change in circumstances that may impact on the Primary Contact's ability to fulfil their role.
- (d) A Signatory must inform the Code Administrator, within 10 business days of the Signatory being notified by the relevant body of receipt of a Complaint, of any Complaints lodged against them with the Regulator, the Department, an ombudsman or a consumer affairs body.
- (e) A Signatory must inform the Code Administrator, within 10 business days of the Signatory self-reporting a breach to the relevant body such as the Regulator, the Department, an ombudsman or a consumer affairs body.
- (f) Signatories must undertake to inform the Code Administrator of a major or severe breach of their obligations under the Code (as listed under section 3.6 Breach Matrix of this Code) within 10 business days of becoming aware of the suspected breach.
- (g) Signatories must undertake to inform the Code Administrator of any other breach of their obligations under the Code within 15 business days of becoming aware of the suspected breach.
- (h) Subject to section 2.6(7) of this Code, Signatories must undertake to inform the Code Administrator of a major or severe breach of the Code (as listed under section 3.6 Breach Matrix of this Code) made by other Signatory companies within 15 business days of becoming aware of the suspected breach. See also section 2.6(6) of this Code regarding the obligation not to make a vexatious or unfounded claim.
- (i) Subject to section 2.6(7) of this Code, Signatories must undertake to inform the Code Administrator within 20 business days of becoming aware of any



other suspected breaches of the Code made by other Signatory companies. See also section 2.6(6) of this Code regarding the obligation not to make a vexatious or unfounded claim.

- (j) Signatories must provide the Code Administrator with the following information and data upon request:
  - (i) relevant procedures outlined above in section 2.5(4): In-house procedures and complaints handling;
  - (ii) records of all relevant business activities and transactions relating to a suspected breach, including (if applicable) information provided to the Complainant, and training provided to employees. These records must be kept for a minimum period of five years for audit purposes in the administration of this Code;
  - (iii) details of any known breaches of the Code;
  - (iv) any other information that the Code Administrator deems relevant for investigating a suspected breach of the Code. This information will be used by the Code Administrator in managing the administration of and compliance with the Code, including compliance audits and investigating all suspected breaches of the Code; and
  - (v) information relating to a Signatory's compliance with regulatory or other carbon and/or overlapping co-benefit schemes including identification details of relevant projects and related entities (corporate structure) for projects where Signatories have a contractual obligation.
- (k) All commercial-in-confidence information will be treated with appropriate confidentiality and subject to the requirements of relevant laws, in particular the Privacy Act 1988.
- (l) The Code Administrator will obtain access, where possible, to public and certain non-public information on Signatories' compliance activities under regulatory or other carbon/and/or overlapping co-benefit schemes to reduce administrative burden for Signatories and the Administrator.
- (m) For major or severe suspected breaches of the Code, Signatories must comply within 10 business days of reasonable requests made by the Code Administrator for the provision of information or documentation.
- (n) Signatories must comply within 15 business days with reasonable requests made by the Code Administrator for the provision of information or documentation in relation to compliance audits or investigation of suspected breaches of the Code.
- (o) Signatories must comply with all reasonable requests of the Panel in pursuance of its functions (see section 3.2).

**(7) Training and promotion of the Code**

- (a) Signatories must ensure clients are made aware of the Code and:
  - (i) take all reasonable steps to promote the benefits of the Code to clients, including telling clients about the Code and providing copies on request;



- (ii) advertise the latest version of the Code on their website and in other relevant marketing documents; and
  - (iii) ensure that clients are aware of the Signatory's complaints handling provisions.
- (b) Signatories must ensure that its employees and representatives, whether employed directly, subcontracted or selling or providing services on the company's behalf, are aware of the Code and their responsibilities under the Code.
- (c) Signatories must ensure the safety of their service providers, subcontractors and employees.

