part of eex group

# EU ETS2 - FAQ

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# 1. General EU ETS2 questions

## 1.1 What is EU ETS2?

In 2023, the European co-legislators adopted the revision of the EU Emission Trading System (EU ETS) Directive to create a separate new cap-and-trade emissions trading system named EU ETS2. EU ETS2 will cover $CO_2$ emissions from fuel combustion in buildings, road transportation, and additional sectors that are not covered by the existing EU ETS1. It is often referred to as EU ETS2 for buildings, road transport, and additional sectors. It is expected that the EU ETS2 will be comparable in physical market size to the EU ETS1.

The first compliance year of EU ETS2 will be 2028. The monitoring and reporting phase started in 2025. This means the regulated entities under EU ETS2 need to report their emissions from 2025 onwards. Auctioning of EU ETS2 allowances is expected to start in 2027 and allowances have to be surrendered for the first time in May 2029.

## 1.2 Where can I find the latest legal texts governing EU ETS2 and the Union Registry?

The legal framework for EU ETS2 is primarily set out in three pieces of EU legislation:

1. **EU ETS Directive (Directive 2003/87/EC)**, which establishes the EU Emissions Trading System and introduces the separate ETS2 for buildings, road transport and additional sectors. The current consolidated version incorporates all amendments in force as of 1 March 2024.
2. **Auctioning Regulation (Commission Delegated Regulation (EU) 2023/2830)**, which lays down the rules on the timing, administration and conduct of EU ETS and EU ETS2 allowance auctions. This regulation replaced the former Auctioning Regulation (EU) No 1031/2010 and is currently consolidated as of 16 June 2026.
3. **Registry Regulation (Commission Delegated Regulation (EU) 2019/1122)**, which governs the operation of the Union Registry, including account types, holding and transfer of allowances, and registry processes relevant for ETS2 allowances. The current consolidated version is dated 27 April 2026.

The latest consolidated versions can be accessed via EUR-Lex:

- EU ETS Directive (Directive 2003/87/EC)
- Auctioning Regulation (EU) 2023/2830
- Registry Regulation (EU) 2019/1122

**Note:** Market participants should always consult the latest consolidated versions published on EUR-Lex, as these texts are regularly updated to reflect amendments adopted by the European Union.

## 1.3 What is the difference between nEHS, EU ETS2 and EU ETS1?

nEHS is the German national emission trading system that covers emissions in buildings and transportation sector, which are not yet covered by the EU ETS1.

For most companies currently covered in the German nEHS, compliance obligation will shift to the EU ETS2 from 2028 onwards.

nEHS certificates, EU ETS1 allowances and EU ETS2 allowances are different kinds of products and are not fungible.

| | Operated since | Covered Sector | Auction price mechanism | |
|---|---|---|---|---|
| **EU ETS** | 2005 | Emissions from electricity and heat generation plants, manufacturing installations in Europe, aircraft operators flying between airports in the European Economic Area (EEA) and from the EEA to Switzerland and to the UK, and maritime transport and aviation. (approx. 40% of the EU's total emissions) | Single round, uniform price | |
| **EU ETS2** | 2027 (early auctions) | Emissions from buildings, road transport, and additional smaller sectors that are not covered by EU ETS. | | |
| **nEHS** | 2021 | Emissions from heat generation, transportation, and waste incineration in Germany. | Fixed price (2021-2025) [1] Auction with price corridor in 2026 and expected for 2027. | |

## 1.4 Under which circumstances can a company have compliance obligations under both EU ETS1 and EU ETS2?

A company may have compliance obligations under both systems if it carries out activities covered by EU ETS1 and activities covered by EU ETS2. In such cases, separate compliance obligations apply under each system. EU ETS1 allowances and EU ETS2 allowances are distinct instruments and cannot be used interchangeably for compliance purposes.

## 1.5 When will the EU ETS2 start?

The EU ETS2 is expected to be operational in 2028.

However, futures trading has already started. The 2027 EU ETS2 auction calendar was published on 30 September 2026, and EU ETS2 early auctions under CAP4 will commence on 18 January 2027. The calendar provides details on auction dates and currently available auction volumes. Related documents are available on the EEX Auction Calendars page.

## 1.6 How will nEHS transit to EU ETS2?

The German national emissions trading system (nEHS) was introduced several years before EU ETS2 to regulate emissions from buildings and transport sectors in Germany, which are not covered by EU ETS1.[2] Obligated parties include entities that place $CO_2$-emitting fuels on the market, such as natural gas suppliers and companies in the mineral oil sector. Since 2024, emissions from waste incineration have also been included in the nEHS.

