

# ICYMI: Integrity Council Launches Global Benchmark and Core Carbon Principles for Voluntary Carbon Markets

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In case you missed it: late last month, the Integrity Council for the Voluntary Carbon Market (“ICVCM”) launched its [Core Carbon Principles](#) (CCPs) and [Program-level Assessment Framework](#) (Framework). With the publication of these new standards (developed with the input of hundreds of stakeholders in the voluntary carbon markets), we now have a set of fundamental principles for high-quality credits that create a verifiable climate impact, and a framework for determining whether carbon credit programs are eligible to label themselves as being in compliance with the CCPs.

Importantly, these standards will create transparency on how carbon credit programs calculate their emissions, social and environmental impact, and will ensure that high-integrity credits come from projects with actual sustainable development impacts. The first CCP-eligible programs are expected to be announced by the end of 2023, and the ICVCM will continue to collaborate with stakeholders to issue the next, more stringent set of CCPs in 2025.

In the U.S., voluntary carbon credits are in most cases considered to be commodities, subject to the enforcement jurisdiction of the Commodity Futures Trading Commission (CFTC). *Derivatives* based on underlying voluntary carbon credits, on the other hand, are subject to the full regulatory authority of the CFTC. To facilitate these increasingly liquid markets, the International Swaps and Derivatives Association (ISDA) published the [2022 Verified Carbon Credit Transaction Definitions](#), a standardized set of terms that can be incorporated into physically settled spot, forward and option transaction documentation in the voluntary carbon credit secondary markets.

Because of its jurisdiction over voluntary carbon credits and [CFTC Chairman Behnam’s stated interest in playing a role in managing climate-related financial market risk](#), the CFTC held its [Second Voluntary Carbon Markets Convening](#) on July 19, 2023. The CFTC hosted this event to discuss recent public and private sector initiatives for high quality carbon credits, current trends and developments in the cash and derivatives markets for carbon credits, and market participants’ perspectives on how the CFTC can promote integrity for high quality carbon credit derivatives.

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