ENVIRONMENT

CLIENT ALERT

NOVEMBER/2019

ENVIRONMENTAL – BIOFUELS POLICY (RENOVABIO): BOOKKEEPING OF DECARBONIZATION CREDITS (CBIOS)

On November 21, 2019, the Ministry of Mines and Energy published Ordinance No. 419 ("Ordinance") on bookkeeping, registration and negotiation of Decarbonization Credits ("CBIOs"), applicable to fuel distributors as a compulsory annual goal to reduce emission of greenhouse gases.

Among the main provisions of the Ordinance, we highlight:

- The bookkeeping of CBIOs shall be subject matter of a specific agreement;
- Possibility to retain CBIOs' portfolio management service, ensuring the negotiation powers of such credits on behalf of third parties;
- CBIOs shall be kept by the registry entity in individual accounts, operated through credit and debit;
- Registry entity shall keep records of operations for a minimum of five years, as well as publish daily CBIOs registration on its website;
- Fuels distributors will prove compliance with individual goals through the 'retirement' of CBIOs, procedure that aims the definitive withdrawal of the CBIO from the market;
- CBIOs are valid up to their withdrawal from the market.

Finally, attending bookkeepers' request, the Ordinance provides that bookkeepers are not liable for merits of the CBIOs (i.e., compliance with environmental rules to qualify for negotiating CBIOs by the biofuel producer/importer).

PRACTICE AREA
Environment

COORDINATION
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For further information, please send a message to **news@veirano.com.br**

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Veirano's environmental team is highly experienced on the subject and is available to provide further clarification.

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