Chapter 1256
CBL Nature-Based Global Emissions Offset Trailing (N-GEO-TR) Futures

1256100. SCOPE OF CHAPTER
This chapter is limited in application to CBL Nature-Based Global Emissions Offset Trailing (N-GEO-TR) Futures ("N-GEO-TR Futures"). The procedures for trading, clearing, delivery and settlement not specifically covered herein or in Chapter 7 shall be governed by the general rules of the Exchange.

The provisions of these rules shall apply to all N-GEO-TR Futures bought or sold for future delivery on the Exchange with the delivery of emissions offsets that meet the "N-GEO-TR Screening Criteria" for the CBL Nature-Based Global Emissions Offset Trailing (N-GEO-TR) Standard Spot Contract set forth as Schedule 21 to the CBL Market Rules, as further identified and described here.

The terms “seller” and “buyer” shall mean the seller of the physical product and the buyer of the physical product, respectively. Parties to the transaction may select a designee for making or taking delivery. The designee, if selected, must be the party’s Clearing Member. Any party utilizing a designee must submit designee information in such manner as prescribed by the Clearing House.

The term “N-GEO-TR Screening Criteria” shall mean the (1) voluntary emissions offset unit screening criteria to identify voluntary emissions offset units as eligible for physical delivery under the Nature-Based Global Emissions Offset Trailing (N-GEO-TR) Standard Spot Contract and (2) all other rules and procedures set forth in the CBL Standard Instruments Program, as identified and described here.

The term “N-GEO-TR Approved Registries” shall refer to the following registries included in the Nature-Based Global Emissions Offset Trailing (N-GEO-TR) Standard Spot Contract:
- Verra Registry, operated by Verified Carbon Standard (VCS)

The term Verra Registry means the environmental commodity and voluntary carbon offset registry owned and controlled by Verified Carbon Standard (VCS).

The term “CBL Market Rules” means the operating rules and procedures of CBL Markets, including all requirements and rules associated with the provision of transfer services for futures products including the N-GEO-TR Futures.

The term “CBL Markets” shall mean CBL Markets USA, LLC, an environmental commodity trading platform and exchange operator integrated with N-GEO-TR Approved Registries and providing transfer services for registry account holders to transact in, hold and retire offsets.

The term "Emissions (Environmental) Offset" shall mean a voluntary emissions offset unit meeting the N-GEO-TR Screening Criteria and equivalent to a reduction of one tonne of carbon dioxide equivalent (tCO2e).

For purposes of this rule, unless otherwise specified, times referred to herein shall refer to and indicate the Eastern Prevailing Time (EPT).

1256101. CONTRACT SPECIFICATIONS
N-GEO-TR Futures physically deliver emissions offsets that meet all N-GEO-TR Screening Criteria.

1256102. TRADING SPECIFICATIONS
The number of months open for trading at a given time shall be determined by the Exchange.
1256102.A. Trading Schedule
The hours for trading for this contract shall be determined by the Exchange.
1256102.B. Trading Unit
The contract unit shall be one thousand (1,000) Emissions (Environmental) Offsets meeting N-GEO-TR Screening Criteria for delivery made by transfer through the CBL Market. Each contract shall be valued as the contract quantity (1,000) multiplied by the settlement price.

1256102.C. Price Increments
Prices shall be quoted in U.S. dollars and cents per offset. The minimum price fluctuation shall be $0.01 per offset ($10.00 per contract).

1256102.D. Special Price Fluctuation Limits
At the commencement of each trading day, the contract shall be subject to special fluctuation limits as set forth in Rule 589 and in the Special Price Fluctuation Limits Table in the Interpretations & Special Notices Section of Chapter 5.

1256102.E. Position Limits, Exemptions, Position Accountability and Reportable Levels
The applicable position limits and/or accountability levels, in addition to the reportable levels, are set forth in the Position Limit, Position Accountability and Reportable Level Table in the Interpretations & Special Notices Section of Chapter 5.

A Person seeking an exemption from position limits for bona fide commercial purposes shall apply to the Market Regulation Department on forms provided by the Exchange, and the Market Regulation Department may grant qualified exemptions in its sole discretion. Refer to Rule 559 for requirements concerning the aggregation of positions and allowable exemptions from the specified position limits.

