

Core Components of Protocol for New Zealand Carbon Unit (NZU) Market Sensitive Information

Market-sensitive information is information that is not publicly available and, if known, could influence someone to trade NZUs or could influence the price of NZUs.

Ministers and Government organisations must ensure that:

- they identify when information is or may be market-sensitive;
- market-sensitive information is accessed only by those people who have a legitimate need to see it;
- market-sensitive information is not discussed in public, or inappropriately within an open-plan office environment;
- the information is labelled as 'market sensitive' when shared elsewhere within Government;
- market-sensitive information is only shared with a person or organisation outside Government when there is a legitimate reason to do so and with appropriate controls in place (for example, to a contractor or consultant that needs access to the information to perform their work and subject to a confidentiality agreement);
- they appropriately manage conflicts of interest related to the Emissions Trading Scheme (ETS) and the NZU market, including buying, selling, or holding NZUs, NZU-linked products, and businesses that deal in NZUs or NZU-linked products (such as ETS participants or managed funds).

For the purposes of this protocol, there are four categories of information:

- **Category 1:** Market-sensitive information with high potential impact and high complexity, e.g. the release of the discussion document for the second emissions reduction plan.
- **Category 2:** Market-sensitive information with high potential impact, but not high complexity, e.g. the annual release of ETS settings decisions.
- **Category 3:** Other market-sensitive information, e.g. the release of modelling or responses to questions following an earlier announcement or an announcement that does not have high potential impact but is market sensitive.
- **Category 4:** Information that is not directly market sensitive but is of interest to the market.

Announcements that contain market-sensitive information should not be made within the two weeks before, or two days after, each of the quarterly ETS auctions.

Information within categories 1–4 will be released applying the following controls:

Table 1: Controls for categories 1–4	
Category	Controls
Category 1 & 2	<p>Market participants are provided with at least 24 hours' advance email notice that the release is coming. The advance notice must not contain market-sensitive information and therefore it can be sent during trading hours.</p> <p>Announcements are made outside trading hours (8am–8pm) and with a short buffer, no later than 7:30am, with a preference for releasing in the morning rather than the evening.</p> <p>The only exception arises where information must be released during trading hours, for example where a Climate Change Commission report must be</p>

	tabled in Parliament. The advance email notice will alert the market to this timing.
Category 3	Announcements are made outside trading hours (8am–8pm) and with a short buffer, no later than 7:30am, with a preference for releasing in the morning rather than the evening.
Category 4	Market participants are emailed to inform them of the release. The email can be released within trading hours. If there is an announcement, this can also be made within trading hours.

For the avoidance of doubt, this protocol is not intended to replace any legislative requirements.