



IETA/ICROA Position Statement:

The sale of VERs to individual members of the public for investment purposes:

Investors and established companies are a welcomed compliment to the emerging market. However, we believe that the sale of VERs to the general public (who are not familiar with the voluntary carbon market) for investment rather than immediate retirement purposes, does not represent best practice in the industry. ICROA/IETA regards this as a distraction and risk to the industry and discourages member companies to operate in this manner.

Our view is echoed by the UK Financial Services Authority:

http://www.fsa.gov.uk/Pages/consumerinformation/scamsandswindles/investment_scams/carbon_credit/index.shtml

The voluntary market complements the compliance market for GHG reduction, increasing the overall effectiveness of the market approach. The voluntary market acts as an integral part in securing and developing markets for GHG reductions on a global scale. Its importance in a post 2012 regime is increasingly being recognised as an instrument in climate change mitigation.

In this emerging market there have been an increasing number of small companies/start ups whose main business model is either Collective Investment Schemes, network marketing, or high pressure sales of quasi-financial instruments for investment purposes. Sale of VERs in this manner could be construed as 'pressure selling'.

We believe that it is inappropriate to sell carbon credits in small volumes, marketed as short term investment opportunities to the general public and/or unsophisticated investors. ICROA/IETA does not condone these practices.

As the leading industry association, we believe it is our duty to promote best practice in an ever changing new market. At this stage ICROA/IETA does not see the sale of VERs to members of the public for investment purposes rather than retirement as appropriate.