



Carbon Solutions NZ Ltd

ETS UPDATE OCTOBER 2024

Hi «First_Name»

Here is our October 2024 ETS update newsletter. Please take the time to read this brief update as there are several things that are particularly important. Please pay particular attention to the section “Is your ETS account up to date.” This is the most common issue that causes us most of the delays that we encounter with processing of ETS transactions.

Any questions please contact any of the team listed below.

Regards

Tony



IS YOUR ETS ACCOUNT UP TO DATE?

If you want to file emissions returns (claim NZUs), add, or remove land or any other ETS transactions, your ETS account details must be correct and in order.

Here is a list of some events that trigger the need to update account details.

- Change in Trustees or Directors
- Addition or expiry of Forestry Right
- Sale of land
- Change of landowners
- Succession

NOTE: Your ETS registration names and Holding Account names MUST match what is recorded on the current Land Title.

We cannot stress the importance of letting us know of any name changes; failure to do so within the statutory time frame can cause long delays when submitting any ETS transactions, including Emissions Returns (claiming NZUs) and adding and removing land. We have had clients that have waited several years or more for MPI to process land transfers that have not been submitted within the statutory time frame. Lawyers and Solicitors often miss this step. Please ask us for advice well in advance.

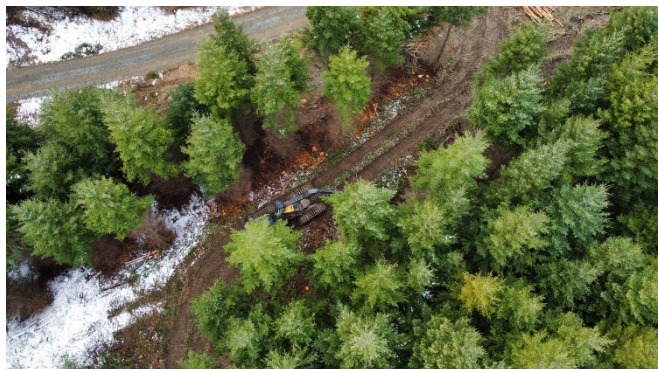
BUYING OR SELLING LAND

If you are planning to purchase additional land or sell your existing land, please contact us for advice on the ETS. This is an area often overlooked by lawyers, but there are strict regulations on what must happen with land registered in the ETS at sale time, and whether you are buying or selling you will need to protect your interests.

We have seen recent land sales go ahead where no provisions were made for the ETS, only for the new landowner to discover they were liable for tens of thousands of dollars' worth of NZUs that they did not take possession of.

MAPPING

We recommend that you check your ETS mapping regularly. To get copies of up-to-date mapping please contact us. We have noticed that some ETS transactions appear to trigger mapping accuracy audits by MPI staff. We have had to go through the process for several clients of removing registered land that MPI deem to be no longer qualifying. This results in units having to be surrendered. If in doubt, please contact us.



ETS CARBON PROJECTIONS

We regularly provide clients with ETS carbon projections for future planning purposes. This is useful if you are planning to harvest any land that is registered in the ETS in the future or thinking of adding land to your ETS portfolio. We can easily run what-if scenarios to help clients plan any changes in land and help mitigate or avoid any surprises down the track. Please contact us for more information.

COMPLIANCE PERIOD

The current compliance period ends 31 December 2025.

This means your next Final Emissions Return FER, (previously referred to as a Mandatory Emissions Return or MER) can be submitted from 1 Jan 2026.

We can submit Provisional Emissions Returns to claim NZUs for 2024 between 1 Jan and 30 June 2025. We will contact you before then with more information, but you can let us know now if you want us to submit that for you.

ADDED ANY NEW PLANTING?

With the current planting season coming to an end, please let us know of any new planting that you want registered in the ETS.

New Add Land applications and new registrations need to be submitted no later than April 2025. Prior to submission we need to make sure that your account details are correct and in order. Applications require sufficient evidence (photos, copies of invoices, other documentation) and mapping completed to MPIs mapping standard. The process can take up to six months to complete, so to get ahead of the inevitable queue as we move toward the end of the compliance period, please contact us as soon as possible.

WANTING TO PLANT IN 2025?

If you are wanting to plant next season, please make sure that you let us know so we can secure your tree stocks before it is too late and so that we can start the planning process. There may be consents or other planning required, and our planting programme is filling fast. Please contact us as soon as possible.

OTHER SERVICES

Other services that our staff can assist you with

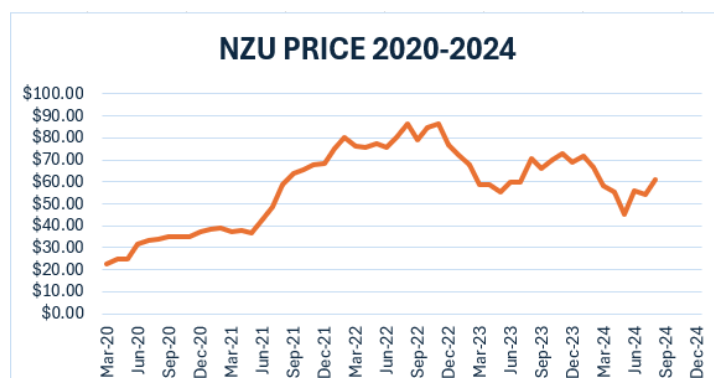
- Planting and harvesting
- Carbon projections and position summary
- Carbon position for “what if” scenarios
- Adding and removing ETS land
- Holding account assistance
- Updating registration details and transfers of participation
- ETS information and advice for property sales
- Sale and Purchase Agreement advice
- FMA advice and field work

BUYING & SELLING NZUs

We have over 10 years’ experience buying and selling NZUs for clients.

Whether you want to sell some units for extra cashflow or buy units to invest or repay a liability, we can help. Please contact us for more information.

There has been a steady increase in the NZU trading price over the last few months.



PRE 1990 FORESTRY - OBLIGATIONS

Clients are reminded that there are obligations regarding any harvest of pre-1990 forestry. There are several rules and regulations that must be met, please contact us for

advice. This is also important when buying and selling land with pre-1990 forest land as any liabilities can pass onto the new land owner. Please ask us for advice.

CONTACTS

For more information, please contact one of the team below.

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