ABOUT IETA

WE ARE THE TRUSTED BUSINESS VOICE ON MARKET-BASED CLIMATE SOLUTIONS

• Non-profit industry association founded in 1999 with over 300+ business members representing the entire market landscape

• Empowering the private sector to engage in climate action, by supporting the establishment of effective market-based trading systems for greenhouse gas (GHG) emissions and removals that are environmentally robust, fair, open and efficient
ABOUT IETA

• Shaping policy, providing thought leadership, carbon market intelligence
• A number of special initiatives and high-level events
IETA MEMBERSHIP
SIZE & TRENDS IN THE CARBON MARKET
THE CARBON MARKET IS...

**A tool** to deliver climate action where it is most effective

- A way to incentivize emission reductions (by giving them a price/value)

- Recognizing that...
  - We urgently need to reduce global emissions
  - It does not matter where those emissions reductions take place (allowing for trade)
  - We need an increase of more than 590% in **annual** climate finance (including both public, private and international sources)
WHY CARBON MARKETS?

GLOBAL NET ZERO COVERAGE

- Emissions: 88%
- GDP (PPP): 92%
- Population: 89%

NET ZERO NUMBERS

- Countries: 150
- Regions: 147
- Cities: 253
- Companies: 945

Source: Net-Zero Tracker
Stronger ambition is needed to align many countries’ NDCs with their own net zero pledges

Carbon markets to:
- Allow for increased ambition
- Enable net-zero
DIFFERENT TYPES OF CARBON MARKETS

- **Cap-and-trade**
  carbon allowances = tradable permits to emit (polluter pays principle)

- **Baseline-and-credit**
  carbon credits = verified emission reductions or removals, can be used to offset emissions

**Carbon credit use cases:**
- Offsets in cap-and-trade systems
  - California, China ETS (domestic), Korea ETS
- Offsets in carbon taxation schemes
  - Colombia, South Africa (domestic), Singapore
- Voluntary offsetting
  - Both domestic and international
CARBON CREDIT DEMAND

- Domestic compliance instruments (e.g. ETS, carbon taxes)
- Regional & linked emissions trading schemes
- Sectoral obligations (CORSIA)
- Government commitments (NDCs)

- Subnational, national and regional (“Domestic”) crediting mechanisms (e.g. California Compliance Offsets Program)
- International crediting mechanisms (e.g. Clean Development Mechanism / Article 6.4 Mechanism)

- Independent crediting mechanisms (e.g. Verified Carbon Standard, Gold Standard)

- Voluntary credit uses - e.g.
  - Offsetting
  - Mitigation contributions
  - Disbursement of results-based payments for mitigation

Motivation for credit use: Compliance vs. Voluntary

Scale: Domestic vs. International

Key: Credit demand Credit supply
CARBON CREDIT MARKETS ARE STILL SMALL RELATIVE TO OTHER CARBON PRICING INSTRUMENTS

• In 2022, ETSs reached over **USD 65 billion** in annual revenue and over 9 Gt CO2-eq in GHG emissions coverage,

• and carbon taxes amounted to **USD 29 billion** in annual revenue and almost 3 Gt CO2-eq in GHG emissions coverage;

• compared to **USD 1.3 billion** and 0.17 Gt CO2-eq respectively in carbon credit markets.
Global volume of issuances by crediting mechanisms category (MtCO2e)

- **Early carbon markets**
  Clean Development Mechanism (CDM) led to a wave of compliance carbon market activity.

- **Continuity with Voluntary carbon markets**
  After CDM demand collapsed, voluntary carbon market (often modelled on CDM) grew.

