

ACX launches biofuels physical trading platform in ADGM, Abu Dhabi

LONDON, UK, November 28, 2023 /EINPresswire.com/ -- ADGM based ACX Ltd., part of the ACX Group, is proud to announce the start of live trading on its groundbreaking biofuels electronic physical trading platform, ACXBiofuels, as part of its Financial Services Regulatory Authority (FSRA) regulated Recognised Investment Exchange (RIE), allowing market participants to facilitate trading in biodiesel, Renewable Diesel (HVO), Sustainable Aviation Fuel (SAF) and some of its feedstocks like UCO (Used Cooking Oil) on a 24/5 basis.

This latest expansion is a major step forward in biofuels markets as it marks the first time that a regulated trading platform is available to trade 24/5 to support these markets. Introducing a trading platform for physical biofuels with innovative trading features, complements existing electronic windows where already over 3 million metric tonnes of biofuels are traded per year in Europe.

“ACX’s range of biofuels products are expected to boost price transparency and awareness of biofuels pricing worldwide, as all participants trading in ACX’s market will also be certified under the International Sustainability & Carbon Certification program (ISCC),” said William Pazos, co-Founder and co-CEO of ACX.

Biofuels are derived from organic matter which removes carbon from the atmosphere during growth and usage. As long as the underlying plant crops are renewable and sustainable, the combustion of biofuels can reduce emissions by blending into the existing pool of fossil fuel, reducing emissions on a one-to-one basis.

ACX’s range of biofuels offered on the trading platform include FAME (Fatty Acid Methyl Esters), RME (Rape Seed Methyl Ester), UCOME (Used Cooking Oils Methyl Ester), HVO (Hydrotreated Vegetable Oil) and PME (Palm Oil Methyl Ester).

ACX is also introducing a global contract for key feedstocks including UCO (Used Cooking Oils) and POME (Palm Oil Mill Effluent).

“All the contracts are aligned to customary physical contracts that are already widely traded in the market. Some of the contracts, particularly FOB Northwest Europe, will be aligned to existing window-traded products, enabling a natural arbitrage,” said Henri-Jean Bardon, Director of Biofuels Platform at ACX.

The size of the global market for biodiesel and SAF is currently forecast at over 50 million metric tonnes in 2023 and is expected to exceed 80 million metric tonnes by 2030, or a value exceeding \$104 billion.

The development of biofuels is an important part of wider global efforts to reach net zero emissions by 2050 in already mandated markets like Europe, US, Brazil and Indonesia and with transport accounting for more than a third of carbon dioxide emissions from end-use sectors, according to the International Energy Agency.

Biodiesel is already blended into 5% of the worldwide diesel pool, highlighting its effectiveness and wide acceptance as a viable transportation fuel.

ACXBiofuels platform provides a unique match between buyers and sellers for existing biofuels contracts, such as UCO and POME, that can also be used using book-and-claim protocol as approved by CORSIA and ICAO. ACX is also introducing the first global physical SAF biofuels contract to facilitate trading upon the introduction of aviation fuel sustainability mandates in Europe that is starting January 1, 2025.

By bringing these services together in one marketplace under the regulatory oversight of Abu Dhabi Global Market's FSRA, ACX provides a trusted, transparent, and efficient trading platform for buyers and sellers, as well as arbitrage opportunities to bridge the timing and geographical gaps between publishing platforms and ACX's marketplace. This also enhances ACX's existing carbon exchange and its trading architecture.

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About the ACX Group:

ACX 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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