## 2.6 Obligations of Signatories and Grounds for Action to be Taken

- (1) Signatories have given an undertaking that they agree to follow the Code as outlined in this document.
- (2) Signatories have given an undertaking, as part of a principled group of Signatories, that they agree to building professional relationships with other Signatories based on acting ethically and with integrity to support the carbon industry and the Code's integrity and reputation.
- (3) Signatories must comply with the Rules (this section 2) in all dealings with clients.
- (4) Signatories are also subject to the Code Administrator's complaints procedure, the Panel Terms of Reference, and the Brand Mark Guidelines, which will take the form published on the Code of Conduct website:  
[www.carbonmarketinstitute.org/code](http://www.carbonmarketinstitute.org/code)
- (5) Signatories must not act in any way that might bring the Code into disrepute.
- (6) Signatories must not make any vexatious or unfounded claims against another Signatory.
- (7) If a Signatory suspects another Signatory has breached the Code, the Signatory must take reasonable steps to contact the Signatory suspected of breaching the Code before informing the Code Administrator of a breach under sections 2.5(6)(h) and (i) of this Code.,
- (8) Signatories must ensure that their employees, contractors, agents, and any other individuals or businesses acting on the Signatory's behalf comply with the latest version of the Code. Signatories will be held responsible for all the actions of their employees, contractors, agents, and any other individuals or businesses acting on the Signatory's behalf to the extent that such actions are governed by this Code.
- (9) The Code and supporting documentation may need to be modified to reflect any changes to the ERF or relevant scheme and ensure the Rules continue to meet the stated objectives of the Code. Changes required may be identified through regular reviews of the Code which will assess the Code's effectiveness and possible areas for improvement. Any major changes will be undertaken in consultation with the key stakeholders including Signatories, industry, the Department and the Regulator. Signatories will be notified by email of any changes to the Code or supporting documentation, and will be given three months' notice of any significant changes.
- (10) The Code Administrator may take action where there is any failure by a Signatory to meet their obligations under the Code. These circumstances include:



- (a) any conduct or activity which has or may bring the Code into disrepute;
- (b) failure to observe and conform to all relevant laws and regulations;
- (c) failure to comply with the requirements for provision of information and data as outlined above in section 2.5(6): Information to be provided;
- (d) failure to pay any fees and charges associated with being a Signatory;
- (e) making any false or misleading declarations or statements to the Code Administrator relating to the Code and the Signatory's conduct;
- (f) where there are Complaints of a serious nature made against the Signatory that are unresolved;
- (g) where the Signatory becomes bankrupt, insolvent, or their organisation is placed under administration; and
- (h) serious, wilful, systemic, repetitive non-compliance with the potential to impact a large number of clients or to have a serious impact on a lesser number of clients.



### 3 Code Administration and Compliance

#### 3.1 Role of the Code Administrator

Signatories to this Code are subject to the Code administration and compliance arrangements as set out below.

- (1) The Code will be administered by The Carbon Market Institute.
- (2) The Code Administrator will be responsible for:
  - (a) managing the administration process relating to Signatories;
  - (b) monitoring Code compliance, including:
    - (i) carrying out compliance audits and initiating inquiries into compliance; and
    - (ii) investigating Complaints that the Code has been breached;
  - (c) determining when breaches of the Code have occurred;
  - (d) determining appropriate action when breaches of the Code have occurred;
  - (e) enforcing sanctions;
  - (f) referring cases to the Panel for consideration as required;
  - (g) in the first three years of the Operational Stage, the Code Administrator will refer all proposals to apply severe sanctions or suspensions to the Code Review Panel. During that time, publication of severe sanctions and suspensions will not occur until the Code Review Panel affirms the Code Administrator's proposal;
  - (h) performing secretariat functions for the Panel;
  - (i) overseeing promotion of the Code; and
  - (j) developing training and supporting material on the Code to assist signatories to comply with the Code.
- (3) The Code Administrator is not a dispute resolution body and will refer clients to either the Signatory, the relevant consumer protection organisation or the Regulator in accordance with section 3.3 below.
- (4) Subject to clause 3.1(5), during the Foundation Stage, the Code Administrator will only implement the responsibilities set out in subclauses (a), (i) and (j) of clause (2). The remaining subclauses of clause 3.1(2) shall become operative during the Operational Stage.
- (5) During the Foundation Stage, the Code Administrator will review Code compliance through use of "self-audit" checklists, which will take the form published on the Code of Conduct website: [www.carbonmarketinstitute.org/code](http://www.carbonmarketinstitute.org/code). Following review of these checklists, the Code Administrator may request further information from Signatories.



### 3.2 Role of the Code Review Panel

- (1) The oversight, monitoring and direction of the Code will be undertaken by the Panel.
- (2) The Panel will:
  - (a) be an independent body. All members must be independent of Signatories. They must not have any conflict of interest, for example, be an employee of, or advisor to, any Signatory;
  - (b) have no representative of the Code Administrator sitting on the Panel;
  - (c) be suitably qualified to arbitrate cases referred to it by the Code Administrator, and to hear appeals against sanctions imposed by the Code Administrator;
  - (d) consist of at least three members with combined skills and experience in:
    - (i) consumer advocacy, protection and law;
    - (ii) carbon projects in the carbon industry;
    - (iii) regulatory or government administration of consumer law; and
    - (iv) a Chair with a suitable background to ensure due process is followed at all times, particularly when dealing with any breach of the Code. The Chair will not be employed in the carbon projects industry.
- (3) Panel members will be appointed by the Code Administrator for a period of three years, and will be eligible for reappointment.
- (4) The Panel will be responsible for:
  - (a) arbitrating cases referred to it by the Code Administrator;
  - (b) arbitrating appeals against sanctions imposed by the Code Administrator in accordance with section 3.9; and
  - (c) conducting its own inquiries into Code compliance.
- (5) The Panel will adhere to the Panel Terms of Reference, which set out its powers and functions.
- (6) The Panel will meet regularly to look at revisions to the Code, policy changes, how the Code operates, and Complaints data.
- (7) All decisions of the Panel are final. Signatories have no right of review beyond the Panel.

