



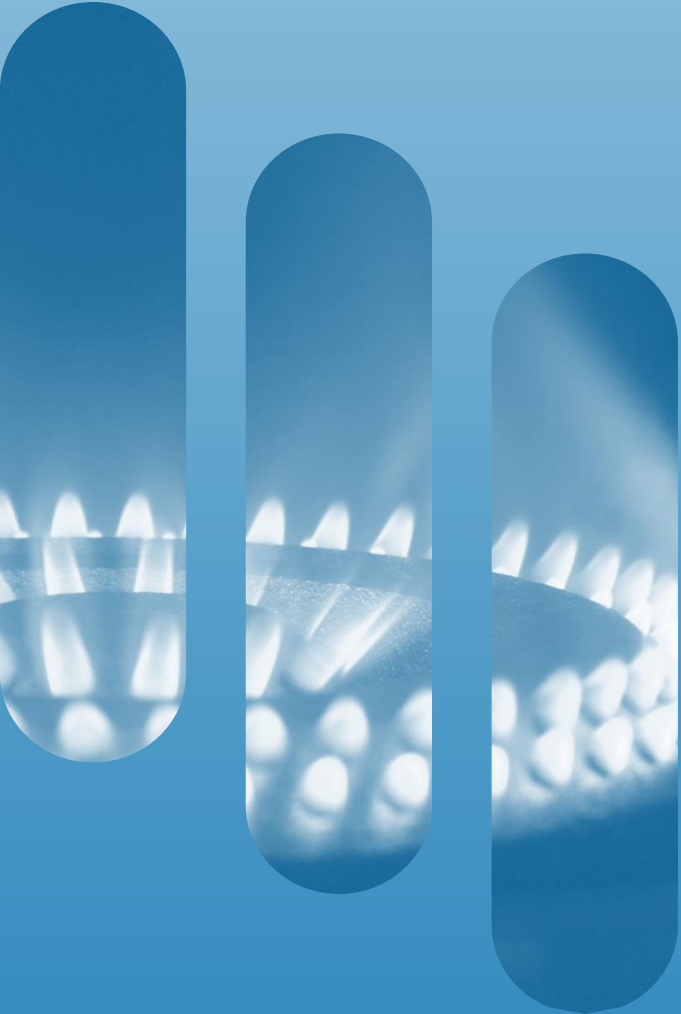
Workshop for Balkan Gas Hub trading members



keler ccp

Energizing Clearing

6 February 2025



the role of exchanges and CCPs



functioning - the trading evolution



Exchanges with EMIR licenced CCPs

(EMIR compliance, futures products/derivative clearing)



Exchanges with CCPs

(CCP and clearing functions - anonymity, multilateral netting)



Regulated trading venues (exchanges)

(regulated, supervised, automated etc.)



Organised markets, trading venues

(trading platforms, connecting sellers and buyers)



OTC trading (OTC ~ Over The Counter)

(bilateral sell/buy contracts)



functioning - clearing

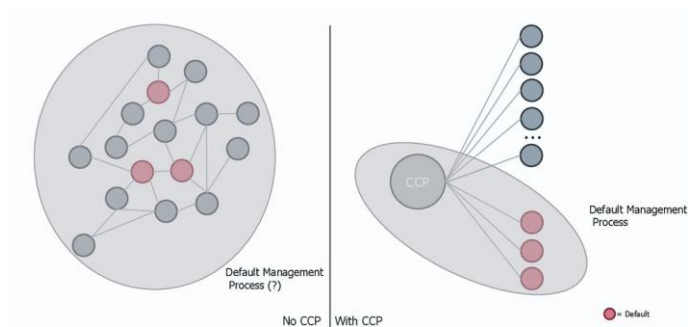
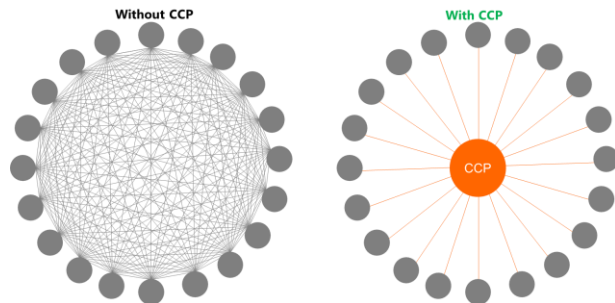
risks managed

Counterparty credit risk
Market risk until fulfillment

efficiency gains

Netting, settlements (cost saving)

