

**EXTENDED PRODUCER RESPONSIBILITY  
(EPR) ELECTRONIC TRADING &  
SETTLEMENT PLATFORM (EPRETP)**

**GUIDELINES ON AUTHORIZATION OF EPRETP OPERATOR  
AND FUNCTIONING OF EPRETP**



**Central Pollution Control Board**

**Ministry of Environment, Forest & Climate Change**

## Foreword

*MoEF&CC has notified Amendments to existing EPR Guidelines for plastic waste, waste batteries, E-waste, tyre waste and used oil for development of Electronic Trading and Settlement Platform (EPRETP) for trading of EPR certificates for realising transparent pricing mechanism in trading of certificates.*

*CPCB shall issue guidelines for authorisation of agencies for establishment of electronic platform for trade of Extended Producer Responsibility certificates between obligated entities as per Section 8.5 of EPR Guidelines (Plastic). Further as per Section 8.7 of the Guidelines the operation of electronic platform shall be as per guidelines issued by Central Pollution Control Board after approval of the Central Government.*

*In addition, E-Waste (Management) Rules, 2024 provide for establishment of one or more platform (EPRETP) for exchange or transfer of EPR Certificates. As per Rule 15 (7) of the E-Waste (Management) Amendment Rules, 2024, the Central Government may by, order, establish one or more platform for exchange or transfer of extended producer responsibility certificates in accordance with the guidelines issued by the Central Pollution Control Board with the approval of the Central Government. Further as per Rule 15 (8) of the E-Waste (Management) Amendment Rules, 2024, the operation of the platform, established under sub-rule (7) shall be operated and regulated in accordance with guidelines made by the Central Government on the recommendation of the Central Pollution Control Board.*

*Similarly, provisions for Electronic Trading Platform have been made in the EPR framework for waste tyres and used oils, in the Hazardous and other Wastes (Management and Transboundary Movement) Rules (2016) (as amended). As per Rule 29 (6) of the Rules one or more trading platform for sale and purchase of extended producer responsibility certificates may be established through agency accredited by the Central Pollution Control Board in accordance with the guidelines issued by Central Pollution Control Board with the approval of the Central Government. Further as per Rules 29(7) of the Rules, the operation of the platform established under sub-paragraphs (6) shall be operated and regulated in accordance with the guidelines made by the Central Government on the recommendation of the Central Pollution Control Board.*

*Further, provisions for the Electronic Trading Platform has been made in Battery Waste Management Rules, 2022 (BWMR). As per Rule 10 (15) of the Rules, one or more trading platform for sale and purchase of Extended Producer Responsibility certificates may be established through agency accredited and in accordance with the guidelines issued by the Central Pollution Control Board with the approval of the Central Government. The operation and regulation of electronic platform(s), so established under sub-rule 15 for trade of Extended Producer Responsibility certificates between obligated entities, shall be as per guidelines notified by the Central Government based on the recommendations of Central Pollution Control Board for the purpose as per Section 10(16) of the Rules*

*In view of the above of the provisions of the said categories of Waste Management Rules, these guidelines for authorization of EPRETP operator and the functioning of EPRETP have been prepared after consultations with relevant stakeholders.*

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## **A. Guidelines for Authorization of Extended Producer Responsibility (EPR) Electronic Trading & Settlement Platform (EPRETP) Operator**

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### **1. Background**

MoEF&CC notified Amendments for EPR implementation in Waste Management Rules for plastic waste, waste batteries, E-waste, tyre waste and used oil to streamline the management of waste, enhance recycling, and ensure sustainable practices by involving manufacturers, producers, importers, local bodies, brand owners and other stakeholders in the Extended Producer Responsibility (EPR) framework

MoEF&CC vide Fourth Amendment dated February 16, 2022 to Plastic Waste Management (PWM) Rules 2016 notified EPR Guidelines as Schedule II of the Rules.

As per Rule 15 (8) of the E-Waste (Management) Amendment Rules, 2024, the operation of the platform, established under sub-rule (7) shall be operated and regulated in accordance with guidelines made by the Central Government on the recommendation of the Central Pollution Control Board. This aims to streamline the management of electronic waste (e-waste), enhance recycling, and ensure sustainable practices by involving producers, importers, recyclers and refurbishers in the Extended Producer Responsibility (EPR) framework.

Schedule IX of the Hazardous and Other Wastes (Management and Transboundary Movement) Amendment Rules, 2022 inserted through paragraph 10 of the Rules, provides the EPR framework for management of waste tyre.

EPR Framework for Used Oil has been notified as Chapter VII of Hazardous and Other Wastes (Management and Transboundary Movement) Amendment Rules, 2022 on September 19, 2023.

Battery Waste Management Rules, 2022 notified by MoEF&CC on August 22, 2022 introduced the EPR concept for management of Battery Waste.

In order to facilitate the obligated entities in meeting EPR targets by purchasing EPR certificates from the waste processors, in transparent and fair manner, provision for setting up of electronic trading platform has been made under the EPR Framework for Plastic Waste, E-Waste, Battery & Tyre Waste and Used Oil.

As per the notified EPR framework for development of electronic trading platform (ETP) for EPR certificates, authorization of the Operator of trading platform shall be as per Guidelines framed by CPCB.

This document has been developed in accordance with the said provision of the EPR Guidelines.