### 3.3 Disputes or Complaints

- (1) The Code Administrator will investigate all reported breaches of the Code but will not resolve a dispute between the Code Signatory and the client and/or stakeholder.



- (2) Clients, stakeholders or other parties who wish to make a Complaint against a Signatory should first contact the Signatory directly. Signatories are required to have a fair and transparent complaints process that meets or exceeds the requirements of the Complaints Handling standard, AS/NZS 10002:2014. Details of this process are outlined in section 2.5(4): In-house procedures and complaints handling.
- (3) If a Complainant is not satisfied with the Complaint resolution by the Signatory, the Complainant should then contact the relevant consumer protection organisation or the Regulator (see Appendix 1, section 5).
- (4) Complainants are encouraged to inform the Code Administrator of any behaviour which may be in breach of the Code that is lodged with a consumer protection organisation or the Regulator, even if their Complaint is subsequently resolved. They can do so using the dispute form available online or in writing or by telephone.

### 3.4 Compliance and Auditing

- (1) The Code Administrator has put in place arrangements for monitoring Signatories' compliance with the Code to ensure it delivers the desired outcomes. Signatories must agree to comply with the requirement for regular monitoring and to allow audits on their compliance with the Code.
- (2) The Code Administrator will carry out the following monitoring and auditing measures and assess ongoing compliance with the Code through:
  - (a) audit compliance checks;
  - (b) assessing feedback from clients obtained through client satisfaction surveys;
  - (c) investigating cases it is aware of in which Signatories may have breached the Code;
  - (d) using information obtained from media reports;
  - (e) using information received from other Signatories; and
  - (f) using information obtained from any additional sources.
- (3) With regards to requirements set out in (1) and (2) above, the Code Administrator may use information on the business practices and compliance measures a Signatory has implemented to meet its AFSL obligations, subject to the Signatory demonstrating:
  - (a) the applicability of its AFSL to its Code requirements;
  - (a) the duplication of its AFSL obligations and Code requirements;
  - (b) the alignment of business practices reported under the Code and its AFSL obligations; and
  - (c) evidence of compliance with AFSL obligations.
- (4) With regards to (3) above, the Code Administrator and Signatory will review the above arrangement annually, or in the event the Signatory ceases to be licenced, whichever is earliest.





### 3.5 Code Breaches

- (1) The Code Administrator will investigate potential breaches of the Code. Breaches can be raised via:
  - (a) self-reporting from Signatories;
  - (b) clients using the dispute forms, which will take the form published on the Code of Conduct website: [www.carbonmarketinstitute.org/code](http://www.carbonmarketinstitute.org/code);
  - (c) any other person or body using the dispute form on the Code website; or
  - (d) evidence of breaches taken from any source including those outlined in section 3.4.
  
- (2) Alleged breaches of the Code will be investigated by the Code Administrator, using the following procedure:
  - (a) Where the only source of information on a potential breach is raised by a third party, evidence of the breach will be requested from the third party.
  - (b) The Code Administrator will contact the Signatory in writing, providing details of the alleged breach as soon as practicable.
  - (c) The Signatory will be given 21 days to respond to the Code Administrator setting out its comments and evidence on the alleged breach.
  - (d) Once a Signatory is aware a breach may have occurred, if the matter is not disputed, they must explain the actions they have taken to address the alleged breach as soon as practicable.
  - (e) The Code Administrator will investigate and assess the issue as soon as reasonably practicable.
  - (f) Where a breach is found to have occurred, depending on the severity of the breach (see section 3.6: Breach Matrix below), the Code Administrator will either:
    - (i) allocate a sanction or action in accordance with section 3.7; or
    - (ii) provide documentation relating to the breach along with a recommended course of action to the Panel for consideration.
  - (g) In the event that the breach is handled solely by the Code Administrator, a Signatory is entitled to appeal the ruling to the Panel (see section 3.9).
  - (h) If a breach is referred to the Panel (either by the Code Administrator or by appeal), the Panel will determine if a breach has occurred and the subsequent action, if any, that will be taken against the Signatory.
  - (i) All parties involved in the Complaint/breach will be notified of the outcomes of the investigation.
  - (j) All decisions by the Panel are final and binding.