1256102.F. Termination of Trading
Trading shall cease three Business Days prior to the last Business Day of the contract month. Any contracts remaining open after the last day of trading must be:
(a) Settled by delivery, which shall take place no later than the third Business Day after the termination of trading for the contract month; or
(b) Liquidated by means of a bona fide Exchange for Related Position (EFRP), pursuant to Exchange Rule 538. An EFRP is permitted in the expiring futures contract no later than 9:00 a.m. EPT one Business Day after trading terminates on the last day of trading of the expiring futures contract. An EFRP which establishes a futures position for either the buyer or the seller in an expired futures contract shall not be permitted following the termination of trading of an expired futures contract.

1256102.G. Final Settlement
The final settlement price for the Delivery Month shall be the Spot Price of the CBL Market Nature-Based Global Emissions Offset Trailing (N-GEO-TR) Standard Spot Contract on the last trade date as determined by the Exchange. The final settlement price shall be the basis for delivery.

1256103. DELIVERY
N-GEO-TR Futures deliveries shall comply with all CBL Market Rules and requirements for the electronic transfer of offsets at the N-GEO-TR Approved Registries. The foregoing notwithstanding, seller and buyer are required to designate and authorize CBL Markets as its designated agent for the N-GEO-TR Approved Registries, and open and maintain an Environmental Management Account (“EMA”). Notwithstanding the use of a designee, all Clearing Members will remain ultimately responsible for performance of all applicable contract terms specific to the seller’s Clearing Member and buyer’s Clearing Member.

1256104. DELIVERY PROCEDURES
CBL Markets is a transfer agent contracted by its account holders to facilitate the spot transfer of emissions offsets and payment. Deliveries against expiring contracts shall be by book-entry transfer. The seller’s and buyer’s Clearing Member is required to verify that its customer, as a buyer or seller, holds appropriate accounts at CBL Markets, and holds one or more registry account(s) with the N-GEO-TR Approved Registries.
By 9:00 a.m. EPT, on the delivery day, the seller shall, 1) have available in their EMA-linked, N-GEO-TR Approved Registry Account, a volume of claims to offsets held on the N-GEO-TR Approved Registries that meet N-GEO-TR Screening Criteria, equal to the total number of offsets they are responsible for delivering, and 2) deposit or otherwise commit and deliver such amount(s) of claims via the CBL Market Rules.
The buyer, in accordance with CBL Market Rules must ensure that sufficient funds, in USD, are available in their appropriate CBL Markets accounts no later than 9:00 a.m. EPT on the delivery day.

Upon seller and buyer compliance, CBL Markets as transfer agent for the seller and buyer will transfer the appropriate funds to the seller and transfer and deliver the appropriate number of offsets meeting N-GEO-TR Screening Criteria to the buyer with the N-GEO-TR Approved Registries, by 2:00 p.m. EPT.

Upon receipt of transfer confirmation from the Clearing Member, the Clearing House will release the delivery margins.

All rights, title, and interest in and to, and risk of loss related to, the offsets will transfer upon receipt in the applicable N-GEO-TR Approved Registries account.

Seller and buyer shall always obtain and adequately maintain systems and technology as may be necessary in order to comply with CBL Market Rules or any N-GEO-TR Approved Registries terms and conditions, use or other requirements. The Exchange may make amendments to delivery and timing of delivery, which may have a material impact to N-GEO-TR Futures and will notify the Clearing Members of such amendments resulting from amendments of any N-GEO-TR Approved Registries requirement as well as any issues with CBL Markets that could impact the processing of the delivery cycle. Amendments to the Nature-Based Global Emissions Offset Trailing (N-GEO-TR) Standard Spot Contract eligible emissions unit programs and specific unit criteria found [here](#) may be amended from time to time by CBL Markets and/or N-GEO-TR Approved Registries.

By scheduling transfer of offsets through the transfer services agent, the seller or the seller's Clearing Member represents and warrants that, at the time of delivery, it has good and marketable title to such offsets in its N-GEO-TR Approved Registries account, and that such offsets are free and clear of all liens, security interests, claims, encumbrances and adverse claims.