EEX has the mandate to sell nEHS certificates (nEZ) on behalf of the German government during the fixed price phase (2021-2025). From 2026 onwards, EEX serves as sale- and auction platform for nEHS. nEHS certificates are auctioned within a price corridor of €55 - €65. Auctioning may continue in 2027, subject to the formal adoption of the relevant legislation. For more information, please see EEX website under nEHS.

1 **Please refer to** DEHSt **for the most up-to-date information on the pricing mechanism.**
2 **Please refer to** ETS directive Annex III **Activity Covered by Chapter IVa.**

EU ETS2 will replace nEHS for most obligated companies and will run in parallel with the EU ETS1, with separate allowances traded on a separate market. EU ETS2 allowances will only be allocated through primary auctions which will start in 2027 (early auctions).

### 1.7 Are EU ETS2 allowances classified as financial instruments?

Yes, EU ETS2 allowances are classified as financial instruments, following the same legal treatment as EU ETS1 allowances under MiFID II.

### 1.8 How will the EU ETS2 certificate price be determined?

In general, like in the EU ETS1, the price of EU ETS2 certificates is determined based on supply and demand (market based). There are no price caps[3] or floors in place.

EU ETS2 certificates will be allocated through primary auctions via the Common Auction Platform 4 (CAP4) operated by EEX. The auction price will be determined in a single round, sealed bid, uniform price auctions and allowances can be traded at the secondary market. Different from EU ETS1, there will be no free allocation in EU ETS2, hence all EU ETS2 certificates will be allocated through primary auctions.

### 1.9 Can EU ETS2 allowances be used for compliance in future compliance years (banking)?

Yes. Subject to applicable EU legislation, EU ETS2 allowances may be held and used in later compliance periods. Market participants should consult the applicable EU ETS2 legal framework and Union Registry rules for details.

### 1.10 Are EU ETS1 general allowances (EUA) interchangeable with EU ETS2 or nEHS certificates?

No.

### 1.11 What are the reporting obligations for EU ETS2 participants?

As EU ETS2 allowances are financial instruments, the reporting framework upon trading of the allowances follows the same logic as EU ETS1:

- Spot allowances (primary auctions & secondary spot): MiFID II / MiFiR
- Derivatives: MiFID II / MiFiR + EMIR

### 1.12 Will the same reporting obligations apply to trade registration (OTC cleared)?

For trade registration, the same reporting obligations apply.

[3] ETS2 prices are freely determined. Certain price-based triggers are incorporated within the EU ETS Directive and Market Stability which, once activated, will release additional allowances through auctions. (Directive 2003/87/EC, as amended, Article 30h)

### 1.13 What is the timeline for implementing reporting within EEX's product extension?

EEX's reporting services under MiFID II / MiFiR and EMIR will be extended to cover the EU ETS2 products.

### 1.14 Are there any additional reporting obligations for firms trading on behalf of clients in addition to proprietary trading?

No additional EU ETS2-specific reporting obligations are expected solely because a firm conducts client business in addition to proprietary trading. Reporting obligations continue to be determined by the relevant regulatory framework (e.g. MiFID II / MiFIR and, where applicable, EMIR) and the nature of the transactions performed. Firms should assess their individual regulatory obligations with their compliance and legal teams. Based on the planned EEX product extension, EU ETS2 products will be incorporated into the existing reporting framework.

### 1.15 Will there be additional costs for reporting EU ETS2 transactions?

EEX will extend its existing reporting services to cover EU ETS2 products. Any fees for reporting services will follow EEX's applicable pricing structure and will be communicated separately once available. At this stage, no EU ETS2-specific reporting fee schedule has been published.

### 1.16 Which types of accounts in the Union Registry are eligible to hold ETS2 allowances?

EU ETS2 allowances can be held either in a National Holding Account, Regulated Entity Holding Account (REHA) or a Trading Account. For more details, please refer to Annex I of the Registry Regulation. However, for regulated entities to enter emissions and to surrender allowances for compliance under EU ETS2, the respective regulated entities need to have a Regulated Entity Holding Account (REHA) in the Union Registry.

### 1.17 When can I apply for respective Union Registry accounts for EU ETS2?

As of beginning of June 2026. Pursuant to Article 15b(7) of Regulation (EU) 2019/1122, as amended by Regulation (EU) 2025/1253, an application for the opening of an entity holding account for Regulated Entities must be submitted in the respective part of the Union Registry between 1 June 2026 and 15 September 2026.

More information on the Union Registry as well as contacts details of the different national administrators are provided by the European Commission. Please consult the respective national administrator for detailed information, as procedural differences might apply to account opening.