### 3.6 Breach Matrix

- (1) The table below indicates the severity of the breaches. In order to proactively target systemic issues in the industry, the breach levels can be altered at the discretion of the Panel.

Section of Code	Breach level
<b><i>Pre-project activities</i></b>	
Signatories must ensure that they provide their client with all relevant documentation to allow them to make an informed decision about the project, prior to entering into an agreement with the Signatory.	Medium
Signatories must ensure that the contract is explained to the client before the contract is signed.	Major
A written agreement, using language that is linguistically and culturally appropriate for the audience and their level of maturity in the carbon market between the Signatory and the client must be provided to the client.	Major
Clients must be made aware of the Code and Signatories must provide a fact sheet describing this Code (including the process for lodging Complaints).	Medium
Signatories must clearly explain the process surrounding the payment and trade of ACCUs.	Medium
An appropriate level of due diligence was undertaken by the Signatory to ensure the client has the legal right for the project and that all eligible interest consent holders have been identified.	Major
Where a project is undertaken on Native Title Land or Waters, section 2.2(3) of the Code has been complied with, including but not limited to: following best practice principles for engagement with Native Title Holders; and Native Title Holders have agreed to the project being registered.	Major, unless otherwise stated by the Administrator in Guidance materials
In the Operational Stage (commencing 1 July 2021), refer to the Code Guidance document published on the Code Administrator's website for details on the Administrator's approach to compliance.	
Where relevant, sufficient information has been provided to the client by the Signatory on the ERF Method being undertaken, the ERF project administration process and the carbon credits to be generated during the crediting period.	Medium
Where the client is entering into a Carbon Abatement Contract with the Regulator, the Signatory must explain the associated financial risk and implication of non-delivery under the contract, and if applicable, disclose to the client any interest or benefit the Signatory has.	Major
The Signatory has considered and evaluated the potential co-benefits associated with the project being undertaken.	Minor
<b><i>Project management</i></b>	
Signatories must comply with the requirements for information and data to be provided to the Code Administrator.	Medium
The Signatory has developed a project management plan, in consultation with the client and relevant stakeholders, that addresses all compliance requirements related to the project with respect to this Code and the ERF Method (where applicable).	Major
Risks associated with the project are appropriately identified, managed and communicated to the client by the Signatory.	Medium



<b>Section of Code</b>	<b>Breach level</b>
Signatories have informed the client of the associated project reporting and audit requirements in relation to the project (e.g. under the CFI Act, ERF Method or other scheme).	Medium
The Signatory has a written policy for record keeping and maintains appropriate records in accordance with the Code requirements and its policy.	Medium
Appropriate and accurate information about the project is communicated to all stakeholders, including client, government agencies and other relevant parties.	Medium
<b><i>Complaints handling</i></b>	
Signatories must have an appropriate internal complaints handling process that is fair, efficient and transparent.	Medium
Signatories must be responsive to all complainants regarding Complaints made against them and notify the Code Administrator of Complaints received against them.	Major
Signatories must be able to demonstrate compliance with the Code and provide evidence of compliance to the Code Administrator when a suspected breach of the Code is being investigated.	Medium
Signatories must not make any vexatious or unfounded claims against other Signatories.	Major
<b><i>Compliance</i></b>	
Signatories must comply with all local, state and federal legislation, and the Code.	Severe
Signatories must have complied with the Australian Financial Services Licensee requirements under the Corporations Act when providing financial advice	Severe
Signatories must adhere to the general principles of the Code in their business activities and in all their dealings with clients and other stakeholders	Medium
<i>Systemic breaches</i> This is a breach of the Code that is not a singular event but is, in the Code Administrator's opinion, a procedural lack of compliance with the Code by the Signatory.	Severe
<b><i>Code administration</i></b>	
Failure to pay any fees associated with the Code.	Medium
Failure of Signatory to comply with the process for communicating suspected Code breaches that have been reported against them to the Code Administrator.	Major
Failure to comply with directives from the Code Administrator relating to Code breaches.	Major
Failure to adhere to the Code's complaints handling process.	Major
Failure to comply with the Brand Mark Guidelines.	Minor

### 3.7 Sanctions

- (1) Once a breach of the Code has been confirmed then the sanctions will be undertaken as per the matrix below:



