

## Clean profit – clean products

To date, the Greek capital market has primarily attracted issuers of Greek origin. Although institutional investors in securities issued by Greek issuers often come from the international market, our stock exchange remains largely confined within Greek borders. This impacts both market depth and overall dynamic.

A long-term and evident path to strengthening the Greek capital markets is its integration into the Capital Markets Union. More immediate measures could include creating incentives through new markets and products. One such product is voluntary carbon credits (VCCs), for which, despite the high levels of supply and demand, there is still no regulatory framework at the EU level. Greece could therefore become the 'gateway' to the EU for these investors, leading the way in establishing a framework that could serve as the foundation for future European regulations.

**What is regulated today:** With Directives 2003/87/EC and 2023/959/EC, the EU established the Emissions Trading System (EU ETS), which sets emission limits for businesses in sectors of the economy with high greenhouse gas emissions (energy, heavy industry, aviation, and from 2027, the building and road transport sectors under ETS II), enabling them to buy and sell emission credits.

While EU ETS credits are traded under unified European regulations, VCCs are currently characterised by a lack of transparency and inconsistent certification. This gap is both evident and real.

### **Formulating a new regulatory framework:**

The regulatory framework for VCCs should primarily address the following:

- the legal nature of voluntary carbon credits (financial products or commodities) and their inclusion in existing regulatory frameworks, with any necessary deviations, as appropriate,
- the type and operating rules of the regulated VCCs market,
- rules for listing and trading in the regulated market,
- transaction security and transparency,
- the certification framework, in alignment with the EU ETS,
- issues relating to transactions clearing.

The adoption of a regulatory framework for VCCs and the creation of a regulated VCCs trading market by the Greek legislator:

- will address an existing gap at the European market level, attracting international issuers and investors,
- will support the seamless transition to a green economy (a key demand for businesses),
- will contribute to positioning the Greek capital market as a pioneer open to new instruments and investors, and
- will strengthen the green economy at the EU level, which unfortunately currently faces significant challenges.