### 1.18 What are the requirements for opening such Union Registry accounts?

To participate in the EU ETS2, users must first create an EU Login account and register through the Union Registry portal. The application is then submitted via the relevant national administrator. Compliance entities are required to hold a regulated entity status, which involves meeting specific permit requirements. As part of the registration process, applicants must provide company identification and relevant data, undergo identity verification in a manner similar to Know Your Customer (KYC) procedures, and submit any applicable supporting documents. Please consult the respective national administrator for detailed information, as procedural differences might apply to account opening.

### 1.19 What is the processing time for Union registry account approval?

Up to 20 working days after submission of a complete application with a possible extension of 20 working days if additional checks are needed.

### 1.20 If I already have a trading account in the Union Registry for EUA's and want to use this also for EU ETS2 allowances: is there any action necessary towards the relevant national administrator?

No action is required; the two different types of allowances can be held in the account by default.

### 1.21 How can I see the difference between EU ETS1 allowances and EU ETS2 allowances on my trading account in the Union Registry?

### 1.22 The allowances appear with their respective label and are thus easy to distinguish.Can a bidder use a third-party Union Registry account for auction eligibility or delivery?

The Auctioning Regulation requires a bidder to hold a nominated Union Registry account. Hence, it is not possible to make use of a third party account.

However, a distinction should be made between:

1. **The registry account used to demonstrate eligibility** for participation in EU ETS2 auctions.
2. **The registry account designated for delivery** of purchased allowances.

The account used to demonstrate auction eligibility and the account registered with ECC for delivery of purchased allowances do not necessarily have to be identical. For example, a REHA may be submitted as evidence of eligibility while a suitable Trading Account is designated for delivery. The delivery account may also be a third-party account, subject to the applicable EEX/ECC requirements and the account holder's authorisation, and must be registered with and validated by ECC before use. EEX has requested formal confirmation from the European Commission that an authorised third-party account can also satisfy Article 19(2)(b) for eligibility purposes and will update this FAQ if further guidance is provided.

### 1.23 Can I start a new admission or submit an EU ETS2 product extension request if I have not yet received my Union Registry account number?

Yes. If the EEX/ECC Customer Portal requires a registry account number or code before the correct number is available, the applicant may temporarily enter "0000" or "N/A" and add a comment explaining that the correct registry account number will be provided later. This applies both to new admissions and to EU ETS2 product extension requests. All other applicable admission or product extension steps can already be started. However, the Union Registry account and the EU ETS2 Eligibility Form are required only for participation in the auctions. The Eligibility Form is not applicable to the secondary market, and registration of a Union Registry account is voluntary for secondary-market access. For auction participation, the EU ETS2 Eligibility Form should only be submitted once the relevant Union Registry account and its details are confirmed. Once the correct registry account number has been received, the company's Central Coordinator or Deputy Central Coordinator should submit it through the Customer Portal so that the record can be updated accordingly.

### 1.24 What would happen to purchased EU ETS2 allowances if EU ETS2 were discontinued?

Under the currently applicable EU legal framework, there is no statutory mechanism providing for compensation or reimbursement if EU ETS2 were discontinued after allowances had already been auctioned and acquired.

*This answer reflects EEX's current assessment and does not constitute legal advice. Market participants should obtain their own legal assessment of the legal and regulatory risks associated with participation in EU ETS2 auctions.*

### 1.25 What would happen to EU ETS2 futures if physical delivery became impossible?

If a discontinuation of EU ETS2 or another event made physical delivery under the relevant derivative contracts impossible and put the orderly settlement of positions at risk, Section 42(3) of the EEX Exchange Rules provides an alternative settlement mechanism. The Management Board of the Exchange may order cash settlement instead of physical delivery.

In that event, the Management Board of the Exchange would determine the applicable settlement price, and ECC would perform the financial settlement on that basis. The specific treatment would depend on the circumstances and the rules applicable at that time.

*This answer reflects EEX's current assessment and does not constitute legal advice. Market participants should obtain their own legal assessment of the legal and regulatory risks associated with participation in EU ETS2 auctions.*

### 1.26 What is the official name of an EU ETS2 allowance, and how does this differ from EEX product codes?

The EU legislation refers to allowances issued under the emissions trading system for buildings, road transport and additional sectors as EU ETS2 allowances. Informal terms such as "EUA2" may be used in market discussions, but they should not be confused with the specific product names and codes used by EEX. EEX products include the EEX EU ETS2 Primary Auction Spot product (exchange code AEU2), the EEX EU ETS2 secondary-market Spot product (exchange code SEU2) and EEX EU ETS2 Futures (exchange code FEU2). The applicable product names, exchange codes and, where relevant, ISINs and WKNs are set out in the EEX contract details and in questions 2.24, 3.1 and 3.5 of this FAQ.

