

Carbon trade cyber-theft hits €30m

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Cyber-thieves have stolen as much as €30m in carbon allowances from the European Union's emissions trading system, authorities said, as exchanges across Europe halted trading on Thursday.

Exchanges including ICE Futures Europe, Nasdaq OMX Commodities Europe and London-based LCH.Clearnet stopped trading of emissions contracts, which are central to the bloc's fight against global warming.

"There is no point in denying that this is a pretty big deal," said Henry Derwent, head of the International Emissions Trading Association in Brussels.

The exchanges were reacting

to an order by the European Commission, the EU's executive arm, which on Wednesday ordered spot trading in emissions allowances to be suspended for at least a week due to security breaches. Investigators were looking into the thefts, which occurred after hackers gained access to computer systems and transferred credits to other accounts.

The market's biggest

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exchange, BlueNext, began to restrict trading on Wednesday morning and then halted it before the Commission's announcement.

While spot trading ground to a halt on Thursday, companies were still dealing in futures contracts, which account for the majority of the ETS' volume.

Participants in the fledgling market said the security breaches raised fears they might receive stolen allowances that they would later have to forfeit.

Keiron Allen, BlueNext's director of marketing, said the market had been "battered by the scandal".

The Commission put the size of the theft at as much as €30m, which constitutes the first attempt to quantify losses from a string of recent attacks.

Launched in 2005, the ETS is the largest carbon-trading scheme in the world, with turnover reaching more than €90bn last year. The scheme covers more than 10,000 industrial installations in the EU's 27 member states, plus Norway, Iceland and Liechtenstein.

The thefts have revealed the disparity in security standards among national registries where allowances are maintained.

Investigators are still examining the latest attacks. Maria Kokkonen, a spokeswoman for the Commission, said authorities believed they were co-ordinated but were still uncertain of their origin.

Additional reporting by Mary Watkins