## **2. Eligibility Criteria for appointment of EPR Electronic Trading Platform (ETP)**

### **2.1. General Criteria**

- a) The applicant is a company limited by shares incorporated or deemed to be incorporated under the provisions of the Companies Act, 1956/2013 and shall include public limited companies and private limited companies with proven track records in the field.
- b) The main object clause of MoA of the applicant company should include the business of establishing / running / operating of ETP/eMarkets.
- c) The entity should have minimum ten-year experience of working in this field.
- d) The EPRETP Operator (ETP Provider/Operator) should have minimum 2 years existing and working national level online trading systems associated with Public/Government institutions or programs.
- e) The ETP Provider should not have been debarred/blacklisted by any Govt. sector/ PSUs/ bilateral and multilateral agency in the past 5 years.
- f) A wholly owned subsidiary (100% shareholding) by a parent company may apply as an ETP operator provided that all the eligibility criteria are fulfilled by the parent company only.
- g) The subsidiary company shall not be able to sell their ownership partly or wholly to any other entity for the next 5 years. After a period of 5 years, the same shall be reviewed and permitted based on the fulfilment of the eligibility criteria.

### **2.2. Financial Criteria;** audited accounts/balance sheets of last three year financial years to be submitted

- a) The applicant should have an annual revenue turnover of minimum Rs. 50 crores as per the audited balance sheet for each of the last three years from Trading Platform Business as quoted in 2.1 (b).
- b) The ETP Provider should have positive net worth of an average of 10 crores for the last three years from Trading Platform Business as quoted in 2.1 (b).

### **2.3. Technological Criteria**

- a) The ETP Operator shall have ownership of the proposed ETP system that is operated and maintained by the entity.
- b) The proposed ETP system shall have proven capability to handle at least 50,00,000 transactions in a year **OR** the proposed ETP system shall have a proven track record of handling 1,00,000 users / participants.
- c) The ETP Provider should have requisite functional expertise of trading system particularly Participant and User Management, Price Discovery (matching) Engines, Trading Engine, Funds Pay-in and Pay-Out Modules, Risk and Settlement Management.
- d) The ETP operator shall regularly upgrade the ETP technology to keep up with advancements in technology and increasing user demands.

### **2.3.1. Conflict of interest**

1. Organizations which are obligated entities, having EPR obligation, under any rules notified under EP Act shall not be empanelled as ETP Provider.
2. Any organization having more than 50% ownership by equity, directly or through common directors in any obligated entity, having EPR obligation, under any rules notified under EP Act shall not be empanelled as ETP Provider.
3. Any shareholder directly or indirectly, either individually or together with persons acting in concert, shall not acquire or hold more than 25% of shareholding in the Trading Platform.
4. An obligated entity, having EPR obligation under any rules notified under EP Act, directly or indirectly, either individually or together with persons acting in concert, shall not acquire or hold more than 5% of shareholding in the Trading Platform.
5. Trading Platform can have a maximum of 49% of its total shareholding owned by entities, which are members or clients, directly or indirectly, either individually or together with persons acting in concert.
6. The number of independent directors shall not be less than the number of Shareholder Directors on the Board of the Trading Platform
7. No obligated entity, having EPR obligation under any rules notified under EP Act, shall be on the Board of Directors of the Trading Platform.
8. The applicant should be demutualized; meaning that the ownership and management of the applicant shall be segregated from the trading rights, in terms of these Guidelines.

### **2.3.2. Non-Functional Technology Requirements**

1. ETP Operator should obtain and maintain robust technology infrastructure with a high degree of reliability, availability, scalability and security in respect of its systems, data and network, appropriate to support its operations and manage the orderly execution of trades. The infrastructure shall comply with international standards such as ISO/IEC 27001 for Information Security Management.
2. The platform should provide real-time dissemination of trade information within 1-5 seconds to ensure transparency.

### **2.3.3. Operational Execution of the ETP platform**

1. The ETP Provider can execute the operations directly or through its group company/associate company provided the group/associate company is specialized in establishing/running/operating ETP/e-Markets and adheres to all the guidelines and regulations stipulated.

## **3. Grant of Authorization to operate ETP**

- a) Entities have to submit the application (Format given at Annexure I) with proof/ documents/ agreements/ certificates proving the above eligibility criteria to Central Pollution Control Board, Parivesh Bhawan, East Arjun Nagar, Delhi-110032 for grant of authorization to operate an EPRETP.

- b) CPCB can call for additional information as considered appropriate and the applicant shall furnish such information within the stipulated time.
- c) The applicants shall make a technical presentation before CPCB on the subject as per schedule specified by CPCB.
- d) The applicants found meeting the aforementioned requirements shall be authorized to run the EPRETP by CPCB
- e) CPCB, based on volume of EPR certificates and requirements, may authorize more than one EPRETP Operators.
- f) The authorized EPRETP operator is bound to stay in compliance of the Guidelines for Authorization and Operation issued by CPCB and the orders issued by CPCB, as the regulator of Electronic Trading Platform.

## ANNEXURE I - Application Form for EPRETP Operators

### **PART A: Application form**

1. Name of the Company:
2. CIN No.
3. PAN No. of the Company:
4. Name & Designation of the Authorized Person
5. PAN No. of the Authorized Person:
6. Email id & Phone No. of Authorized Person
7. Please confirm if the Company is incorporated in India: Yes/No
8. No. of years of experience
9. Experience Details: Please attach documents related to the ETP operated in the country including national level online trading systems associated with Public, Government institutions or programs; Functional expertise of trading system particularly Participant and User Management, Price Discovery (matching) Engines, Trading Engine, Funds Pay-in and Pay-Out Modules, Risk and Settlement Management to be highlighted in the details of Experience provided
10. Please confirm if ETP Provider has ever been debarred/ blacklisted by any Govt. sector/ PSUs: Yes/No
11. Annual revenue for last three years (₹ Crores):
12. Please confirm if the ETP Provider have positive net worth of an average of 10 crores for last 3 years: (Yes /No)
13. Please confirm if the proposed ETP system shall be owned, operated and maintained by the entity: (Yes/No)
14. Maximum no. of transactions handled in the ETP system operated so far: (Please attach supporting document)
15. Maximum no. of users handled in the ETP system operated so far: (Please attach supporting document)
16. Please confirm that the ETP Operator is not an obligated entity, having EPR obligation under any rules notified under EP Act: Yes/No
17. Please confirm that the ETP Operator does not have more than 50% ownership by equity, directly or through common directors from an obligated entity, having EPR obligation under any rules notified under EP Act: Yes/No
18. Please confirm that ETP operator fulfils the eligibility criteria laid down under the Guidelines for Authorization of EPRETP: Yes/No