- **Towards a new carbon boom?**
  Following COP26 breakthrough on Article 6 and thousands of corporate net zero targets, many expect growth for both voluntary and compliance markets.
PRIMARY MARKET SIZE
Project investment by region ($bn)

- International
- Middle East and North Africa
- Europe
- East Asia and Pacific
- Central Asia
- Latin America & the Caribbean
- North America
- South Asia
- Sub-Saharan Africa
Since 2020 over 1,500 new carbon credit projects have been developed and registered with the five main registries. This is equivalent to around 520 new projects a year. The rate of new project registrations in the last three years is 160% of the rate from 2012 to 2020. The new projects added since the start of 2020 claim to save an additional 300MtCO2e/yr of carbon emissions – roughly the same as the annual carbon emissions of the UK.
ICROA ENDORSED STANDARDS

Carbon credits certified under Verra’s VCS represented 72% of total issuance recorded in 2022, followed by the Gold Standard at 16% the ACR at just under 8% and CAR at 3.5%, Plan Vivo at 0.6%, and GCC at 0.15%.
Growth forecasts, McKinsey (2022):

- 1.2 Gt/year in 2030
- 5.4 Gt/year in 2050
WHERE IS THE DEMAND COMING FROM?

Driven mainly by voluntary commitments to reduce greenhouse gas emissions - stakeholders
IN RECENT NEWS…

Environmentalists sue Dutch airline KLM for 'greenwashing'

Carbon credit speculators could lose billions as offsets deemed ‘worthless’

Many credits in the voluntary market going unused, with study finding some offsetting could make global heating worse

Revealed: more than 90% of rainforest carbon offsets by biggest certifier are worthless, analysis shows

Investigation into Verra carbon standard finds most are ‘phantom credits’ and may worsen global heating

EU to ban ‘climate neutral’ claims by 2026

Brussels to crack down on greenwashing of consumer products

Carbon offsets are a scam

World’s biggest companies, from Netflix to Ben & Jerry’s, are pouring billions into an offsetting industry whose climate claims appear increasingly at odds with reality

“the number of credits retired by companies fell 6-8% in the first half of 2023”
Xpansiv CBL, the world’s largest spot carbon exchange (2023).
VOLUNTARY CARBON MARKETS…

Exists largely in the absence of mandatory legislation

• Driven by voluntary commitments to reduce greenhouse gas emissions - stakeholders

• Can help to finance climate action and sustainable development, especially in developing countries

• Should lead to an increase in global climate action
Voluntary carbon buyers are

3.4X more likely than non-buyers to have an approved science-based climate target

1.8X more likely than non-buyers to be decarbonizing year-over-year
IN CONTRARY TO POPULAR BELIEF…

Median rate of emission reductions among 350 firms that voluntarily use ‘material’ quantities of carbon credits is roughly twice that of 3800 firms that do not use carbon credits.

~6% internal reductions for credit users
vs
~3% internal reductions for non-users

Expense from voluntary purchase provides financial motivation to reduce emissions.
### ADDRESSING INTEGRITY IN THE VCM

<table>
<thead>
<tr>
<th>Supply-side integrity</th>
<th>Market integrity</th>
<th>Demand-side integrity</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 credit ≤ 1 real tCO₂e avoided / removed / reduced</td>
<td>Reduce information asymmetries</td>
<td>Prioritise mitigation over offset use</td>
</tr>
<tr>
<td>Effective use and no double counting of CO₂ and $</td>
<td>Interoperable, liquid and standardised markets</td>
<td>High-quality, uniquely claimed credits</td>
</tr>
<tr>
<td>Do no harm to social and environmental objectives</td>
<td>Importance of governance</td>
<td>Claims should be credible</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Transparent reporting</td>
</tr>
</tbody>
</table>

**Credit supply**

**Credit demand**

*(OECD, 2022)*
GLOBAL VCM GOVERNANCE INITIATIVES

G7 Principles for High-Integrity Carbon Markets, Call for Paris Aligned Carbon Markets, UN HLEG, Article 6 of the Paris Agreement...
## The Core Carbon Principles

The CCPs are a set of interlinked principles to define a threshold standard to ensure integrity in the voluntary carbon market.

