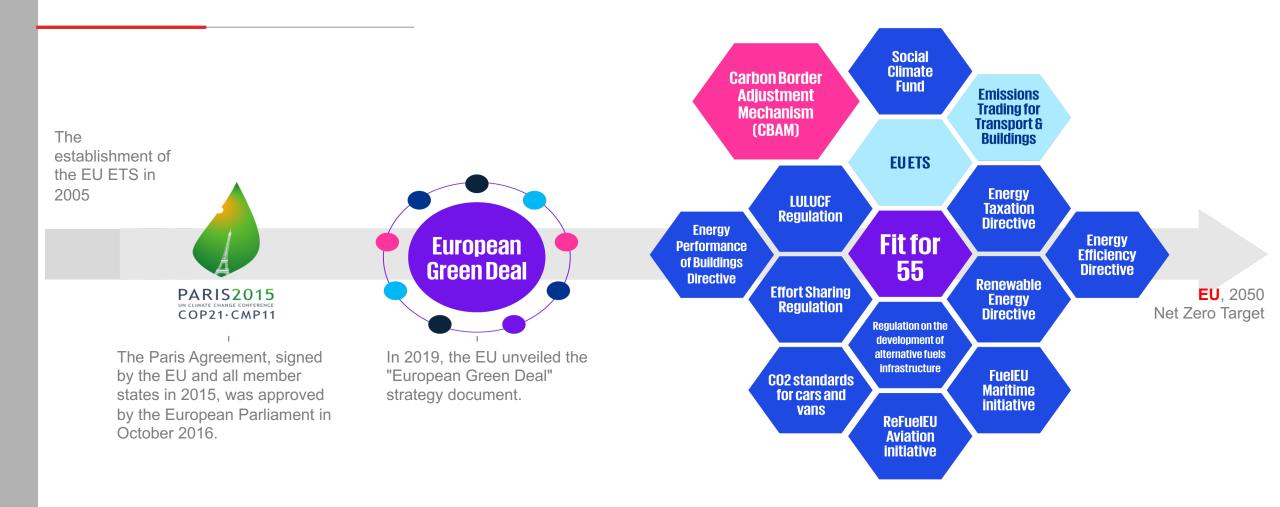


Carbon Markets and the Role of-Regulators

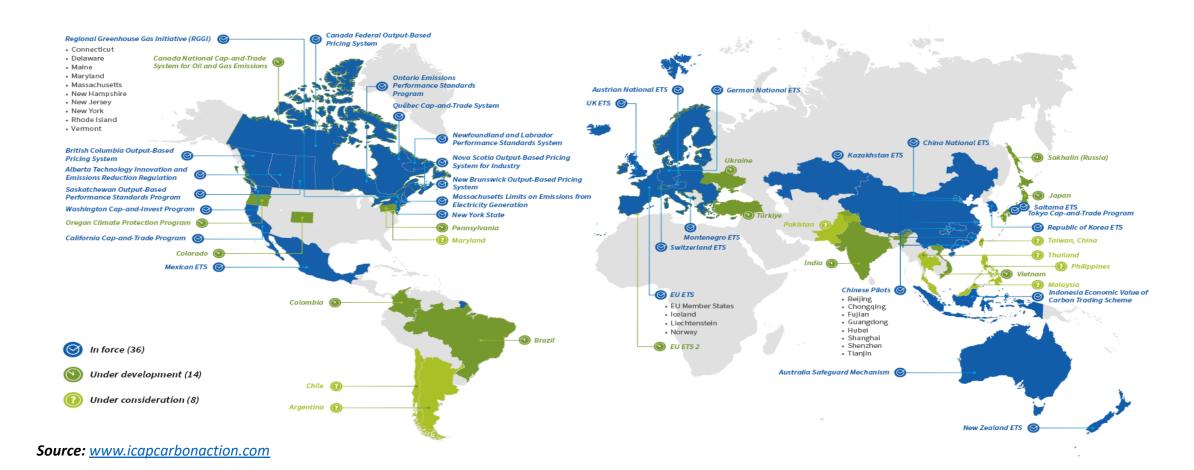
Dr. Okan YARDIMCI

Head of Environmental Markets and Alternative Fuels Group
Energy Transition Department
Energy Market Regulatory Authority of Türkiye

The Development of Carbon Markets in the EU



Emission Trading Systems



The Development of Carbon Markets in Türkiye

In 2015, Türkiye declared its "Intended Nationally Determined Contribution" statement, aiming for a reduction of up to 21% by 2030.