Breach	Actions / Sanctions
Severe	<p>Signatory details to the Code Administrator its strategy to rectify the issue and appoints an independent auditor to audit the areas of activity where the breach(es) occurred at the Signatory's cost. Audit results and actions to prevent the breach occurring again to be sent to the Code Administrator.</p> <p>The breach will be listed on the Code website in accordance with section 3.7(2) below.</p>
Major	<p>Signatory details to the Code Administrator its strategy to rectify the issue and implements an agreed action plan (at their cost) to prevent the issue re-occurring.</p> <p>If more than three major breaches occur within a 12 month timeframe, the Signatory must appoint an independent auditor, at the Signatory's cost, to audit the areas of activity where the breach(es) occurred. Audit results and actions to prevent the breach occurring again to be sent to the Code Administrator.</p>
Medium	<p>Signatory details to the Code Administrator its strategy to rectify the issue, and implements an agreed action plan (at their cost) to prevent the issue re-occurring.</p>
Minor	<p>The Signatory provides a written undertaking to the Code Administrator that the breach will not be repeated.</p>

- (2) Where a severe breach has occurred, Signatories will be given an opportunity to rectify the breach within a reasonable timeframe, in accordance with a determination by the Code Administrator/Panel.
  - (a) If the breach is not rectified during this time, the breach will be publicly listed on the Code website and in the Code annual report, identifying the name of the Signatory involved.
  - (b) If the breach is rectified during this time, the breach will be publicly listed on the Code website and in the Code annual report, but will not name the Signatory involved (i.e. de-identified listings of major breaches will be published in order to advise customers of issues prevailing in the sector).

### 3.8 Removal or Suspension due to Non-Compliance

- (1) Serious, wilful, systemic or repetitive non-compliance which is detrimental to clients may be cause to remove a Signatory to the Code with immediate effect.
- (2) Suspension or removal of a Signatory can occur if:
  - (a) the Signatory fails to provide evidence that they have rectified or addressed a breach of the Code within a reasonable timeframe; or
  - (b) the Signatory has multiple breaches that signify a systemic failure to adhere to the Code. In this case, they can be suspended until they provide evidence the systemic issue has been rectified.
- (3) Where a Signatory has been suspended or withdrawn from the Code, the Code Administrator has the right to inform the general public and any interested party that the Signatory is no longer a Signatory to the Code. The Signatory will also immediately cease to:



- (a) describe itself as a Signatory to the Code;
- (b) use the Code brand mark; and
- (c) advertise or portray itself as in any way being connected to the Code.

### 3.9 Appeals

- (1) If a Signatory believes that the Code Administrator did not exercise reasonable discretion, that they were denied natural justice, or that new evidence has come to light that was not available at the time of the original determination, they are entitled to appeal the determination of the Code Administrator to the Panel.
- (2) Signatories can lodge an appeal using the appeals form online.
- (3) Appeals must be lodged within one month of the original Code Administrator determination. They must be submitted in writing, detailing the relevant issue, and reasons why the appeal is being made.
- (4) The Panel will consider and provide a ruling on the appeal in writing, along with reasons for the determination, as soon as reasonably practicable.
- (5) All parties involved will be notified of the outcomes of the investigation.
- (6) All decisions by the Panel are final and binding and there is no further right of appeal.

### 3.10 Code Review and Public Reporting

- (1) An annual report on the Code's operation, including reporting on Code compliance, will be produced by the Panel, to enable a periodic assessment of the Code's effectiveness, ensure the Code standards meet the identified objectives, and to identify systemic issues and areas for improvement.
- (2) All breaches and sanctions occurring each year will be reported in the Code's annual report. This information will not identify the names of any signatories, with the exception of:
  - (a) cases where a Signatory has been removed or suspended from the Code; and
  - (b) severe breaches that are not rectified by the Signatory, as outlined in section 3.7(2) above.
- (3) For the purpose of sections 2.5(6)(a) to 2.5(6)(j), none of this information will be made publicly available, with the exception of 2.5(6)(j)(iii) and (iv) which may be included de-identified in the Code's annual report.
- (4) The Code, Code reporting, Code Administrator, Panel and Panel Terms of Reference will also be independently reviewed every three years following their commencement. The review will be undertaken by a suitably qualified, independent person/body. The independent review should make a recommendation to re-appoint the Code Administrator (or not). The decision to reappoint the Code Administrator (or not) should be informed by this review, the views of the Code Review Panel in its Annual Report, and through broader stakeholder consultation.



- (5) The independent three-yearly reviews will be conducted in consultation with relevant stakeholders including, but not limited to Signatories, government partners, and industry supporters. The independent reviewer will have access to all necessary documentation including procedures and reporting from the Panel and Code Administrator.
- (6) Systemic concerns identified during Code reviews will be referred to the relevant regulators, as will any breaches of laws and regulations.
- (7) The Code annual report and independent reviews will be published online.