Note: Application form shall be considered valid only on positive confirmation of item 18 of the said form



## **PART B: List of documents to be submitted along with the application**

The applicant shall submit the following documents along with its application for Authorization of EPRETP:

1. Memorandum and Articles of Association of the company;
2. The audited balance sheet shall be submitted for immediately preceding completed financial year on the date of filing the application for grant of registration showing the Net worth of the applicant;
3. Copies of the annual report and/or audited accounts of the applicant for the last three years or such lesser period during which the applicant may have been incorporated;
4. Project report containing the following details:
  - a. Constitution of the proposed ETP
  - b. Shareholding pattern for equity holders in ETP
  - c. Business plan, including funding sources, of the proposed ETP;
  - d. Management, administrative & governing structure of the proposed ETP including qualification details of the Senior management team;
  - e. Infrastructural facilities available or proposed to be acquired by the ETP;
  - f. Details of the proposed technology to be adopted
  - g. Mechanism of operation of the ETP platform to be provided
5. The draft rules of the proposed ETP in general relating to constitution of the proposed ETP and in particular relating to:
  - a. Management of the ETP and the manner in which its business is to be transacted;
  - b. The draft bye-laws, draft rules and draft business rules of the proposed ETP covering aspects specified in EPR Trading Guidelines notified by CPCB.

## **PART C: DECLARATION**

I declare that the details provided in the Application are correct to the best of my knowledge. I understand that my candidature shall stand cancelled if any information provided by me is found to be false/incorrect.

Date:

Place:

(Authorized Signatory)

Name & Designation

## **B. Guidelines for Functioning of Extended Producer Responsibility (EPR) Electronic Trading & Settlement Platform (EPRETP)**

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### **1. Functions of EPRETP**

- a) The EPRETP to provide the platform for trading of EPR Certificates between the various registered entities in accordance with provisions related to EPR under any rules notified under EP Act.
- b) The generation and transfer of Certificates shall be done on the Centralized EPR Portal developed by CPCB as per provisions related to EPR under any rules notified under EP Act. The price discovery and trading (including financial transactions) of EPR Certificates shall be on the EPRETP
- c) The data (user information and certificates) shall flow to EPRETP through secured APIs and these participants would be able to trade certificates. It shall be ensured that EPR certificates whose validity period has expired, shall not be reflected on the Trading Platform.
- d) The EPRETP to allow direct trading between the Registered obligated entities, having EPR obligation and recyclers/ waste processors under any rules notified under EP Act as per the provisions of respective rules. No brokers to be permitted on the trading platform
- e) The EPRETP to provide transparent mechanism for price discovery of EPR Certificates. Ensure best price of EPR Certificates based on the Demand /Supply of EPR Certificates at any given point of time.
- f) The EPRETP should have necessary provisions for funds transfer, maintaining records of the transactions and settlement of the transactions.
- g) EPRETP should ensure the financial integrity of the transactions between the various entities and ensure that no financial irregularities occur on the EPR Portal.
- h) EPRETP should operate in confirmation and validate its information with Centralized EPR Portals developed by CPCB.

### **2. Transactions on EPRETP**

#### **2.1 Plastic Waste:**

- a) The following entities shall trade on the EPRETP in respect of plastic packaging
  - Producer (P)
  - Importer (I)
  - Brand owner (BO)
  - Waste Processors engaged in (a) recycling, (b) waste to energy, waste to oil, and (d) industrial composting.
  - Manufacturers of raw material
  - Manufacturers of compostable and biodegradable
  - Local Bodies (LBs)

- b) The following EPR Plastic Certificate transfers / trading shall be permitted only through the EPRETP.
- Recyclers/ waste processors can transfer / trade EPR Certificates to PIBOs, LB and manufacturers of plastic raw material, manufacturers of compostable and biodegradable plastics
  - LBs can transfer / trade EPR Certificates to PIBOs and manufacturers of plastic raw material, manufacturers of compostable and biodegradable plastics
  - Any obligated entity, having EPR obligation can transfer / trade EPR Certificates to any other obligated entity as mandated under provisions of the rules.

## **2.2 E-waste:**

- a) The following entities shall trade on the EPRETP for E-Waste
- Producer ( $P_{EW}$ )
  - Recyclers ( $R_{EW}$ )
  - Refurbisher ( $R_{fEW}$ )
- b) The following E-Waste EPR Certificate transfers / trading shall be permitted only through the EPRETP.
- Recycler of E-Waste can transfer / trade EPR Certificates to Producers as defined under the E-Waste (Management) Rules, 2022
  - Refurbishers of E-Waste can transfer / trade Refurbishing Certificates to Producers as defined under the E-Waste (Management) Rules, 2022
- c) EPR/ refurbishing Certificate exchange among Recyclers / Refurbisher of E-Waste or among Producers of Electrical and Electronic Equipment is not permitted.

