



## **Lehman to trade Kyoto carbon credits in Japan**

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Lehman Brothers said on Tuesday it would start trading U.N.-approved carbon credits in Japan, the first global investment bank to do so amid growing demand for companies to cut greenhouse gas emissions.

Japanese companies, including trading houses and utility firms, have been buying such credits for some time in return for funding clean-energy projects in developing countries under the Kyoto Protocol's Clean Development Mechanism.

Lehman Brothers is one of nearly 100 companies that have opened accounts at Japan's national registry for the United Nations' emission-trading system.

Lehman Brothers' global carbon trading operations are now based in London. In Europe a cap-and-trade system with mandatory emissions limits has encouraged trading of emission permits under the European Union's Emissions Trading Scheme.

In contrast, Japan has just a tiny voluntary market and a barely used Web-based matching system of U.N. certified emission reductions (CERs) through forward contracts.

"The global carbon market is rapidly taking shape as national markets are developing and connecting through the global CER market," Laurent Segalen, global head of carbon emission in London, said in a statement.

A CER is a carbon credit developed by carbon offset providers that is certified as the equivalent of one tonne of carbon dioxide under the Clean Development Mechanism. (Reporting by Risa Maeda; Editing by Mike Miller)

Source: [www.reuters.com](http://www.reuters.com)