# 2. EU ETS2 Primary Auctions

## 2.1 When will the EU ETS2 auction start?

EU ETS2 is expected to be operational in 2028. Early auctions under CAP4 will commence on 18 January 2027. The 2027 EU ETS2 auction calendar was published on 30 September 2026 and provides details on auction dates and currently available auction volumes.

The auction calendar and related documents are available on EEX's Auction Calendars page.

## 2.2 Who is eligible to participate in EU ETS2 auctions?

There are a variety of categories, of which a client needs to fulfil at least one. Most importantly, not all clients can participate in the EU ETS2 and the EU ETS1 at the same time:

EU ETS1 only:

EU ETS1 is the existing system covering stationary installations, the aviation sector, and maritime transport.

If you are an operator, aircraft operator, or shipping company, you are eligible to participate only in the auctions for EU ETS1 allowances.

EU ETS2 only:

EU ETS2 covers emissions from buildings, road transport, and additional industrial sectors not covered by EU ETS1. Participation in auctions for EU ETS2 allowances is open to "regulated entities".

Please note that entities with a direct compliance obligation under either system are not permitted to bid for allowances in the other system unless they have direct compliance obligation under both systems.

EU ETS1 and EU ETS2:

The regulation allows certain categories of participants, to bid in auctions for both EU ETS1 and EU ETS2 allowances. These entities are:

1. Investment Firms (Article 18(1)(b)): Firms authorized under Directive 2014/65/EU (MiFID II) can apply for admission to bid in auctions for both systems, either for their own account or on behalf of their clients.
2. Credit Institutions (Article 18(1)(c)): Credit institutions authorized under Directive 2013/36/EU are also eligible to participate in auctions for both EU ETS1 and EU ETS2, either for their own account or on behalf of their clients.
3. Other Authorized Persons (Article 18(2)): This category includes persons who meet the exemption criteria of Article 2(1), point (j), of Directive 2014/65/EU and who are specifically authorized by their home Member State to bid in the auctions.

   Crucially, while these financial intermediaries under 1 through 3 can participate in both markets, if they are bidding on behalf of a client, the client's own eligibility restrictions still apply. For example, an investment firm cannot bid on EU ETS2 allowances on behalf of an aircraft operator (not eligible in EU ETS2). However, when bidding for their own account, these financial entities are eligible to participate across both the established EU ETS1 and the new EU ETS2 auction markets.
4. Business Groupings (Article 18(1)(d)): A business grouping's right to bid is entirely dependent on the eligibility of its members. Therefore, a business grouping is generally

suitable as a bidder in either system but cannot participate in both EU ETS1 and EU ETS2 auctions. Its access is restricted to the specific system its members belong to.

5. Public Bodies or State-Owned Entities (Article 18(1)(e)): Similar to business groupings, a public body's eligibility depends on the type of entity it controls. It does not have an independent right to bid but derives its eligibility from its controlling interest in a compliance-obligated entity. A single public body could theoretically participate in both systems, but only if it controls at least one entity from each system.

## 2.3 Is a banking license required for intermediaries?

Proper authorisation is essential, including but not limited to a banking license. To act as an intermediary in emissions auctions, one must satisfy one of the following requirements:

1. A Credit Institution, commonly understood as a bank authorised under Directive 2013/26/EU
2. An investment firm, understood as financial service providers like brokerage forms authorised under MiFID II – Directive 2014/65/EU
3. A Commodity Trader (under an exemption): This path requires meeting a strict, two-part test:
    - Your firm's financial trading must qualify as an "ancillary activity" to your main physical commodity trading activity under MiFID II
    - AND your home Member State must have passed a specific national law that explicitly allows firms under this exemption to bid for the auctions.

The Auctioning Regulation neither issues nor validates these licenses. Your firm must already hold valid authorisation from your Member State's competent authority. The license validity is governed by the issuing national authority under the relevant EU directives, not by the auctioning rules, and remains valid as long as your firm meets its regulatory obligations.

The respective eligibility criteria and required proofs are detailed in the respective eligibility forms for EU ETS1 and EU ETS2 on EEX´s website.

## 2.4 How can a commodity trading firm, relying on the MiFID II ancillary activity exemption, verify whether it is permitted to bid in EU ETS auctions?