## **2.3 Waste Tyre:**

- a) The following entities shall trade on the EPRETP for Waste Tyre
- Producer ( $P_{WT}$ )
  - Recycler ( $R_{WT}$ )
  - Retreader ( $R_{tWT}$ )
- b) The following Waste Tyre EPR Certificate transfers / trading shall be permitted only through the EPRETP
- Recyclers of waste tyre can transfer / trade EPR Certificates to Producers of tyre
  - Retreader of waste tyre can transfer / trade EPR Certificates to Producers of tyre

## **2.4 Used oil:**

- a) The following entities shall trade on the EPRETP in respect of Used oil management:
  - Producers (Manufacturers and Importers of Base oil/ Lubrication oil)
  - Used oil Importers
  - Recyclers
  - Co-processors (Energy recovery)
  - Co-processors (Resource recovery)
- b) EPR Certificate transfers / trading are to be permitted only through the EPRETP between Recyclers/ Co-processors (Energy recovery)/ Co-processors (Resource recovery) [i.e., entities who generate certificates]; and Producers / Used oil Importers (i.e., obligated entities).
- c) A producer may purchase extended producer responsibility certificates limited to its extended producer responsibility liability of current year (Year Y) plus any leftover liability of preceding years plus 10 per cent of the current year liability
- d) There is no provision for exchange of certificates between the following entities.
  - i. Recycler to recycler
  - ii. Co-processors to recycler and vice versa.
  - iii. Producers/ Used oil Importers to Recycler/ Co-processors
  - iv. Producers to Producers/ Used oil importers
  - v. Used oil Importers to Producers/ Used oil importers
- e) EPR Certificate exchange between two recyclers/refurbishers or waste processors and transfer / trade of EPR Certificate by any obligated entity, having EPR obligation to recyclers/refurbisher or waste processor is not permitted.

## **2.5 Battery Waste:**

- a) The following entities to trade on the EPRETP-BWM
  - Producer (P)
  - Recycler (R)
  - Refurbisher (Refurb)
- b) As per the provisions of Rules, following EPR Certificate transfers / trading are to be permitted only through the EPRETP.
  - Recyclers can transfer / trade EPR Certificates to Producers
  - A Producer can purchase Extended Producer Responsibility certificates limited to its Extended Producer Responsibility liability of current year plus any leftover liability of preceding years plus ten percent of the current year liability)
  - Producers can transfer / trade EPR Certificates to Producers

- Refurbisher can transfer / trade EPR certificates to Producers
- c) EPR Certificate exchange between two Recyclers / Refurbisher and transfer / trade of EPR Certificate by Producer to Recycler is not permitted.

**2.6** Bilateral trading (of an entity which is registered both as obligated entity as well as waste processor entity) can take place for a transition period of six months from the date electronic trading platform becomes operational

**2.7** All users such as any obligated entity, having EPR obligation as well as recyclers/ waste processors under any rules notified under EP Act shall be coded into different categories as per their role (Buyer/ Seller) on the EPR Portal. All Users shall register on the Trading Platform and abide by operational regulations as decided by the Regulator.

**2.8** The users shall pay registration fees corresponding to 50% of the application fees on the EPR Portal and an annual processing fees corresponding to 25% of the registration fees on the ETP. Such fees may be reviewed by the regulator from time to time, as per the requirement.

### **3. Category of EPR Certificates**

EPRETP has the provision for generation and transfer of different categories of EPR Certificates. The different categories of EPR Certificates which can be transacted include the following in respect of

#### **3.1 Plastic packaging:**

- a) Cat I (Recycling)
- b) Cat II (Recycling)
- c) Cat III (Recycling)
- d) Cat I (End of Life (EoL))
- e) Cat II (EoL)
- f) Cat III (EoL)
- g) Cat IV (EoL)
- h) Cat I (Use of recycled content (UReP))
- i) Cat II (URep)
- j) Cat III (URep)
- k) Cat I Reuse (0.9 - 4.9 L)
- l) Cat I Reuse (> 4.9 L)
- m) Cat V (EoL)- Biodegradable which can only be generated by registered ULBs

The End of Life / Recycling Certificates can be generated by the PWP's. The Use of Recycled content and Reuse (Cat I) EPR Certificates can be generated by the PIBOs. Besides, PIBOs can also generate EoL Certificates based on waste provided by them for

Road Construction. The different categories of the EPR Certificates and the entities which can generate them is given in the following Table:

<b>PWP/PIBO &amp; TYPE OF EPR CERTIFICATES GENERATED</b>		
S. No.	PIBO/PWP	Type of EPR Certificate
1	PWP (Recycler)	Recycling (Cat I, II, III)
2	PWP (Cement Co-processor)	EoL (Cat I, II, III, IV)
3	PWP (Waste to Energy)	EoL (Cat I, II, III, IV)
4	PWP (Waste to Oil)	EoL (Cat I, II & III)
5	PWP (Industrial Composting Unit)	EoL (Cat IV)
6	Local Body (LB) (Biodegradation)	EoL (Cat-V)
7	Producer	UReP (Cat I, II & III), EoL (Road making) (Cat I, II & III)
8	Brandowner	UReP (Cat I, II & III) and Reuse (Cat I (>4.9 L and 0.9- 4.9 L); EoL (Roadmaking) (Cat I, II & III)
9	Importer	EoL (Road making) (Cat I, II & III)

The EPR Certificates are available in various denominations viz. 1 T, 10 T, 50 T, 100 T, 500 T & 1000 T. The EPR Certificates are valid for a period of three years from the date of issue

### **3.2 E-Waste**

The different metal-wise EPR Certificates and EEE code-wise Refurbishing which can be transacted for E-Waste include the following:

- a) Iron-Fe
- b) Aluminium-Al
- c) Copper-Cu
- d) Gold-Au
- e) Refurbishing Certificate (134 number of EEE items)

The EPR Certificates/Refurbishing Certificate can be generated by the recyclers/refurbishers of E-Waste respectively.

