

ACX Announces Key Trades on World's First Regulated Carbon Exchange and Clearing House in ADGM

World's first regulatory framework based in Abu Dhabi for voluntary carbon markets elevates confidence

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- First Abu Dhabi Bank (FAB) and Helix Climate conduct first trade on the exchange
- South Pole executes first over-the-counter transaction on Carbon Market Board

ACX (AirCarbon Exchange) proudly announces its exchange and clearing house in Abu Dhabi Global Market (ADGM), ACX Abu Dhabi, is live. Key trades have already been executed and settled on the platform, signifying the commencement of what is anticipated to be a burgeoning market for voluntary carbon markets (VCM).

ACX established its regional base in ADGM in August 2021 with the support of Hub71, Abu Dhabi's global tech ecosystem. Hub71 is powered by Mubadala Investment Company PJSC (Mubadala), an Abu Dhabi sovereign investor. Mubadala invested in ACX in September 2022 as a strategic step in line with its economic diversification mandate and commitment to responsible investing.

In September 2022, ADGM, the international financial centre of the UAE's capital that is established as a financial free zone, became the first jurisdiction to regulate voluntary carbon credits as financial instruments through the introduction of an Environmental Instrument classification, a regulatory framework to license exchanges and clearing houses for both spot and derivatives markets for these products.

In November 2022, ACX Abu Dhabi became the first entity to be licensed under this framework, being the world's first regulated Recognised Investment Exchange and Recognised Clearing House offering Environmental Instruments in the form of carbon credits.

These regulatory licenses bolstered trust, security, and investor protection for the trading of carbon credits by mandating fair and orderly trading and real-time market surveillance, resulting in heightened market integrity, transparency and efficient price discovery. ACX strictly adheres to

client asset segregation, regulatory capital and audit requirements.

With investment secured and regulatory licenses approved, ACX laid the groundwork to allow VCM participants, for the first time, to trade carbon credits and other environmental instruments under a capital markets regulatory framework.

The inaugural carbon credits trade on the fully regulated exchange was executed between First Abu Dhabi Bank (FAB) and specialist carbon trading company Helix Climate.

Sameh Al Qubaisi, Group Head of Global Markets at First Abu Dhabi Bank, said, “We are delighted to execute the first trade on ACX Abu Dhabi. As the UAE’s largest bank, we are keen to support the expansion and potential of carbon markets to provide price signals that can help companies reduce or remove their greenhouse gas emissions in the most efficient way.”

This follows a report launched by FAB in January 2023 which explored the possibilities to seize opportunities in carbon trading as a way to fight climate change while providing flexibility for businesses in how they reduce their environmental impact.

Simon Harman, Founding Partner of Helix Climate, said, “Helix Climate are proud to have transacted the first trade on ACX Abu Dhabi, the first fully regulated carbon exchange. We share ACX’s vision to grow liquidity, transparency and confidence in the voluntary carbon markets and look forward to transacting more volume on the exchange.”

Arvind Ramamurthy, Chief of Market Development at ADGM said, “Last year, ADGM welcomed the introduction of ACX, the first regulated carbon credit trading exchange and clearing house in the world and today we are more than thrilled to witness its live launch. As we find ourselves in a critical time with the development of global carbon markets, this step marks a momentous milestone in the journey towards a thriving market for voluntary carbon markets. We look forward to seeing ACX take on a pivotal role in not just environmental instruments but also in other markets and financial instruments, including virtual asset markets.”

“This marks another important step in bringing carbon credits closer to the world of regulated commodities,” said ACX’s Co-Founder and Co-CEO William Pazos. “ACX is proud to be the world’s first fully regulated spot carbon environmental exchange and clearing house. We are equally honoured to be recognised for our ability to innovate and trigger positive change in this critically important sector.”

Further enhancing its portfolio, ACX Abu Dhabi is also pleased to announce the first trade on its Carbon Market Board (CMB) – an electronic trading facility that allows participants to execute and settle over-the-counter transactions. The trade was concluded with South Pole, the world’s leading climate project developer and solutions provider.

“By providing a regulated environment for carbon credit trades, ACX is helping to build higher

integrity carbon markets: both buyers and sellers have more certainty thanks to the regulatory wrapper around the traded carbon credits and a marketplace that is scrutinised by an independent financial services authority. Trust will result in scale of climate action and impact, which is essential today," said Abderrahman Kasmi, Executive Director for Procurement & Trading at South Pole.

Last month, ACX Group was awarded the best carbon exchange of 2023 by Environmental Finance. This is the third consecutive year that ACX wins this prestigious award, a valuable recognition of its ability to innovate and trigger positive change in this vital field.

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About the ACX Group:

ACX (AirCarbon Exchange) Group, including ACX Abu Dhabi (ACX Ltd) and AirCarbon Pte. Ltd., which operate environmental trading platforms in Abu Dhabi and Singapore respectively, caters to corporates, financial traders, carbon project developers and other industry stakeholders. ACX Group provides participants with an efficient and transparent trading platform that is user-friendly, seamless and offers the lowest transaction fees in the market. Leveraging distributed ledger technology, ACX facilitates and scales growth of the environmental product markets to align with global ambitions of achieving Net Zero.

ACX Group is proud to be a member of the International Emissions Trading Association (IETA) and the International Sustainability and Carbon Certification (ISCC), further enhancing its commitment to sustainability and responsible trading practices for carbon and other environmental products. ACX Group has garnered international recognition as the Best Carbon Exchange globally in Environmental Finance's esteemed Voluntary Carbon Market Rankings for three consecutive years (2021, 2022, 2023), solidifying its position as a leader in the industry.

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