<table>
<thead>
<tr>
<th><strong>Emissions Impact</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Additionality</td>
</tr>
<tr>
<td>2. Permanence</td>
</tr>
<tr>
<td>3. Robust quantification of emission reductions and removals</td>
</tr>
<tr>
<td>4. No double counting</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Governance</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>5. Effective governance</td>
</tr>
<tr>
<td>6. Tracking</td>
</tr>
<tr>
<td>7. Transparency</td>
</tr>
<tr>
<td>8. Robust independent third-party validation and verification</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Sustainable Development</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>9. Sustainable development benefits and safeguards</td>
</tr>
<tr>
<td>10. Contribution to net zero transition</td>
</tr>
</tbody>
</table>
~80% of participants believe corresponding adjustments will be active within 5 years

What is the average price you expect to pay? ($/t)$^e$

<table>
<thead>
<tr>
<th>Time</th>
<th>Price Range</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Present</td>
<td>$15 – $20</td>
<td>22%</td>
</tr>
<tr>
<td>2025</td>
<td>$20 – $25</td>
<td>69%</td>
</tr>
<tr>
<td>2030</td>
<td>$25 – $30</td>
<td>78%</td>
</tr>
</tbody>
</table>

Source: Expert Survey; BCG Analysis

E. Median price
Source: Expert Survey; BCG Analysis
**Annual supply and demand – all credits (MtCO₂e/yr)**

- **High Demand (1.5C)**
- **Medium Demand**
- **Low Demand**

**Cumulative demand and supply of credits and capital investment needed to 2050**

- MtCO₂e (cumulative)
- $1,600bn
- $930bn
- $470bn

**Source:** Trove Research analysis
1. Demand includes potential demand from corporates net zero targets (SBT and non-SBT approved), carbon neutral claims, CORSIA, compliance schemes, and governments under Art 6.2/6.4. Supply includes registered and pipeline projects. By 2030 roughly half of credits supply will come from registered and half from pipeline projects.

13 September 2023

Trove Research Limited
THE VCM ECOSYSTEM

VOLUNTARY CARBON MARKETS

PROJECT DEVELOPERS

END CONSUMERS

BROKERS

TRADERS

THIRD-PARTY VERIFIERS

STANDARD-SETTERS

LOCAL COMMUNITIES, INDIGENOUS PEOPLES, CIVIL SOCIETY

GOVERNMENTS?
The Evolving Voluntary Carbon Market

Purpose: Shed light on how the VCM is evolving
  • The mosaic of opportunities / Issues and uncertainties

Why the VCM?
  • To provide a robust mechanism for corporates to reduce or remove emissions beyond their value chain in support of science-aligned net zero pathways.
  • To channel finance to where it is desperately needed, including to LLMIC, removals, forest conservation and delivery of the UN SDGs.
  • To pave the way towards compliance markets

Call to action:
IETA want to see the pace of investment in VCM increase at this critical time when the world rapidly inches closer to the 1.5 degree C warming above pre-industrial average limit
Investment trends and outcomes in the global carbon credit market

13 Sept 2023
80% of countries signalled their intention to use international market mechanisms or broad international support to meet their NDCs or increase ambition.

Over 20% of countries actively engaged in at least one cooperative approach through bilateral agreements, MOUs or participation in pilot projects.

Updated: May 2023
Why the private sector cares about Article 6

**Investment opportunities in mitigation projects**
- Energy; transport; waste management; agriculture, forestry and land use (AFOLU); etc.

**Access to cheaper abatement options**
- To be used as offsets in domestic carbon tax or cap-and-trade schemes

**Voluntary emission reduction objectives**
- Offsetting claims

---

- NDCs and political momentum on climate change
- Moderate growth; carbon pricing schemes on the rise globally, but use of int’l offsets not always allowed
- Dramatic growth in last 2-3 years; trend expected to continue
$250 billion a year in savings by 2030 when implementing NDC using Article 6 vs. independent implementation.

Reduction of 5Gt CO2eq. per year by 2030 if savings are invested in additional mitigation activities.

Up to $1 trillion a year by 2050 in international financial flows towards emission reduction and removal activities.
IETA’s “INGREDIENTS FOR SUCCESS” for ARTICLE 6

To access the IETA discussion paper click below:

Intention  Authorization  Transparency

Interoperability  Accountability  Capacity building
1. INTENTION

Intention to Use

YES

Seller

Buyer

Both

NO

Design cooperate approach

Wait for mechanism to become operational

A6.2

A6.4
2. AUTHORIZATION

- **Whitelists** of sectors or activity types where private sector is encouraged to engage
- **Model letter of authorisation** to streamline and standardise the process
- **NDC conditionality** = what is eligible for Article 6? Clear guidance needed, avoid policy uncertainty