The different categories of the EPR/Refurbishing Certificates and the entities which can generate them is given in the following Table:

<b>Recyclers/Refurbisher &amp; Type of EPR/Refurbishing Certificates Generated</b>		
<b>S. No.</b>	<b>Entities</b>	<b>Type of EPR Certificate</b>
1	Recycler	EPR certificate {(Fe), (Al), (Cu), (Au)}
2	Refurbisher	Refurbishing (EEE code-wise)

The EPR Certificates are available in various denominations viz. 0.000001 Kg, 0.00001 Kg, 0.0001 Kg, 0.001 Kg, 0.01 Kg, 0.1 Kg, 0.5 Kg, 1 Kg, 10 Kg, 50 Kg, 100 Kg, 500 Kg, 1000 Kg. The validity of the extended producer responsibility certificate shall be two years from the end of the financial year in which it was generated.

### **3.3 Waste Tyre**

EPRETP has the provision for generation and transfer of different categories of EPR/Retreading Certificates. The different end product-wise EPR Certificates and Retreading Certificates which can be transacted for Waste Tyre include the following:

- a) Reclaimed Rubber-ReR
- b) Recovered Carbon Black-RCB
- c) Crumb Rubber Modified Bitumen-CRMB
- d) Crumb Rubber-CR
- e) Pyrolysis Oil and Char-PO&C
- f) Retreading Certificate

The EPR Certificates can be generated by the Recyclers of Waste Tyre. The Retreading certificate can be generated by the Retreader of Waste Tyre.

The different categories of the EPR/Retreading Certificates and the entities which can generate them is given in the following Table:

<b>Recycler/Retreader &amp; Type of EPR/ Retreading Certificates Generated</b>		
<b>S. No.</b>	<b>Entities</b>	<b>Type of EPR Certificate</b>
1	Recycler	EPR certificate (ReR, RCB, CRMB, CR, PO&C}
2	Retreader	Retreading Certificate

The EPR Certificates are available in various denominations viz. 0.1 T, 1 T, 10 T, 50 T, 100 T, 500 T & 1000 T. The validity of the extended producer responsibility certificate shall be two years from the end of the financial year in which it was generated.

### **3.4 Used Oil:**

- a) Recycling Certificates
- b) Co-processing (Energy recovery) Certificates
- c) Co-processing (Resource recovery) Certificates

The Recycling Certificates can be generated by the Recyclers. The Co-processing (Energy recovery) Certificates/ Co-processing (Resource recovery) Certificates can be generated by the Co-processors. The different categories of the EPR Certificates and the entities which can generate them is given in the following Table:

<b>Entity &amp; Type of EPR certificates generated</b>		
<b>S. No.</b>	<b>Entity</b>	<b>Type of EPR Certificate</b>
1	Recycler	Recycling
2	Co-processor (Energy recovery)	Co-processing (Energy recovery) Certificates
3	Co-processor (Resource recovery)	Co-processing (Resource recovery) Certificates

The EPR Certificates are available in various denominations viz. 100, 200, 500, 1000 and 10,000 kilograms.

### **3.5 Battery Waste**

The different metal-wise EPR Certificates which can be transacted include the following metals:

- a) Lead (Pb)
  - b) Lithium (Li)
  - c) Cobalt (Co)
  - d) Nickel (Ni)
  - e) Manganese (Mn)
  - f) Zinc (Zn)
  - g) Copper (Cu)
  - h) Cadmium (Cd)
  - i) Aluminium (Al)
  - j) Iron (Fe)
- The EPR certificates can only be generated by the Recyclers / Refurbishers.
  - The EPR Certificates are available in various denominations viz. 1 kg, 10 kg, 50 kg, 100 kg, 1 T, 10 T, 50 T, 100 T, & 500T. The validity of the EPR Certificate generated is 7 years from the date of generation.



#### 4. Price Discovery Mechanism

- a. Uniform Price and Double Side Closed Auction & Continuous Fixed Price Market is to be adopted for discovery of price of EPR Certificates.
- b. EPRETP should have provision for price discovery for different categories of EPR Certificates based on the selling/ buying price quoted by the stakeholders, based on Uniform Price Auction, which should be permitted for a fixed duration during a week, which may be decided by CPCB based upon market requirements.
- c. The EPRETP should enable all sellers to put in orders specifying the type & quantity (MT) of EPR Certificates as well as the limit price (minimum) at which they want to sell during the Uniform Price Period.
- d. The EPRETP should enable all buyers to specify their requirements of different categories of EPR Certificates (Type & quantity (MT)) as well as the limit price (maximum) at which they are willing to purchase the said ERP Certificates during the Uniform Price Period.
- e. Uniform clearing price (UCP) shall be discovered based on demand and supply and price constraints. Price discovery mechanism for EPR Certificates to adopt the principle of maximization of economic surplus (sum of buyer surplus and seller surplus), taking into account all bid types. The EPRETP to ensure fair, neutral, efficient and robust price discovery.
- f. A Matching of the auction will only take place if there are crossing prices (buy price  $\geq$  Sell Price) in the order book, that is, if the best order price is equal to or higher than the best ask price. In that case, the equilibrium price is determined according to the following criteria:
  - **Maximum Tradable Volume:** The Equilibrium Price will be the price at which there is maximum tradable volume.
  - **Minimum Unbalance:** If there is more than one price with equal value for maximum tradable volume, the price that leaves the least volume untraded at its level is chosen as Equilibrium Price.
- g. The UCP to be discovered for all categories of EPR Certificates
- h. It should be able to generate Trade based between the buyers & sellers based on First in First Out basis. In Uniform price discovery, Trades shall be matched for all buy orders where buy price is higher than or equal to UCP and for all sell orders where sell price is lower than or equal to UCP. Unmatched orders to be automatically cancelled and matched trades would be sent to the settlement system.
- i. The EPRETP to allow Continuous trading on the UCP for a week, till the next Uniform Price Auction is conducted.
- j. The frequency of Uniform Price and Double Side Closed Auction & Continuous Trading duration may be modified by CPCB based upon market requirements.
- k. Floor Price and Ceiling Price of UCP shall be fixed by CPCB every quarter based on the trades executed and UCP in the previous Quarter.

