

CFTC Approves Nodal Clear, LLC to Clear for Other Designated Contract Markets

WASHINGTON, DC, NOVEMBER 16, 2020

Nodal Clear announced today that the Commodity Futures Trading Commission (CFTC) has approved an Amended Order of Registration for Nodal Clear, LLC, removing a previous requirement limiting its activities as a registered derivatives clearing organization (DCO) to clearing contracts executed on or through its affiliated designated contract market (DCM), Nodal Exchange, LLC. The amended order permits Nodal Clear to clear for other DCMs in addition to Nodal Exchange.

Nodal Clear, a limited liability company based in Virginia, was first registered as a DCO on September 24, 2015. In that capacity, it is permitted to clear futures and options on futures.

“Nodal wanted to broaden its authorization so that we are able to clear for DCMs other than Nodal Exchange,” said Paul Cusenza, Chairman and CEO of Nodal Clear. “Over time, Nodal plans to broaden the commodities it serves and in some cases clearing for other DCMs may be appropriate in achieving that mission.”

About Nodal Clear

Nodal Clear is a Derivatives Clearing Organization (DCO) pursuant to the Commodity Exchange Act and is regulated by the U.S. Commodity Futures Trading Commission (CFTC). Nodal Clear is a wholly owned subsidiary of Nodal Exchange and serves as the central counterparty for all transactions on Nodal Exchange. Through the novation process, the clearing house becomes the buyer to every seller and the seller to every buyer, significantly reducing the credit risk exposure of market participants. Nodal Clear's strong risk management practices create a sound market infrastructure for trading. Nodal Clear employs a tailored portfolio margining methodology that appropriately margins contracts and provides capital efficiencies to market participants.

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