While most intermediaries are licensed investment firms or credit institutions, the Auctioning Regulation provides an exception for certain commodity trading firms. Under Article 18(2), firms that are not licensed investment firms may still be eligible to bid if they meet this specific condition:

Firms fall under the "ancillary activity exemption" of MiFID II (Article 2(1), point (j)). This generally applies to firms whose main business is trading in physical commodities, and for whom dealing in derivatives is an ancillary activity.

## 2.5 Should I get direct admission or use an intermediary?

To learn more about the options how to procure ETS2 allowances at EEX (primary and/or secondary market, different membership options, etc.) and to receive the instructions for both ECC and EEX admissions, please reach out to the EEX Sales Team (sales@eex.com or +49 341 2156-555).

For many small and medium-sized companies, access through an intermediary is likely to be the most efficient option from an economic and operational effort perspective, as no direct admission to EEX and ECC is required. This follows the established approach already familiar from EU ETS1 and the German nEHS. EEX intends to publish a list of intermediaries or intended intermediaries

by mid-August 2026 on its website and update it regularly as further information becomes available, providing companies with many competitive options to choose from.

### 2.6 Is there a standard threshold in terms of deciding between direct vs intermediary option, e.g. emission allowances to be purchased in a year?

There is no standard threshold or fixed annual volume level at which direct admission becomes preferable to using an intermediary. The decision depends on the individual company's procurement strategy, expected auction participation, internal operational set-up and cost-benefit assessment.Direct admission may be appropriate for companies that expect to participate regularly in auctions, want to manage bidding and settlement directly, and are prepared to complete and maintain the necessary EEX and ECC admission, clearing and operational requirements. Access through an intermediary may be more efficient for companies with lower or less frequent purchasing needs, or for companies wishing to reduce the administrative and operational effort of direct market access.

For an individual assessment of the most suitable access route, companies should contact the EEX Sales Team (sales@eex.com or +49 341 2156-555).

### 2.7 What forms should I submit to participate in EU ETS2 auction?

The forms vary depending on your current membership status with EEX and ECC. Please get in touch with the EEX Sales Team (sales@eex.com or +49 341 2156-555) to receive further instructions and info on necessary forms.

### 2.8 Which Union Registry account can be used to demonstrate eligibility to participate in EU ETS2 auctions?

Participation in EU ETS2 primary auctions requires a nominated account in the Union Registry. Depending on the applicable eligibility category, a Trading Account or a Regulated Entity Holding Account (REHA) may be nominated.

Regulated entities generally use their REHA to demonstrate their status and fulfil their compliance obligations. The nominated account and supporting documentation must meet the applicable requirements of the Auctioning Regulation and the EEX/ECC admission process. No registry account is required solely for participation in the secondary market.

Further information is provided with questions 1.17 and 1.18.

### 2.9 How many registry accounts can be registered at ECC per client?

Members can only register a maximum of one registry account. There is no exception for intermediaries. Intermediaries must transfer the allowances directly from their account to their clients.

For members participating in EU ETS1 and EU ETS2 auctions, a participant has to register one account for EU ETS1 and one account for EU ETS2. A Trading Account can be used for both, EU ETS1 and EU ETS2.

No registry account is required for participation in the secondary market.

## 2.10 How can I add a Union Registry account for delivery with ECC at a later point in time?

Existing EEX/ECC members can add or update a Union Registry account for delivery by submitting the relevant ECC registry account form. If the participant wants to use its own Union Registry account, form TP04a must be submitted; if the participant is not able to open a Union Registry account, form TP04b for a third-party registry account can be submitted.Product extensions can be requested via the EEX/ECC Customer Portal by the company's Central Coordinator or Deputy Central Coordinator. The relevant TP04 form is part of the supporting ECC documentation and must be submitted in accordance with the instructions provided during the admission/product extension process.

The registered account must be a suitable Union Registry account for EU ETS2 allowances, i.e. either a Trading Account or a Regulated Entity Holding Account, and must be validated by ECC before it can be used for delivery.

## 2.11 Is having a nEHS DEHSt registry account sufficient to participate in the EU ETS2 auctions?

No.

## 2.12 Which EEX membership package is required to participate in EU ETS2 auctions?

Primary auction access is available through:

- EEX Full Membership
- EEX Power Plus Membership
- EEX Natural Gas Plus Membership
- Environmental and Emerging Markets Membership
- Primary Auction Only Membership

Every existing EEX Member who wants to participate in EU ETS2 Auctions needs to ask for a product extension. This is a simplified process.

Members of the nEHS Auction & Sale Only Membership package also have a simplified admission process (product extension). They need to request the Primary Auction Only Membership in addition (or switch to any other package if wished).