**guaranteed
performance**
of transactions

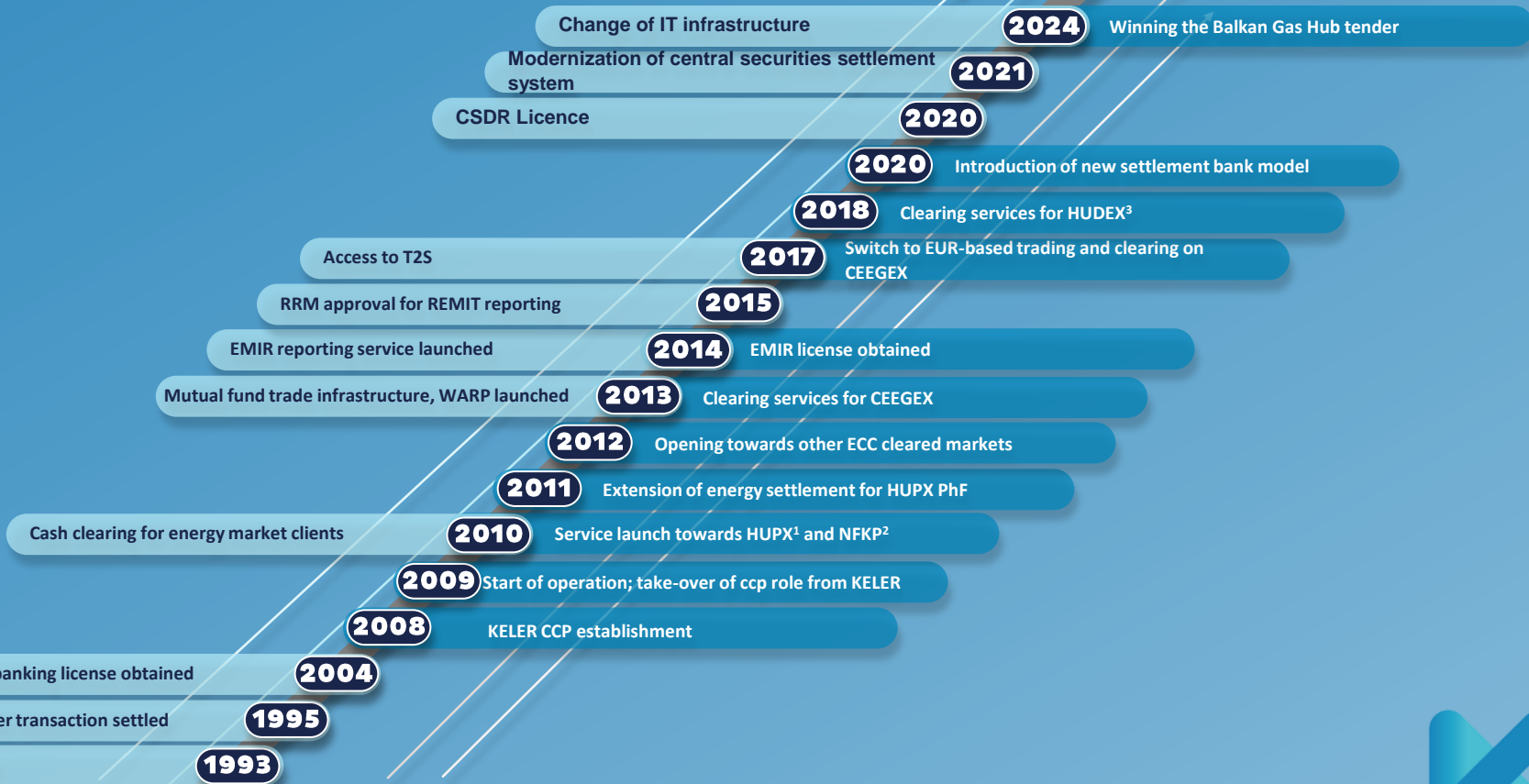




brief introduction of KELER CCP



history and milestones



¹Hungarian Power Exchange; ²Natural Gas Balancing Platform
³Hungarian Derivative Energy Exchange