**Pragmatic approach** – look beyond current NDC cycle:
- Article 6 as a tool to finance NDCs and long-term decarbonisation strategies
- Impact of authorized activities at the end of crediting period

**Diagram**:
- **NDC**
  - Unconditional
  - Conditional
- **Outside NDC**
- **Sectors**
- **Projects**
- **Vintages**

Governments to clarify:
- Eligibility
- Conditions
<table>
<thead>
<tr>
<th>Project type</th>
<th>Project subtype</th>
<th>Total costs ($/tCO₂e)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carbon Engineering</td>
<td>Carbon Capture and Storage</td>
<td>50 to 130</td>
</tr>
<tr>
<td></td>
<td>Biochar</td>
<td>10 to 60</td>
</tr>
<tr>
<td>Energy Efficiency</td>
<td>Clean Cooking</td>
<td>3 to 15</td>
</tr>
<tr>
<td>Nature Restoration</td>
<td>Afforestation/reforestation/revegetation</td>
<td>5 to 30</td>
</tr>
<tr>
<td></td>
<td>Agricultural Land Management</td>
<td>10 to 70</td>
</tr>
<tr>
<td></td>
<td>Avoided Conversion of Grasslands and Shrublands</td>
<td>4 to 40</td>
</tr>
<tr>
<td></td>
<td>Mangroves</td>
<td>10 to 45</td>
</tr>
<tr>
<td></td>
<td>Peatlands</td>
<td>5 to 25</td>
</tr>
<tr>
<td></td>
<td>Seagrass Meadows</td>
<td>100 to 500</td>
</tr>
<tr>
<td>Non-CO2 Gases</td>
<td>Landfill Gas</td>
<td>1 to 20</td>
</tr>
<tr>
<td></td>
<td>Waste Management</td>
<td>0 to 15</td>
</tr>
<tr>
<td></td>
<td>Fugitive Emissions</td>
<td>0 to 20</td>
</tr>
<tr>
<td>REDD+</td>
<td>Various</td>
<td>10 to 20</td>
</tr>
<tr>
<td>Renewable Energy</td>
<td>Various</td>
<td>1 to 20</td>
</tr>
</tbody>
</table>
## 3. TRANSPARENCY

Elaborate policy framework and operational procedures on:

| Framework agreements with other countries |
| Eligible standards and crediting mechanisms |
| Volume and types of credits |
| Programme and national registries, infrastructure to track and report transfers |
| How authorizations and corresponding adjustments will be implemented |
| How compliance and voluntary markets will interact |
| How standalone projects and nesting will interact |
| Applicable taxation related to transfers and any other levy or mechanisms that may impact the project’s economics |

Articulate how the use of Article 6 will:

- Allow for higher ambition
- Promote sustainable development and environmental integrity

Minimise perverse incentives:

- Overselling
- Lower ambition in NDC setting
4. INTEROPERABILITY

Establish an effective interaction between compliance instruments and the voluntary carbon market (VCM)

- Article 6 guidelines do **NOT** directly regulate the VCM
- Reductions related to voluntary activities remain in host country’s GHG emission inventory and can count towards its NDC
- VCM credits may be subject to corresponding adjustment if developer requests it and host country authorises – in this case reductions will **NOT** count towards the host country’s NDC
- Different types of credit should be clearly identified as such, and will have different market value

Support the emergence of a widely accessible traded market for carbon credits

- Standardised and fungible credits (minimum standard)
- Clarity and transparency on eligibility
- Streamlined trading and risk management

reduce transaction costs, further mobilise capital, and increase investment flows
5. ACCOUNTABILITY

Ensure a suitable digital registry for carbon accounting and reporting is in place

- Sound accounting and reporting is integral to the effective and credibility of Article 6
- Provisions on reporting, recording and tracking in Article 6.2 guidelines are basic requirement – greater transparency and data availability will boost credibility and investor confidence
- Technology provides effective solutions at moderate cost

Identify key risks in activity cycles and mechanisms to reduce them

- Private sector exposure may extend throughout the full lifecycle of the project
- Significant sovereign/country risk, for instance:
  - Delay, denial, retraction of letter of authorisation
  - Lack of ITMO issuance
  - Lack of corresponding adjustment
  - Various types of policy changes
- Clarity on investor recourse and liabilities
- Political risk insurance products may be needed
6. CAPACITY BUILDING