The Price Discovery Mechanism shall be reviewed by CPCB from time to time and suitable modifications, as per requirement, shall be incorporated in the Mechanism.

## **5. Mechanism for Settlement of Trades**

### **a) Settlement Process**

Communication regarding the obligations of the buyers / sellers along with the settlement schedule shall be sent to the buyers /sellers subsequent to generation of trade as per Section 4.0.

Buyers and sellers can see both their pending and completed obligations along with specific actions that they need to perform. Amounts payable and receivable are computed along with taxes if any and transaction fees.

Bifurcation of settlement process for both seller and buyers are as follows:

- **Seller Process**
  - Block the final traded quantity
  - Once buyer validates, certificate inventory will automatically get credited to the buyer
  - Generate trade invoice to Buyer upon completion of settlement process
- **Buyer Process**
  - Buyers will make 100% payment of trade value in the escrow account
  - Validate the supporting documents of the Certificate
  - Certificate inventory will be credited into the buyer accounts

### **b) Buyer Pay-in**

For trading, the buyer shall maintain adequate funds in his Ledger Account. The pay-in amount would include value of the trade taxes and transaction charges which would be transferred to the Escrow Account. Trade should not be generated unless the buyer has adequate funds in his Ledger Account.

EPRETP should have an Escrow Account in which the buyer shall transfer pay-in amount to purchase the EPR Certificates. Bank shall be the owner of the escrow account and the operator shall be authorized to collect the transaction fee. The operator shall subsequently transfer the regulator fee to the regulator.

Disputes arising out of such transactions shall be dealt with through arbitration procedure laid under dispute resolution mechanism section of byelaws of ETP operator and in case the disputes are not settled through dispute resolution mechanism they shall be dealt with as per law.

### **c) Delivery In**

The EPR certificate shall be transferred to the buyer on trade.

### **d) Buyer Confirmation and Delivery-out.**

The Buyer can check the certificates transferred in their name in the order book. Buyer may raise a dispute in case of any discrepancy and such disputes shall be

handled outside of the settlement system by the EPR Operator and results shall be recorded in the system.

e) Seller Pay-out

Subsequent to trade generation, the amount payable shall be transferred from the Escrow account to the seller Account within two days. The settlement process shall credit the seller's ledger subtracting the transaction fees from the pay-out amount and sends payment instructions to the payment module.

f) Settlement Schedule

The following timelines shall be specified on the EPRETP

- Pay-in (T) — T is the trade date
- Pay-out (T+x) – x is the settlement day

All buyers/sellers shall comply with the timelines specified on the EPRETP.

g) Trade Annulment

Trades generated as per Section 5.0 cannot be annulled or curtailed except due to specific technical reasons, to be recorded in writing, and approval of Regulator.

## 6. Officiating Bodies

The following shall be the officiating bodies of the EPRETP

- ETP Operator:** The ETP Operator shall execute the activities related to administration and system operations of the ETP. The ETP Operator shall be authorised to collect the transaction fee from the Escrow account, and be responsible for transfer of requisite amounts to the Regulator as regulator fee.
- Regulator:** CPCB shall be the Regulator for the trading platform and ensure that the trading platform operates as per the prescribed guidelines and orders issued from time to time by CPCB.
- Third party Auditor:** The Regulator may engage independent Third Party Auditors empanelled by CAG for financial process audits and independent Third Party Auditors for technical audits, identified based upon laid criteria, in order to monitor the activity of the EPRETP. The Auditor shall submit quarterly Audit reports on the integrity of the trading platform to CPCB.

## 7. Information Technology Infrastructure and Trading System of ETP

- ETP shall use electronic trading system and telecommunication network;
- The bids entered by a buyer of ETP shall be first checked against availability of funds before being accepted in the bid book of the ETP. This ensures that all transactions are backed by actual funds, reducing the risk of defaults.
- Automated audit trail of bids, matching of bids and execution of transactions shall be maintained.
- The algorithm of the software application for price discovery shall be in compliance with the methodology mentioned in the business rules of ETP. The ETP shall get the algorithm audited before commencement of operations and

thereafter, once in every two years and submit the findings of the audit to the Regulator. The resources employed shall have competence in audit of algorithms and relevant industry certifications such as CISA (Certified Information Systems Auditor) from ISACA or shall have empanelment with the Standardization Testing and Quality Certification Directorate under the Ministry of Electronics & Information Technology.