The EEX admission process is described under Admission to Trading & Clearing.
Participation requires standard ECC Non-Clearing Member (NCM) membership.
In addition, clients must submit the EU ETS2 Eligibility Form and either TP04a (own registry account) form or TP04b (third-party registry account) form.

## 2.13 What must be done by existing EEX members to participate in the EU ETS2 auctions?

Product extensions can be requested through a request on the EEX/ECC Customer Portal by your company's Central Coordinator or Deputy Central Coordinator.

https://customerportal.eex.com/For EU ETS primary auction products, the product extension request must be accompanied by the relevant ETS Eligibility Form.

Please note that access to EU ETS products is subject to the applicable EEX and ECC admission and eligibility requirements.

### 2.14 Will ECC offer the Direct Clearing Participant (DCP) model for EU ETS2 early auctions?

DCP will be offered in the course of 2027. Please subscribe to our EEX EU ETS2 Newsletter and EEX Customer Information for the latest updates.

### 2.15 What transaction and clearing fees apply to participation in the auctions?

The transaction and clearing fees will be published with sufficient lead time to the start of the auctions. The fees vary depending on the auction volume, as the costs are allocated across the volume of allowances auctioned. The prices will be published on the EEX EU ETS2 website and the EEX- and ECC price lists once available.

### 2.16 What collateral and margin requirements apply for clients participating via a Clearing Member (NCM/CM model)?

For participants using the Non-Clearing Member (NCM) model, ECC's collateral requirements apply towards the respective Clearing Member.

ECC does not require initial margin prior to the auction. Instead, an intraday margin may be calculated and called after the auction for successful bids. In determining collateral requirements, ECC considers the overall risk exposure of the Clearing Member across all relevant EEX markets and products. Opposing positions may offset each other, resulting in lower collateral requirements through portfolio effects and cross-margining.

The collateral requirements between a client and its Clearing Member are governed by their bilateral agreement. Clients should therefore contact their Clearing Member directly regarding collateral types, amounts, and operational procedures.

### 2.17 What collateral requirements apply for Direct Clearing Participants (DCPs)?

For Direct Clearing Participants (DCPs), ECC applies a collateral-based risk model rather than a margin model.

Prior to participation in the auction, the DCP must provide eligible collateral to ECC. Based on the collateral provided, ECC assigns a trading limit which is transferred to the EEX auctioning system as the participant's available bidding limit. Orders entered into the auction reduce the available limit accordingly.

Further details regarding eligible collateral and risk management requirements are available through ECC's admission documentation and customer support.

*Applications for the DCP model for EU ETS1 auctions and EU ETS2 auctions are currently planned to become available from April 2027 onwards. The timeline remains subject to the successful completion of the implementation project and may be adjusted accordingly.*

### 2.18 Does the withholding of EU ETS2 auction volumes under Article 13(7) Auctioning Regulation only apply to the early auctions in 2027 and what happens to withheld volumes once a Member State has implemented the required legislation?

No. Article 13(7) is not limited to the early auctions in 2027 and applies independently from the early auctioning provisions set out elsewhere in the Auctioning Regulation.
Under Article 13(7), the share of EU ETS2 allowances attributed to a Member State will only be auctioned once that Member State has implemented the national legislation required under the EU ETS Directive.
Where auction volumes have been withheld, those volumes are not cancelled. Once the required legislation has been implemented, the withheld allowances are added back to future auction calendars. In accordance with Article 13(7), the reintroduced volumes are distributed over a period of time equivalent to the period during which those allowances were not auctioned.
*Please note that the publication of future auction calendars remains subject to the applicable legal framework and decisions of the European Commission.*

### 2.19 Are regulated entities from Member States that have not fully transposed the relevant EU ETS2 provisions still eligible to participate in EU ETS2 auctions?

The withholding of auction volumes pursuant to Article 13(7) Auctioning Regulation is separate from the eligibility criteria for auction participants. Eligibility to participate in EU ETS2 auctions is determined by the applicable legal and admission requirements.
*Disclaimer: Questions relating to the interpretation of EU legislation and the eligibility of individual entities should be assessed on a case-by-case basis and, where necessary, clarified with the competent authorities.*

### 2.20 What is the design for EU ETS2 auctions?

EU ETS2 auctions will be conducted as single-round, sealed-bid, uniform-price auctions. Successful bidders pay the auction clearing price. The methodology is the same as applied in EU ETS1 auctions.

There are no price caps or floors in place. However, there will be a confidential reserve price safeguard.

### 2.21 Is there a minimum bid size in EU ETS2 auctions?

Yes, the minimum bid size in EU ETS2 auctions will be 500 EU ETS2 allowances.

