

CME Launches Sustainable Clearing Service

Stockholm (HedgeNordic) – Derivatives marketplace CME Group has launched a sustainable clearing service that helps market participants track and report on how their hedging activities are advancing their sustainability goals. The sustainable clearing service, which will be available from September 27, allows firms to tag hedging and other trades that support the financing of sustainable business projects as the trades pass through CME Clearing.

All participating futures commission merchants will be provided with sustainable clearing eligibility criteria to identify and tag their sustainable trades. CME Clearing will report back the level of trading activity cleared for a given time period, information that can be used in reporting and stakeholder communications. These sustainable hedging activities may involve the trading of products such as carbon offsets, battery metals and bioenergy, as well as interest rate or foreign exchange futures hedging activity that is carried out to support a sustainable business.

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“Sustainability continues to be an increasing priority for our global clients as they significantly expand both the risk management that they provide to green businesses and environmental projects,” says Julie Winkler, Chief Commercial Officer of CME Group. “This new framework for clearing sustainable derivatives will make it easier for our clients to measure the impact of their support for sustainable activities and can be part of the solution to encourage further growth in this key sector as the economy transitions to net-zero emissions.”

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“This innovative clearing offering makes it simple for firms to track their sustainable derivatives positions by seamlessly integrating reporting into their existing workflows,” adds Sunil Cutinho, President of CME Clearing. “Our solution ensures that all sustainable trades continue to benefit from our established risk management approach, including full margin offsets where applicable, which creates efficiencies for clients and end users.”

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CME Group is launching sustainable clearing in partnership with some of its top-tier clearing members. “As the bank for a changing world, we consider it our duty to assist our clients in reaching their sustainable related goals through the Sustainable Clearing service,” comments Raphael Masgnaux, Global Head of Prime Solutions and Financing and G10 Rates at BNP Paribas. “As a firm believer in how finance can catalyse a positive impact on our environment, Standard Chartered is delighted to have contributed to CME’s Sustainable Clearing solution and support the sustainable agenda of market participants,” adds Mick Hill, Global Product Owner, Exchange Traded Derivatives at Standard Chartered Bank.

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