## 4 Becoming a Code Signatory

### 4.1 Application Process

- (1) Businesses wanting to sign on to the Code will need to complete the following steps:
  - (a) complete the online application form or print and complete the application form and submit it to the Code Administrator (both forms located at the Code of Conduct website: [www.carbonmarketinstitute.org/code](http://www.carbonmarketinstitute.org/code));
  - (b) agree to and sign the Code;
  - (c) allow documentation to be checked by independent experts (for example, lawyers) as required by the Code Administrator. This will be completed in confidence; and
  - (d) explain any previous non-compliances with the CFI Act.
- (2) Based on the information submitted by the applicant, the Code Administrator will make an assessment as to whether the application sufficiently demonstrates that the applicant complies with the Code and has the systems and procedures in place to ensure ongoing compliance.
- (3) Formal feedback on the application assessment will be provided to the applicant.
- (4) Incorrect or incomplete information submitted by an applicant may lead to the delay or rejection of an application.
- (5) Where an applicant's actions or behaviour is considered to be inconsistent with the Code, the Code Administrator has the right to decline an application.

### 4.2 Code Fees

- (1) All fees are stated exclusive of GST.
- (2) All fees are subject to GST.
- (3) All fees are published on the Code of Conduct website: [www.carbonmarketinstitute.org/code](http://www.carbonmarketinstitute.org/code), including in the application form available for download in pdf format from that website.
- (4) The Code Administrator reserves the right to vary the fees from time to time. Notice of fee variations will be given to Signatories in accordance with section 2.6(9).
- (5) A non-refundable application fee may be charged for each application. On receipt of an application, the Code Administrator will issue a tax invoice for the application fee to the applicant's Primary Contact. On receipt of the application fee, the Code Administrator will process the application. The application fee is not charged to Signatories undertaking their annual renewal.
- (6) Signatories are required to pay an annual fee as published on the Code of Conduct website: [www.carbonmarketinstitute.org/code](http://www.carbonmarketinstitute.org/code).



- (7) Additional fees may apply in relation to compliance investigation and enforcement action. Any additional fees under this section will be published on the Code Administrator's website.
- (8) Becoming and remaining a Signatory is conditional upon the timely payment of fees, charges and additional agreed costs associated with being a Signatory.

#### **4.3 Withdrawing from the Code**

- (1) A Signatory can withdraw from the Code at any time provided they advise the Code Administrator of their intention in writing, and give two weeks' notice of their request to be removed as a Signatory.
- (2) Signatories who choose to withdraw from the Code will not be entitled to a refund of any fees or associated charges already paid at the date of receipt of notice to withdraw.

#### **4.4 Use of Brand Mark**

- (1) Signatories are required to use the Code brand mark in accordance with the relevant guidelines. The Code brand mark remains the intellectual property of the Carbon Market Institute and legal action may be taken in regard to its misuse.





## Appendix 1

### 1 Glossary and Definitions

The definitions for terms used in this document are as follows.

- (1) **ACCU** – an Australian Carbon Credit Unit.
- (2) **AFSL** – an Australian financial services licence under s913B of the Corporations Act that authorises a person who carries on a financial services business to provide financial services.
- (3) **ANREU** – Australian National Registry of Emissions Units has the same meaning as “Registry” given by section 5 of the CFI Act.
- (4) **Australian Carbon Credit Unit** – has the meaning given by section 5 of the CFI Act.
- (5) **Breach** – any failure to comply with the Code of Conduct including the Code Rules, and other documentation referred to in the Code.
- (6) **Business day** – a day that is not a Saturday, Sunday or public holiday in the relevant location in Australia.
- (7) **Carbon Abatement Contract** – has the meaning given by section 20B of the CFI Act.
- (8) **Carbon Credit** – generic term for various types of units recognised under carbon offsets schemes in Australia and overseas, which are associated with greenhouse gas emissions reductions or carbon abatement (e.g. an ACCU or a VER).
- (9) **Carbon Market** – means all activities related to the generation and trading (buying and selling) of carbon credits.
- (10) **Carbon Offsets Project** means a project carried out in accordance with a Scheme. The Code will only apply to projects, which are yet to commence as defined by the rules of the Scheme, as at 1 July 2018.
- (11) **Carbon Service Provider** – is a broad term for organisations or individuals that offer both project services and advisory services to Carbon Offsets Projects and the Carbon Market, including the organisations or individuals defined in items 41, 42, and 44 of this Glossary.
- (12) **CFI** – Carbon Farming Initiative.
- (13) **CFI Act** – *Carbon Credits (Carbon Farming Initiative) Act 2011 (Cth)*.
- (14) **Client** – for the purposes of this Code means both supply-side consumers and demand-side consumers in the Carbon Market. For the avoidance of doubt, reference to client within Part 2 (General Rules and Standards) will have regard to the context in which the term is used. For example, all requirements relating to project level activities will be deemed to refer to a supply-side consumer.
- (15) **Code** – this Carbon Industry Code of Conduct.
- (16) **Code Administrator** – has the meaning outlined in section 3.1.
- (17) **Code Review Panel** – has the meaning outlined in section 3.2.