### 2.22 Is there a maximum bid size in EU ETS2 auctions?

There is no standard fixed maximum bid size per bidder. However, bids cannot exceed the volume offered in the respective auction and are subject to the applicable auction rules, admission status, technical bidding limits and, where relevant, clearing and collateral arrangements.

Participants should therefore ensure before each auction that their registered access, available bidding limit and clearing arrangements are sufficient for the intended bid volume.

## 2.23 Where can I find the latest EU ETS2 auction calendar and auction results?

The 2027 EU ETS2 auction calendar was published on 30 September 2026. EU ETS2 auctions under CAP4 will commence on 18 January 2027. The calendar provides details on auction dates and currently available auction volumes. The calendar and related documents are available on EEX's Auction Calendars page.

Auction results will be available on the EEX website. A link will be provided in the FAQ in time for the first auction.

## 2.24 Where can I find contract details for the EU ETS2 auction product?

The EEX EU ETS2 Primary Auction Spot – Primary Auction contracts are not yet listed in the "Contract Details" but will use the below product codes:

| Name | Exchange Code | ISIN | WKN |
|---|---|---|---|
| EEX EU ETS2 Primary Auction Spot – Primary Auction | AEU2 | EU000A4AKMA8 | A4AKMA |

## 2.25 How were the 2027 early-auction volumes determined, and how do they relate to expected 2028 compliance demand?

The 2027 early-auction volumes are determined in accordance with the EU ETS Directive and the Auctioning Regulation. They represent an advance portion of future EU ETS2 supply intended to support an orderly market build-up ahead of the first compliance year. They are not intended to cover the full expected emissions or compliance demand for 2028. The annual auction volumes for 2028 and subsequent years will be determined and published separately in accordance with the applicable legal framework.

## 2.26 When will the 2028 EU ETS2 auction calendar and auction volumes be published?

In accordance with the Auctioning Regulation, the 2028 EU ETS2 auction calendar is to be published by 31 July 2027. The calendar will set out the relevant auction dates and volumes in line with the applicable legal framework. Once published, it will be made available on EEX's Auction Calendars page.

## 2.27 How are Member State shares reflected in the auction calendar, and why do some Member States currently show no volume?

Member State shares are determined under the EU ETS legal framework and reflected in the auction volumes communicated for the common auction platform. Under Article 13(7) of the Auctioning Regulation, the share attributed to a Member State is withheld until that Member State has implemented the required national legislation. A zero volume in the currently published calendar therefore does not mean that the relevant allowances are cancelled. Once the applicable requirements are fulfilled, withheld volumes are expected to be added to future auction calendars in accordance with the Auctioning Regulation. The published total may therefore be updated as further Member State volumes become available.

### 2.28 Can allowances purchased in the 2027 early auctions be used for compliance in 2028 and later years?

Yes. Under the currently applicable legal framework, EU ETS2 allowances purchased in the 2027 early auctions may be held and used for compliance in 2028 or in later compliance years. The allowances are not assigned to a specific compliance year. Their use remains subject to the applicable EU ETS2 legislation and Union Registry rules.

### 2.29 Are EU ETS2 allowances purchased in the primary auction physically delivered, and when are they available?

Yes. Successful bids in EU ETS2 primary auctions result in the physical delivery of EU ETS2 allowances. Following successful payment and settlement, the allowances are credited to the successful bidder's internal account with ECC on the next ECC business day after the auction. Upon the bidder's request, the allowances can subsequently be transferred to the respective Union Registry account registered with and validated by ECC.

# 3. EEX EU ETS2 Secondary Market

## 3.1 Can I hedge my exposure to EU ETS2 now?

Yes. EEX EU ETS2 Futures are already available. The design of the EEX EU ETS2 Future is in line with the design of the EEX EU ETS1 Future. Please find the contract specification of EEX EU ETS2 Futures here.

The EEX EU ETS2 Futures are available for trading through the usual trading channels (via order book and trade registration).

In addition, EU ETS2 spot market products will also be offered by EEX in due course – in time for the first early auction. To learn more about the ETS2 secondary market products at EEX and to receive the instructions for both ECC and EEX admissions, please reach out to the EEX Sales Team (sales@eex.com or +49 341 2156-555).

## 3.2 How can EEX EU ETS2 Futures be accessed?

Access to the EEX markets and products is possible via **direct EEX membership** or **indirectly** through a third party (member of EEX) providing access to non-members (third party access).

| Direct Membership | Indirect Access |
|---|---|
| Direct membership requires registration as a trading participant to trade on a specific market or product. Please find out more about direct membership here. | Indirect access is provided through EEX members, such as banks or other intermediaries. Depending on the individual access provider, different services are offered to non-members:<br>▪ in-house trading frontend<br>▪ on-behalf service by the Access Provider.<br><br>Find out more about Indirect Access (eex.com) and Brokers (eex.com) here. |

## 3.3 Commercial conditions (fees and rebates)

As for any other EEX products, please refer to EEX´s and ECC´s price list. Market Support Agreements are available. Please also contact your key account manager or sales@eex.com for more information.

