

# Transition of credit trade from GreenPalm to RSPO eTrace

## Introduction

The RSPO Supply Chain Standard supports the following supply chain models for the uptake of the certified oil palm products Certified Sustainable Palm Oil (CSPO), Certified Sustainable Palm Kernel(CSPK) and the derivatives.

- Identify Preserved(IP)
- Segregated(SG)
- Mass Balance(MB)
- Book and Claim

Of these supply chain models, IP, SG and MB involve physical sourcing of oil palm products and the trades are currently registered in the RSPO eTrace IT platform. The sale of credits via the Book and Claim model is facilitated by GreenPalm, which runs on a separate IT platform.

The RSPO Board of Governors decided to use one IT platform to register and trace CSPO volumes sold across for all four supply chain models in order to make it more user-friendly, more cost effective and easier for our members. Therefore, from 1<sup>st</sup> January **2017**, GreenPalm will no longer be endorsed by RSPO as a service provider for Book and Claim model. RSPO Certified volumes sold via the Book and Claim model will be traded via the RSPO eTrace platform. The RSPO eTrace IT platform will be expanded to include the trading of RSPO credits via the Book and Claim model.

This document gives a high level overview of the consequences of this improvement for members who currently trade credits via the GreenPalm system. Detailed information about these improvements and the schedule for trainings and webinars will be published every month in the RSPO e-gazette, RSPO website and the welcome page of eTrace. .

## Summary of Changes

In order to make the transition to the new system a smooth and easy process for our members, most of the functionality that is offered in the current GreenPalm system will be implemented in the new IT platform. However, some of the rules will be changed so that they are aligned with the RSPO Standard and the additional rules which apply to the physical supply chain models. A brief overview of the current rules and the new rules that will be applicable from 1<sup>st</sup> January 2017 can be found in the table below.

Topic	GreenPalm	RSPO eTrace Platform
Branding of Credits	<p>GreenPalm Certificates:</p> <p>Volumes traded through the Book &amp; Claim model are called GreenPalm Certificates</p>	<p>RSPO Credits:</p> <p>Volumes traded through the Book &amp; Claim model through the RSPO eTrace platform will be branded as RSPO Credits</p>
Who sells which credit type?	<p>Mills sell Palm Oil, Palm Kernel Oil and Palm Kernel Expeller certificates.</p> <p>Independent smallholders sell I.S.Palm Oil, I.S.Palm Kernel Oil and I.S.Palm Kernel Expeller certificates.</p>	<p><u>Mills</u> sell CSPO credits.</p> <p><u>Palm Kernel crushers</u> sell CSPKO and CSPKE credits.</p> <p><u>Independent smallholders</u> sell IS-CSPO, IS-CSPKO, and IS-CSPKE credits.</p>
Who can purchase credits?	GreenPalm members	<p>RSPO Members:</p> <p>All RSPO members except Mills, Independent Smallholders and Palm Kernel crushers are allowed to purchase credits.</p> <p>Mills, Independent Smallholders and Palm Kernel Crushers are allowed to purchase credits only in the case of under-production (upon approval from RSPO)</p>
Are traders/processors allowed to sell credits?	Yes, traders/processors and manufacturers are allowed to re-sell the credits that they bought	<p>No, only RSPO P&amp;C certified mills, Palm Kernel Crushers and Independent Smallholders are allowed to sell credits.</p> <p>All other actors in the supply chain cannot re-sell the credits that they bought</p>
Trading Period	<p>Calendar year:</p> <p>The GreenPalm platform grants validity to certificates on a calendar year basis (Jan 1 – Dec 31) and hence certificates are traded per calendar year</p>	<p>License period:</p> <p>Credits can be bought and sold as they become available, and trading will not be based on calendar year. P&amp;C certificates of members can start any day of the year and are valid for the duration of the license period. Hence, credits of a seller become valid from the start date of the certificate and remain valid for one year, when the annual surveillance audit is due. Buyers can purchase credits throughout the year.</p>

Grace Period for buyers	Grace period of 3 months (Jan 1 – Mar 31) following the certificate trading year is available for buyers to purchase credits for administrative reasons	Since credits are no longer traded based on calendar year, a grace period of 3 months is no longer relevant. Buyers can still purchase credits anytime of the year to compensate the volumes that were used for the previous year. Sellers can sell credits at any point during the validity of their license
Trading Entity	Trading is done at holding level and / or individual mill level or by smallholders. Holding is the parent company, which is a member of RSPO and often consists of several mills.	The RSPO Certificate holders will trade RSPO credits per mill. Certificate holders can be Mills, Independent Smallholders and Palm Kernel Crushers.  Holding Companies will still have access to the volumes of all their mills and/or crushers and hence will be able to trade credits on their behalf
Registration of Volumes to sell under the Book & Claim Model	Members register volumes to be sold under the Book and Claim model for the calendar year. Volume can be transferred in and out of GreenPalm to give member flexibility between physical deliveries and certificate sales	Members can manage their certified volumes in the RSPO eTrace platform and have the flexibility to sell volumes as physical or credits throughout their license period. Volumes can be allocated from physical to credits and vice-versa at any point during the license validity.
Expiration of licenses	Members are allowed to sell volumes that were registered for the calendar year even when the certificate had expired. Manual reconciliation is done at the end of the year.	Members will not be able to sell volumes once the license has expired. The credits that are already on offer will be cancelled.
Validity of Purchased credits	Certificates can be redeemed at anytime, but must be redeemed prior to claims/statements being made against them.	Credits purchased by buyers will have a validity of 1 year from the date of purchase and have to be claimed/redeemed within that period.
Off Market Deals	Off Market deals are reported to GreenPalm	Off Market deals can be easily reported by the sellers and can be confirmed by the buyers in the online platform.
Can claims be transferred?	Yes, There is an option for retailers to make claims associated with their private	No, claims cannot be transferred. Credits bought and redeemed by suppliers cannot be used by members to make a claim. Any member (including retailers)

	<p>label suppliers who have bought and redeemed GreenPalm certificates. The retailer is still required to be a member of GreenPalm.</p>	<p>who wishes to make a claim has to be a member of RSPO and has to purchase credits to support the claim.</p>
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## Do you have more questions?

We understand that you may have more questions about these new improvements. Please sign up to our newsletter to keep updated on the upcoming developments. You can also write to the RSPO Secretariat in Europe at [info.eu@rspo.org](mailto:info.eu@rspo.org) for more information about these developments when you are a buyer of Book and Claim credits. Please contact Jan van Driel at [janvandriel@rspo.org](mailto:janvandriel@rspo.org) for more information if you are a seller of Book and Claim credits.