Türkiye signed the Paris Agreement on April 22, 2016.

The Regulation on Monitoring Greenhouse Gas Emissions was published in May 2014.



The domestic legal approval process for the Paris Agreement was completed in October 2021.



At COP27, the on November 13, reduction target was updated and increased Market Regulatory to 41%.

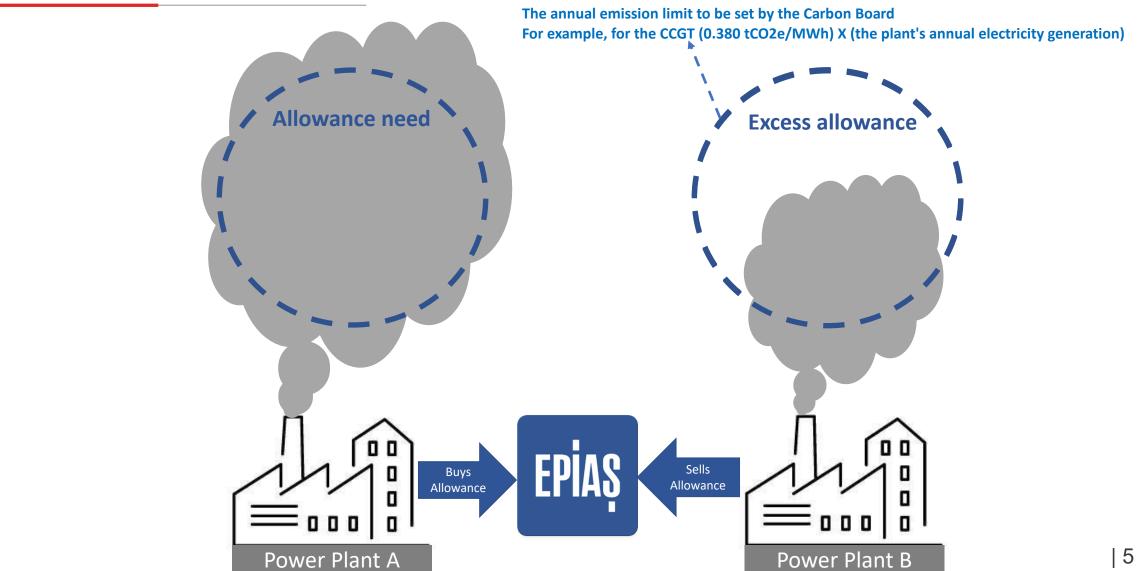
On November 13, 2023, the Energy was updated and increased Market Regulatory Authority (EMRA)

On November 13, 2023, the Energy Market Regulatory Authority (EMRA) published the draft Regulation on the Operation of Carbon Markets. The "Climate Law Proposal" presented to the Environment Commission of the Grand National Assembly of Turkey (TBMM) on February 20, 2025, was approved by the Commission on

February 26, 2025.

Türkiye, 2053 Net Zero Target

How the ETS works?