### 1256104.A. Responsibilities of Clearing Members

1. **Notice of Intention to Accept**

   Clearing Members having open long positions shall provide the Clearing House with a Notice of Intention to Accept delivery by 2:00 p.m. EPT on the Business Day after the final day of trading providing number of contracts, EMA account, registry account and any other information required by the Exchange.

2. **Notice of Intention to Deliver**

   Clearing Members having open short positions shall provide the Clearing House with a Notice of Intention to Deliver by 2:00 p.m. EPT on the Business Day after the final day of trading providing number of contracts, Registry, EMA account and any other information required by the Exchange.

3. **Delivery Instructions**

   Upon receipt from the Exchange to Clearing Members of an assignment notice, Clearing Members shall submit delivery instructions by 10:00 a.m. EPT the business day following assignment notification to the Clearing House in a form as prescribed by the Clearing House.

### 1256104.B. Final Settlement Price

The final settlement price shall be the basis for delivery.

### 1256104.C. Assignment Day

The Clearing House shall allocate Notices of Intention to Accept and Notices of Intention to Deliver, on the first Business Day after the final day of trading, by matching positions, to the extent possible.

The Clearing House shall provide Assignment Notice Reports to the respective Clearing Members on the first Business Day after the final day of trading.

### 1256105. TIMING OF DELIVERY

For purposes of this Rule 1256105:

"Delivery Period" shall mean the time between the final day of trading and the third Business Day following the final day of trading.

Delivery shall take place on the last day of the Delivery Period, which unless amended is the third Business Day after the final day of trading. Should the N-GEO-TR Approved Registries or CBL Markets services be inoperable during the Delivery Period due to periodic maintenance that is an Exchange Business Day, the Exchange shall have the option to extend the Delivery Period by an additional Business Day at the registries, CBL Markets, and Exchange.
1. The seller (or as applicable the seller’s Clearing Member) shall have available in their appropriate CBL Markets accounts, offsets that meet N-GEO-TR Screening Criteria equal to the total number of offsets they are responsible for delivering, and 2) deposit or otherwise commit and deliver such claim amounts in accordance with CBL Market Rules by 9:00 a.m. EPT on the third Business Day after the final day of trading of the Delivery Month.

2. The buyer (or as applicable the buyer’s Clearing Member) shall ensure cash is deposited equal to the full value of the product to their designated CBL Markets account by 9:00 a.m. EPT on the third Business Day after the final day of trading of the Delivery Month.

3. The buyer (or as applicable the buyer’s Clearing Member) shall receive confirmation from CBL Markets of scheduled offset transfers at the N-GEO-TR Approved Registries by 2:00 p.m. EPT on the third Business Day after the final day of trading of the Delivery Month.

4. For each seller or seller’s Clearing Member that has satisfied its obligations under subsection (1) of this rule, CBL Markets shall deposit the full contract value by 2:00 p.m. EPT on the third Business Day after the final day of trading of the Delivery Month.

1256106. DELIVERY MARGINS AND PAYMENT

1256106.A. Definitions

For purposes of this Rule 1256106:
“Payment” shall include the settlement price, in U.S. dollars and cents, times the number of contracts times one thousand (1,000).
“Payment Date” shall mean the date on which the CBL Market transfers Payment in connection with a delivery to the seller. If the seller selects a designee, the CBL Market will transfer Payment in connection with a delivery to the seller’s designee.

1256106.B. Margin

The buyer’s Clearing Member and seller’s Clearing Member shall deposit with the Exchange margins in such amounts and in such form as required by the Exchange. Such margins shall be returned on the Business Day following notification to the Exchange that delivery and Payment have been completed.

1256106.C. Payment

Any Payment made on the Payment Date shall be based on offsets that the seller is obligated to deliver pursuant to the applicable delivery.

In the event that delivery cannot be accomplished because of a failure of the CBL Markets wire, or because of a failure of either the buyer, the buyer’s designee, the seller, or the seller’s designee, delivery shall be made before 9:30 a.m. EPT on the next Business Day on which the CBL Markets wire, or bank access to it, is operable.

1256107. VALIDITY OF DOCUMENTS

The Exchange makes no representation respecting the authenticity, validity or accuracy of any Notice of Intention to Accept, Notice of Intention to Deliver, check or of any document, offset or instrument delivered pursuant to these rules.