- Needed at both government level and among market participants (project developers, MRV, investors, traders)
- Inform market participants about the opportunities that exist and how to access them
- Identify partnerships with international organisations, academia and industry bodies (e.g. UNFCCC, GGGI, IETA)
- Set up clear pathway for receiving questions and provide guidance on engagement
- Allow for bottom-up ideas to come through and mechanisms to consult with private sector
1 What is it?
- Tax on GHG emissions pursuant to Carbon Pricing Act 2018*
- Covers 80% of SG’s total GHG emissions from approx. 50 facilities in the manufacturing, power, waste, and water sectors

2 What’s interesting about it?
- In lieu of tax, can be paid for by surrendering ‘eligible international carbon credits’
- MSE to promulgate criteria but now intended to include:
  - CORSIA*
  - With corresponding adjustment (CA)
  - For use towards Singapore’s NDC
  - Likely to ‘tag’ on to Singapore’s existing endeavours towards concluding Art 6.2 arrangements with host countries

3 What’s the opportunity here?
- Purchase ‘eligible international carbon credits’ at a lower price than the price of payable carbon tax for a specific year
CARBON MARKETS INTERPLAY

**Standard (supply)**
- A6.4 mechanism (6.4ERs)
- A6.2 programmes (e.g. JCM, KliK Foundation)
- Independent standards (e.g. Verra, Gold Standard, GCC, ART TREES)

**Host country policy decision**
- Yes
  - NDC Compliance
- No
  - OIMP (e.g. CORSIA)
  - Voluntary claims
  - Domestic purposes

*Article 6 does not regulate the VCM – but likely to have a material impact; methodologies, authorization, share of proceeds…*
**SWITZERLAND**

**Buyers:** Fossil fuel importers in Switzerland (must obligations under the Swiss Law)

**Bilateral agreement:** Through it, Switzerland and the seller country authorize proposed activities.

**Corresponding adjustments:** The seller country must authorize and cancel domestic units from a domestic registry system for all transactions.

**Klik Foundation:** It is the non-profit foundation that supports projects for fossil fuel companies to meet their obligations in Switzerland.

**Project developers:** Can be either local or international project developers.

---

**Diagram Description:**
- **Switzerland**
  - **Bilateral Agreement**
  - **Supports Implementation**
  - **Klik Foundation** (Bought ITMOs)
  - **Used to achieve obligations and the NDC**

- **Partner Country**
  - **Projects**
  - **Authorized Reductions or Removals**
  - **Corresponding Adjustments**

**Source:** Own adaptation / TNC
Thailand-Switzerland cooperation framework

The mitigation outcomes units from this program are inside Thailand’s NDC and surplus to its unconditional NDC.

By purchasing the resulting emission reductions, the KliK Foundation provides the necessary financial contribution to make the programme financially viable.

Purchase Agreement between KliK Foundation and Thai company Energy Absolute signed in June 2022.

Term: Oct 2022 - Dec 2030

ITMO volume: min. 500’000 tCo2e

Number of buses: minimum 1900 e-buses on 122 (existing and new) privately operated bus routes


1st authorized programme in Asia under Art 6 framework
THAILAND’s AUTHORIZATION FRAMEWORK

Authorization
- Projects must comply with the eligibility criteria set by the NCCC
- Cabinet approves framework (bilateral) agreement
- Project participants submit project details to ONEP
- ONEP presents to NCCC for approval & submit to Cabinet
- Cabinet approves issuance of Authorizations
- ONEP issues Letter of Authorizations

Project Implementation
- Project participants submit validated project documents
- TGO reviews and registers the projects
- Project participants implement the projects
- Project participants submit verified monitoring report
- ONEP examines fulfilment of Authorizations
- TGO

International Transfer
- TGO issues credits in the registry system
- Project participants request int’l transfers
- TGO recognizes int’l transfers in the registry system
- TGO submits annual information to ONEP
- ONEP performs CAs and report to UNFCCC

Credits that are not int’lly transferred can still be traded on domestic market

Reference: Carbon Credit Management Guideline and Mechanism, approved by NCCC on 16 March 2022
LONG-TERM TRENDS IN THE CARBON MARKET

• Increasing convergence between voluntary (independent), compliance and international markets

• Increasing quality and integrity of projects, including sustainable development co-benefits (CCPs, ratings, gov intervention)

• Increasing importance of durable removals as we move towards net-zero

• Increasing carbon prices due to more limited supply (CA, quality) and continued demand
WHAT TO EXPECT AT COP 28 AND BEYOND

- 1st Global Stocktake → what role for carbon market in NDCs?