- (18) **Complainant** – a client, stakeholder or other party who lodges a Complaint.
- (19) **Complaint** – an expression of dissatisfaction with an action or service of a Signatory where a response or resolution is explicitly or implicitly expected (see AS/NZS 10002:2014)
- (20) **Corporations Act** – *Corporations Act 2001*, including regulations made for the purposes of that Act.
- (21) **CPDC** – Carbon Project Developers Council.
- (22) **Crediting period** – as defined under section 5 of the CFI Act.
- (23) **Demand-side consumers** – represent the buyers of carbon credits generated by carbon offsets projects. They are consumers as they need to be protected from risks associated with receiving advice on and purchasing Australian and overseas generated carbon credits for various purposes.
- While the Code provides protections for demand-side consumers in relation to the quality of advice on and purchasing of Australian and overseas carbon credits, the Code does not currently cover demand-side consumer risks associated with overseas carbon project abatement activities.
- Demand-side consumers are categorised as Government, business or community/other organisations that purchase carbon credits for either compliance or voluntary purposes. Each entity has different consumer risks due to their capacity to manage risks and their reasons for buying carbon credits.
- (24) **Department** means the Department of the Environment and Energy or any other Government agency which has responsibility for developing the policy for the ERF or other emissions reduction scheme.
- (25) **Dispute** – a Complaint by a client in relation to a Code Signatory, that has not been immediately resolved when brought to the attention of that Signatory.
- (26) **Eligible interest** – as defined under section 5 of the CFI Act.
- (27) **ERF** – Emissions Reduction Fund.
- (28) **ERF Guides** – general guides on key compliance matters relating to a project that are provided to clients.
- (29) **ERF Method** – a methodology for undertaking an ERF Project, approved under the *Carbon Credits (Carbon Farming Initiative) Act 2011*.
- (30) **ERF Project** – an emissions reduction or carbon sequestration project undertaken under an approved ERF Method. The Code will only apply to projects, which meet the Regulator’s definition of the newness requirement, as at 1 July 2018. To avoid confusion, the project may be listed on the Clean Energy Regulator’s project register but must not have commenced prior to 1 July 2018.
- (31) **Foundation Stage** – the initial phase of implementing this Code, commencing 1 July 2018 and intended to be in place for a two year period, as outlined in section **Error! Reference source not found.**
- (32) **Market integrity** – For the purposes of adherence by Signatories to the articles of the Code of Conduct, Market Integrity comprises the following principles:



- (a) carbon credits are trusted and have high environmental integrity as guided by Articles 6 and 13 of the Paris Agreement;
  - (b) there is equal and unbiased market access;
  - (c) transparency of key market information is embedded in trade and benefit sharing arrangements;
  - (d) participants are trusted, accountable, and apply 'do no harm' principles resulting in lower investment risks and increased investor confidence.
- (33) **Native Title Holders** means Native Title Holders with a determination.
- (34) **Native Title Holders with a Claim** means registered native title claim groups, as defined by sections 224 and 253 of the *Native Title Act 1993* (Cth).
- (35) **Native Title Land or Waters** – a particular area of land or water where native title exists as defined by the Determination of Native Title in Section 225 of the *Native Title Act 1993*.
- (36) **NRM** – natural resource management.
- (37) **Offsets integrity standards** has the meaning given by section 133 of the CFI Act.
- (38) **Operational Stage** – has the meaning outlined in section **Error! Reference source not found.**
- (39) **Panel** – Code Review Panel.
- (40) **Permanence period** – permanence period in relation to an offsets project, has the meaning given by section 86A of the CFI Act.
- (41) **Project Agent** – Organisations or individuals providing services to assist Project Owners to develop and manage carbon projects.
- (42) **Project Aggregator** – Organisations and individuals who provide aggregation services to support the process of bringing multiple sources (projects and/or methods) of carbon abatement together under one carbon project. They may also act as a Project Owner or Project Agent.
- (43) **Project management plan** – a document drafted in consultation with the client that outlines the key issues regarding project implementation and compliance relevant to a particular project. A project management plan differs from an ERF Guide, which is general in nature, because it is customised to an individual project.
- (44) **Project Owner** – Organisations and individuals that have the legal right to carry out a project and claim carbon credits from project activities and are responsible for meeting all obligations under the relevant scheme. Under the ERF, the project owner is the project proponent as defined under section 5 of the CFI Act. Project owners can be both supply-side and demand-side consumers.
- (45) **Regulator** means the Clean Energy Regulator or any replacement regulatory authority who has responsibility for administering the CFI Act.
- (46) **Rules** means the rules and standards set out in section 2 of this Code.
- (47) **Scheme** – the statutory scheme for carbon projects established under the CFI Act (now known as the ERF) or any Voluntary Offset Scheme.