- e) The Regulator may audit or appoint an agency to audit the software applications used by the ETP for price discovery and market splitting on a random basis. The ETP shall provide to the Regulator results of test cases and scenarios given by the Regulator.
- f) ETP Operator shall also carry out periodic IT system audit for data security, data integrity and operational efficiency for every financial year and submit its reports to the Regulator by 30th June following the end of the financial year.
- g) ETP Operator shall formulate and implement a cyber-security and cyber resilience framework to manage risk to systems, networks and databases from cyber-attacks and threats with the approval of the Regulator and submit it to the Audit for information. Security audit of the IT systems shall be carried out each year from a CERT-In (Indian Computer Emergency Response Team) empanelled organisation.
- h) ETP shall establish and maintain a disaster recovery site and alternate trading facility for business continuity in case of emergency

#### **8. Registration Charge**

- a) ETP operator shall pay an annual registration charge as specified by the Regulator
- b) The annual registration charge shall be payable by 30th of April every year to the Regulator

#### **9. Electronic Trading Platform provider transaction fee**

- a) ETP shall charge a transaction fee equivalent to a total of 4% of the transaction amount (2% of the transaction amount from each of the parties i.e. buyer and seller) for the transactions conducted on the EPRETP
- b) 30% of the transaction fees charged by the operator shall be remitted to the Regulator.
- c) The above limits for transaction fees can be modified by the Regulator based on the requirements.

#### **10. Information Dissemination by ETP Operator**

- a) The ETP shall display on its website links to all the relevant websites.
- b) Prices, volumes, transaction fees and historic prices of EPR Certificates traded shall be made available on the website of the ETP and should be in downloadable format. In addition, the data shall be made available through Application Programming Interface (API).

- c) Maximum, minimum and average of the traded prices for the month and average volume cleared for all type of contracts transacted on the ETP shall be published on its website.
- d) The ETP shall publish on its website, data tables with aggregate demand and supply.
- e) The ETP shall provide to the Regulator details of all transactions on a monthly basis
- f) The ETP shall submit to the Regulator, bids of all participants along with required analysis, as and when directed by the Regulator.
- g) The ETP shall create and maintain a document on its website providing detailed description of the algorithm used for price discovery for all type of contracts. The description shall include bid types, details of how the algorithm results in maximisation of economic surplus taking into account which shall be updated with every new version of the price discovery algorithm.

### **11. Grievance Redressal Mechanism**

- a) The ETP operator should provide for a robust grievance redressal mechanism to address any issues or disputes that may arise in the operation of the ETP.
- b) The ETP shall constitute a Grievance Redressal Forum, headed by an Independent Director.
- c) ETP shall disclose, on their website, the details of complaints lodged by members against ETP and by clients against its members and status of resolution of the grievance.
- d) ETP shall also disclose, on their website, the conflict resolution mechanism followed and the result of grievance resolution.
- e) The Regulator may call for information on redressal of any specific grievance by the ETP Operator.

### **12. Revocation of Authorization of ETP**

The Regulator may, for reasons to be recorded in writing and after giving the ETP Operator an opportunity of being heard, revoke the registration Authorization granted to the ETP in any of the following events:

- a) If the functioning of the ETP is in violation of any terms and conditions of the Contract awarded to the ETP Operator by the Regulator.
- b) If the shareholding of the ETP is in violation of the terms and conditions of Contract awarded to the ETP Operator by the Regulator.
- c) If the ETP is found to be indulging in market manipulation;
- d) In case the Net worth of the ETP gets negative at any point of time
- e) In case the ETP fails to comply with any direction of the Regulator;
- f) In case the ETP makes an application for revocation of registration;

- g) Non-fulfilment of the conditions laid down in the guidelines for authorization as well as operation of the electronic platform or orders issued by regulator and matters related thereto
- h) Notwithstanding revocation of the registration of ETP, contracts executed prior to such revocation shall remain valid and their performance shall be ensured by the ETP through Exit Scheme or as directed by the Regulator.

### **13. Exit Scheme**

The ETP shall submit their exit scheme in the event of closure of the ETP or revocation of registration of the ETP.

- a) The exit scheme shall provide the manner in which: the running contracts on the ETP shall be closed or the succession plan for all transacted contracts; and
- b) Any claims pertaining to pending arbitration cases, arbitration awards, liabilities or claims of contingent nature and unresolved investors complaints or grievances lying with the ETP Operator would be settled by the ETP Operator.
- c) The exit scheme shall include the following:
  - Seamless migration of the existing data within a specified timeline.
  - Demonstration of 100% data transfer
  - Standby period for the operation of the existing platform / technology
  - Other relevant aspects for the seamless operation of the whole system

### **14. Risk Management by ETP Operator**

- a) The ETP Operator shall develop and implement a prudent risk management framework by adopting best practices, which shall be dynamic based on the changing risk profiles of the market.
- b) The ETP Operator shall constitute a Risk Assessment and Management Committee (RAMC) headed by an Independent Director of the Board, which shall monitor adherence to the risk management framework by the ETP Operator.
- c) RAMC shall also review the risk management framework on a six- monthly basis in January and July each year. The six-monthly report of RAMC shall be submitted to the Regulator.

### **15. Annual Report**

The ETP Operator shall submit its Annual Report along with its audited balance sheet by 30th September every year to the Regulator.

### **16. Renewal of Authorization to ETP Operator**

- a. The Authorization of a ETP operator shall be for a period of fifteen (15) years from the date of grant of registration by CPCB unless such registration is revoked or cancelled earlier.
- b. An application for renewal of registration shall be filed by the ETP Operator at least one year before the expiry of the period of registration.