- Busy agenda for Article 6 negotiators...
  - Finalise reporting requirements and review rules
  - Rules on interoperability of registries
  - Recommendations on authorization (timing, changes, revocation...)
  - Definition and treatment of “emissions avoidance”
  - Methodological requirements, removal activities

- Article 6.4 Supervisory Body must operationalise requirements for methodologies before market participants can credit activities under the Art. 6.4 Mechanism

- UNFCCC Secretariat to build IT infrastructure for ITMO tracking: Art. 6.4 registry, international registry, Centralized Accounting and Reporting Platform (CARP), Article 6 database

- Capacity building in host countries (and for private sector)
THANK YOU!

Björn Fondén
International Policy Advisor
fonden@ieta.org
Connecting carbon markets through open data
Climate Action Data Trust (CAD Trust) is a decentralised metadata platform that links, aggregates and harmonises all major carbon registry data to enhance transparent accounting in line with Article 6 of the Paris Agreement.

The CAD Trust open-source metadata system uses blockchain technology to create a decentralised record of carbon market activity with the aim to avoid double counting, increase trust in carbon credit data and build confidence in carbon markets.
Current Challenges

• Fragmentation across standards
• Lack of centralised registries between voluntary and compliance markets
• No joint reference data
• Lack of pricing transparency
• Limited visibility of project lifecycle
• Unclear link of credits to the NDCs
Key Value Propositions

**COMMON DATA MODEL**
Enable reconciliation of data from registries and facilitate peer-to-peer connection among registries through blockchain technology.

**INFORMATION & STATUS**
Surface publicly available information on carbon credits and record status changes to provide information on how the credits are used.

**TRANSPARENCY**
Enhance transparency and trust among market participants and enable tracking of carbon credits and reduce the risk of double-counting.

**CORRESPONDING ADJUSTMENTS**
Provide visibility into corresponding adjustment procedures and the lifecycle of carbon credits from issuance to retirement, safeguarding against double counting and simplifying reporting requirements.

**ARTICLE 6**
Help to operationalise processes under Article 6 of the Paris Agreement such as compliance reporting and registry data model development.
Key Benefits for stakeholders

GOVERNMENTS
- Increases visibility and credibility of a country's climate activities
- View MOs to potentially purchase
- Promotes new project activity
- Can increase market participation of private sector
- Can provide an aggregate view of projects within their jurisdiction, ability to identify duplicative projects
- Increases accountability

UNFCCC
- Aggregate reporting

INDEPENDENT STANDARDS
- Reduces burden on monitoring external systems for due diligence processes because of the ease of aggregating information together
- Facilitates trust and transparency between systems

EXCHANGES
- Decreases market fragmentation and eases integration
- Promotes standardisation and asset integrity
- Adds information security to the data needed from registries for transactions
- Increases volume of standard asset types

PROJECT DEVELOPERS
- Building trust in the accounting of MOs will enable transparency and trade, benefiting project developers

BUYERS & TRADERS
- Aggregated trustworthy data to search through
- Easier access to project developer information

VERIFICATION BODIES
- Access to aggregated information, ability to audit transactions and changes to data
A common data taxonomy that enables reconciliation of data from registries. Through blockchain technology, it facilitates a peer-to-peer connection among decentralized registries with the aim to link, aggregate and harmonize the underlying data.

Provide visibility into corresponding adjustment procedures and the lifecycle of carbon offsets from issuances to retirement, which will safeguard against double counting and ease reporting requirements.

Surface publicly-available information on MOs and record status changes to provide information on how MOs are used.

Enhance transparency and trust among market participants and enable tracking of MOs and reduce double counting risk. CAD Trust would not hold assets or directly facilitate.