- (48) **Signatory** – a Signatory to this Code of Conduct.
- (49) **Supply-side consumers** – are categorised as consumers involved in both land-based and non-land-based carbon projects. They are consumers as they may be approached by businesses to agree to and/or to sign agreements for carbon projects to operate on land, sites and/or within their business operations. They require consumer protections from risks associated with agreeing to carbon projects being undertaken where they have legal rights and/or have an eligible interest.
- Examples of land-based consumers include: Native Title Holders, Native Title claimants; farmers, landowners and pastoralists. Examples of non-land-based consumers include site owners; business owners; landlords and tenants.
- (50) **Voluntary Offset Schemes** – voluntary offset standards and schemes other than the ERF which provide for the creation of carbon credits. This includes Gold Standard, Verified Carbon Standard, Clean Development Mechanism and other similar schemes.

## 2 Additional Information

Additional information is available at the Code of Conduct website: [www.carbonmarketinstitute.org/code](http://www.carbonmarketinstitute.org/code).

## 3 The Code

- (1) Panel Terms of Reference, which will take the form published on the Code of Conduct website: [www.carbonmarketinstitute.org/code](http://www.carbonmarketinstitute.org/code).
- (2) Brand Mark Guidelines, which will take the form published on the Code of Conduct website: [www.carbonmarketinstitute.org/code](http://www.carbonmarketinstitute.org/code).
- (3) Code Fact Sheet, which will take the form published on the Code of Conduct website: [www.carbonmarketinstitute.org/code](http://www.carbonmarketinstitute.org/code).

## 4 Consumer Information

Guide to undertaking ERF Projects: <http://www.cleanenergyregulator.gov.au/ERF/Forms-and-resources/Regulatory-Guidance>

## 5 Consumer Protection Organisations/Other Contacts

### 5.1 Consumer Affairs

**Australian Competition and Consumer Commission**  
GPO Box 3131  
Canberra ACT 2601  
T. 1300 302 502  
[acc.gov.au](http://acc.gov.au)

**New South Wales NSW Fair Trading**  
PO Box 972  
Parramatta NSW 2124  
T. 13 32 20  
[fairtrading.nsw.gov.au](http://fairtrading.nsw.gov.au)

**Australian Capital Territory Access Canberra**  
GPO Box 158  
Canberra ACT 2601  
T. 13 22 81  
[accesscanberra.act.gov.au](http://accesscanberra.act.gov.au)

**Northern Territory Consumer Affairs**  
PO Box 40946  
Darwin NT 0801  
T. 1800 019 319  
[consumeraffairs.nt.gov.au](http://consumeraffairs.nt.gov.au)

**Queensland Office of Fair Trading**

**Victoria Consumer Affairs**



GPO Box 3111  
Brisbane QLD 4001  
T. 13 74 68  
[fairtrading.qld.gov.au](http://fairtrading.qld.gov.au)

**South Australia Consumer & Business Services**

GPO Box 1719  
Adelaide SA 5001  
T. 131 882  
[cbs.sa.gov.au](http://cbs.sa.gov.au)

**Tasmania Consumer, Building and Occupational Services**

PO Box 56  
Rosny Park TAS 7018  
T. 1300 654 499  
[cbos.tas.gov.au](http://cbos.tas.gov.au)

**The Australian Financial Complaints Authority**

GPO Box 3  
Melbourne, VIC 3001  
T. 1800 931 678  
[afca.org.au](http://afca.org.au)

GPO Box 123  
Melbourne 3001  
T. 1300 55 81 81  
[consumer.vic.gov.au](http://consumer.vic.gov.au)

**Western Australia Department of Mines, Industry Regulation and Safety**

Locked Bag 100  
East Perth WA 6892  
T. 1300 30 40 54  
[dmirs.wa.gov.au](http://dmirs.wa.gov.au)

**Australian Securities and Investments Commission**

PO Box 9827  
(in your capital city)  
T. 1300 300 630  
[asic.gov.au](http://asic.gov.au)

5.2 Other Bodies

[Clean Energy Regulator](#)

[Department of Industry, Science, Energy and Resources](#)

[Department of Agriculture, Water and the Environment](#)