Carbon Prices



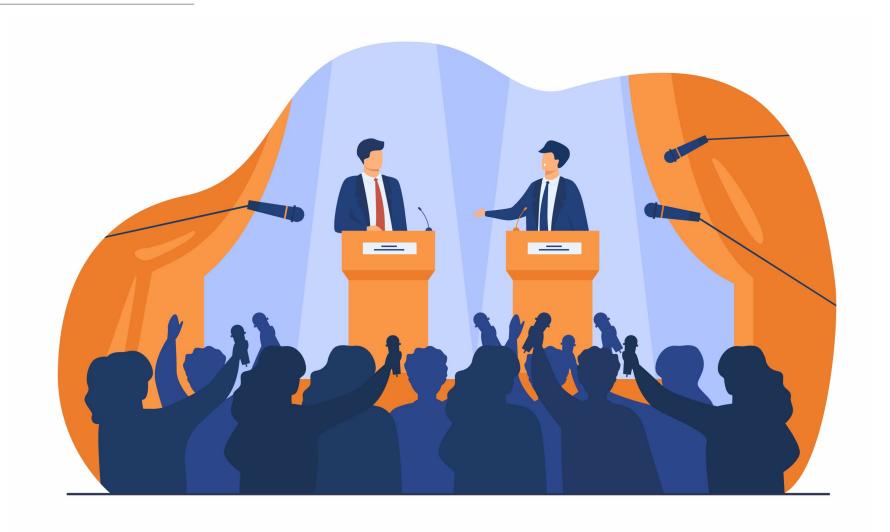
Source: www.icapcarbonaction.com

Carbon Boarder Adjustment Mechanism (CBAM)

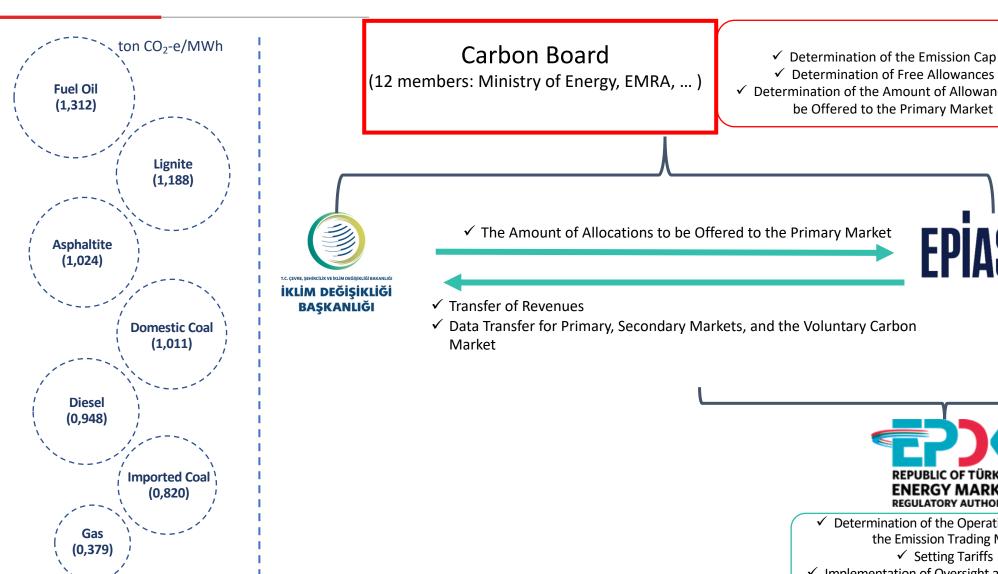
2034 January 1, 2026 ** **October 1, 2023** TRANSITION PERIOD **FIRST PERIOD FULL IMPLEMENTATION** - Reporting obligation - Financial obligation - Financial obligation - Specific sectors * - The scope is expanding - All sectors ** With the proposed regulation * Six sectors including electricity amendment submitted to the European Commission, the start date for CBAM certificate sales is expected to be Starting from 2026, it is planned to postponed to February 2027. However, take indirect emissions (due to no changes are anticipated for the start electricity consumption at facilities) date of financial obligations, which into account in the embedded remains January 1, 2026. emissions calculation for the cement

and fertilizer sectors under the EU ETS.

Who Should Regulate the Carbon Market



Türkiye ETS



- ✓ Determination of the Amount of Allowances to be Offered to the Primary Market
- ✓ Mandatory Market **Activities**
- Central Counterparty Service
- Financial Settlement **Processes and Billing**
- Collateral Management (TAKASBANK)
- ✓ Operation of the **Voluntary Carbon** Market



- ✓ Determination of the Operational Rules of the Emission Trading Market
- ✓ Implementation of Oversight and Supervision Functions for the Market







THANK YOU FOR YOUR ATTENTION!

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