### **17. Bye-laws, rules and business rules of ETP**

The ETP shall function according to its bye-laws, rules and business rules as approved by the Regulator, which amongst others, shall cover the following:

- i. Management, administrative & governing structure of the ETP along with its associates / Group companies involved in ETP operations including qualification details of the Senior management team
- ii. Provision for exclusion, suspension and expulsion of members of the ETP;
- iii. Rights and liabilities of its members
- iv. Price discovery and matching mechanism,
- v. Clearing and Settlement procedure
- vi. Transaction fee;
- vii. Timeline for publishing trading and settlement calendar;
- viii. Transaction timelines;
- ix. Risk management;
- x. Penalty for deviation from contract;
- xi. Procedure for handling default;
- xii. Reporting of default (delivery of EPR Certificates or payment or both) and penalty mechanism;
- xiii. Dispute resolution mechanism;
- xiv. Maintenance of records and accounts;
- xv. Preparation of annual accounts and audit thereof;
- xvi. Mechanism for redressal of grievances;
- xvii. Exit scheme;

No amendment to the bye-laws, rules and business rules shall be carried out without prior approval of the Regulators.

## Glossary

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**Buyer:** An entity who is engaging in buying certificates on the Trading Platform

**Ceiling price:** is the highest price that participants can bid in auction

**Continuous Price Auction:** The auction format that has sell and buy orders placed independently of each other.

**Extended Producer Responsibility (EPR):** EPR means the responsibility of a producer for the environmentally sound management of the product until the end of its life.

**EPR Certificate:** An EPR Certificate is a document that confirms a company's compliance with the principles of extended producer responsibility.

**Electronic Trading Platform (ETP):** ETP shall mean any electronic system, other than a recognized stock exchange, on which transactions are contracted.

**Electronic Trading and Settlement Platform:** The electronic trading on which transactions are contracted and electronic payment settlement between participants.

**Floor price:** means a price below which bids at auction are not eligible to be accepted

**MOA:** Memorandum of Association

**Waste Processors:** Recyclers and entities engaged in using waste for energy (waste to energy), and converting it to oil (waste to oil), industrial composting

**Pay in:** is the day when the participants shall make payment during trade

**Pay out:** is the day when payment is made after trade and is the settlement day

**Recyclers:** Entities who are engaged in the process of recycling of waste

**Seller:** An entity who is engaging in selling certificates on the Trading Platform

**Uniform Price Auction:** The auction format that has multiple buyers and sellers putting in buy and sell orders at different prices determining a single clearing (trade) price

**User:** An entity who is engaging in buying and selling certificates on the Trading Platform



### **A. Definitions w.r.t. Plastic Waste EPR ETP**

**Producer:** A person engaged in manufacturing of packaging; and, includes a person engaged in manufacture of intermediate material to be used for manufacturing plastic packaging, and also the person engaged in contract manufacturing of products using plastic packaging or through other similar arrangements for a brand owner

**Importer:** means a person who imports for commercial use, any plastic packaging or any commodity with plastic packaging or like material,

**Brand Owner:** As per PWM Rules, means a person or company who sells any commodity under a registered brand label or trademark.

### **B. Definitions w.r.t E-Waste EPR ETP**

**a. Producer:** As per E-Waste (Management) Rules, 2022 producer' means any person or entity who, -

(i) manufactures and offers to sell electrical and electronic equipment and their components or consumables or parts or spares under its own brand; or

(ii) offers to sell under its own brand, assembled electrical and electronic equipment and their components or consumables or parts or spares produced by other manufacturers or suppliers; or

(iii) offers to sell imported electrical and electronic equipment and their components or consumables or parts or spares; or

(iv) who imports used electrical and electronic equipment

**b. Recycler:** As per E-Waste (Management) Rules, 2022, 'recycler' means any person or entity who is engaged in recycling and reprocessing of waste electrical and electronic equipment or assemblies or their components or their parts for recovery of precious, semi-precious metals including rare earth elements and other useful recoverable materials to strengthened the secondary sourced materials and having facilities as elaborated in the guidelines of the Central Pollution Control Board made in this regard.

**c. Refurbishers:** As per E-Waste (Management) Rules, 2022, Refurbisher, means any person or entity repairing or assembling used electrical and electronic equipment as listed in Schedule-I for extending its working life over its originally intended life and for same use as originally intended, and selling the same in the market

### **C. Definitions w.r.t. Waste Tyre EPR ETP**

**a. Producer:** Producer” means any person or entity who, -

- i. Manufactures and sells new tyre domestically; or
- ii. Sells domestically under its own brand, new tyre manufactured by other manufacturers or suppliers; or
- iii. Sells imported new tyre; or
- iv. Imports vehicles fitted with new tyres; or
- v. Automobile manufacturers importing new tyre for use in new vehicles sold domestically; or
- vi. Imports waste tyre;

**b. Recyclers:** “Recyclers” means any person or entity engaged in the process of converting waste Tyre into following end products, in an environmentally sound manner namely;

- i. Reclaimed rubber;
- ii. Crumb rubber;
- iii. Crumb rubber modified bitumen (CRMB);
- iv. Recovered carbon black, which is usable as raw material for manufacture of new tyre; and Pyrolysis oil or Char, which is used only as a fuel and not as raw material for manufacture of new tyre;

### **D. Definitions w.r.t Used Oil EPR ETP**

**a. Producer:** Any person or entity, irrespective of the selling technique used such as dealer, retailer, e- retailer, who, -

- (i) manufactures and offers to sell base oil or lubrication oil domestically under its own brand; or
- (ii) offers to sell lubrication oil domestically under its own brand, using the base oil manufactured by other manufacturers or suppliers; or
- (iii) offers to sell imported base oil or lubrication oil domestically;

**b. Recycler:** Any person or entity engaged in the process of recycling of used oil

**c. Used oil importers:** Any person or entity who imports used oil