## 3.4 How are settlement prices determined?

See latest version of EEX's settlement price procedure, listed here: https://www.eex.com/en/trading-resources/trading-information/trading-forms-and-documentation.

## 3.5 Where can I find contract details, e.g. expiry details?

Contract details about the EEX EU ETS2 Futures can be found in the latest version of EEX's "Contract Details" listed here: https://www.eex.com/en/trading-resources/product-specifications/contract-details-product-codes.

The EEX EU ETS2 Spot contracts are not yet listed in the "Contract Details" but will use the below product codes:

| Name | Exchange Code | ISIN | WKN |
|---|---|---|---|
| EEX EU ETS2 Spot | SEU2 | DE000A4AKL86 | A4AKL8 |

### 3.6 What are applicable margin rates?

See latest version of the scanning ranges, listed here: https://public.eex-group.com/ecc/risk-management/reports-files/index.html.

### 3.7 Will there be cross-margining between ETS2 and other products?

See latest version of the inter-commodity spreads, listed here: https://public.eex-group.com/ecc/risk-management/reports-files/index.html.

Based on correlation of price time series, cross-margining is enabled with other utility products (power and gas), but not with GOs.

### 3.8 How is EU ETS2 inter-linked with other EEX products and markets?

Due to the nature of sectors covered, EU ETS2 is particularly relevant for participants in the gas market. Market participants can hedge their exposures in the relevant gas market areas as well as with EU ETS2 with EEX EU ETS2 Futures.

Given the correlation of prices, participants benefit from capital efficiencies through cross margining in derivatives. Price differences can be traded through spreads in the derivatives markets (synthetic gas–ETS2 spreads can be configured directly in the trading frontend, e.g. Trading Technologies). EEX may also set up spreads in the trading backend. If you are interested, please contact your Key Account Manager or the EEX Business Development team.

### 3.9 Can EU ETS2 allowances be used as margin credit (like EUAs)?

Like EUAs, it is planned that EU ETS2 allowances will also be considered for margin credits in the future. Please follow ECC's circulars for the latest updates.

### 3.10 How does the physical settlement work?

EU ETS2 allowances are electronic certificates held in the Union Registry. For details on account opening, please visit the EU Commission Union Registry website.

For transactions on EEX, delivery will take place in ECC's internal account holding first. A transfer to the Union Registry can be performed at a later stage. Therefore, no registry account is required for transactions on the secondary market.

If you have any questions regarding ECC Delivery and Nomination Services, please contact ECC Delivery and Nomination Services: DeliveryandNominationServices@ecc.de

Further details can be found here: https://www.ecc.de/en/services-operations/delivery-nominations-services (see emissions rights process)

### 3.11 Is a Union Registry account required for continuous trading, and can a third-party account be used for delivery?

A Union Registry account is not required solely to enter into transactions on the EEX secondary market, as allowances are initially held within ECC's internal account structure. Where allowances are to be transferred from ECC to the Union Registry, the participant must register a suitable delivery account with ECC. This may be the participant's own Trading Account or REHA or,

subject to the applicable ECC requirements and the account holder's authorisation, a third-party Union Registry account. The account must be registered with and validated by ECC before it can be used for delivery.

### 3.12 What are the benefits of trading EU ETS2 allowances on EEX?

EEX has the most liquid power market in Europe and has been the EU ETS primary auction host since 2012. EU ETS2 futures are listed alongside European Union Allowance (EUA) spot, futures and options. Participants will benefit from cross-margining and spread-trading across inter-linked products in power, gas and EU ETS1.

### 3.13 What are the trade cancellation ranges?

Information is published on the EEX Website.

### 3.14 What are the regulatory reporting requirements?

EU ETS2 Futures must be reported under MIFID II/MIFIR and EMIR. Further information on regulatory reporting requirements can be found on EEX's MiFID II/MiFiR reporting page.

### 3.15 How can I stay informed about latest developments in EEX's environmental markets (EU ETS, UK ETS, GOs and others)?

Please subscribe to our newsletter, visit our website, and find relevant customer information here.

**For any other questions or if you are interested in trading and accessing EEX products, please contact the EEX Sales Team**

**sales@eex.com**

**+49 341 2156-555**