ownership structure – keler group

2008

Established

EMIR licence

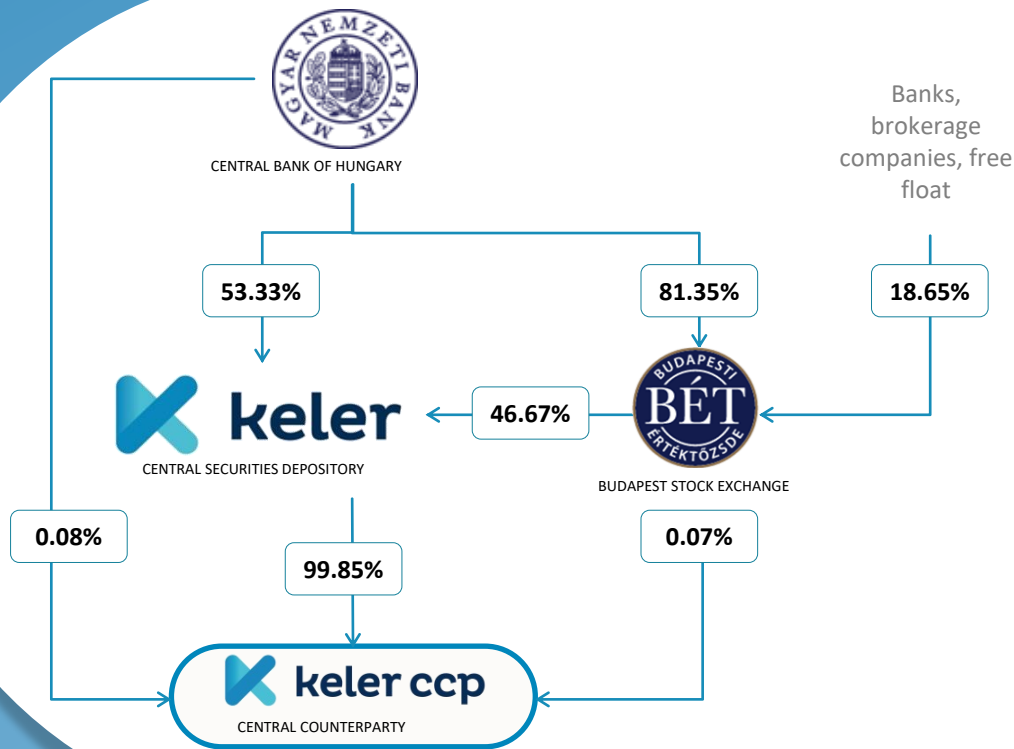
2014

EUR
56 mln

Capital (2023)

Result (2023)

EUR
16 mln



regulatory framework – keler ccp



licenses

- **CCP license** granted according to Article 14 (1) of EMIR* as of 4 July 2014
 - valid for the European Union and covers a wide range of asset classes including commodities
- License as a Central Counterparty under the Hungarian Act on Capital Markets (Act CXX of 2001)
- Designated clearing system operator

memberships



European Association of CCP Clearing Houses



Global Association of CCPs



Association of Futures Markets

*Regulation (EU) No 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories - (EMIR)

actual presence – keler ccp

Market coverage

GCM services under the ECC umbrella (since 2010)

eeX

EPEXSPOT
EUROPEAN POWER EXCHANGE

h u p x
HUNGARIAN POWER EXCHANGE

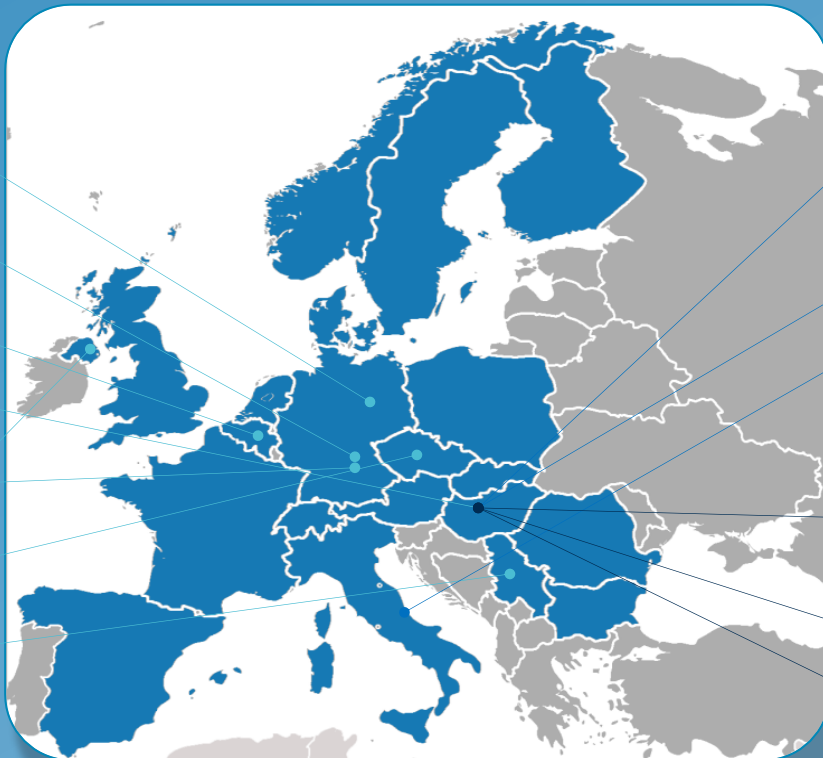
h u d e x
HUNGARIAN DERIVATIVE ENERGY EXCHANGE

NOREXECO

pxe

SEEPEx

semopx
SOUTH POOL



Hungarian capital markets (since 1994)

BUDAPESTI
BÉT
ERTEKTŐZSDE

BÉT_a

BÉT XTEND

BÉT XBOND

MTS

Hungarian gas markets (since 2010)

FGSZ

ceegex
CENTRAL EASTERN EUROPEAN GAS EXCHANGE

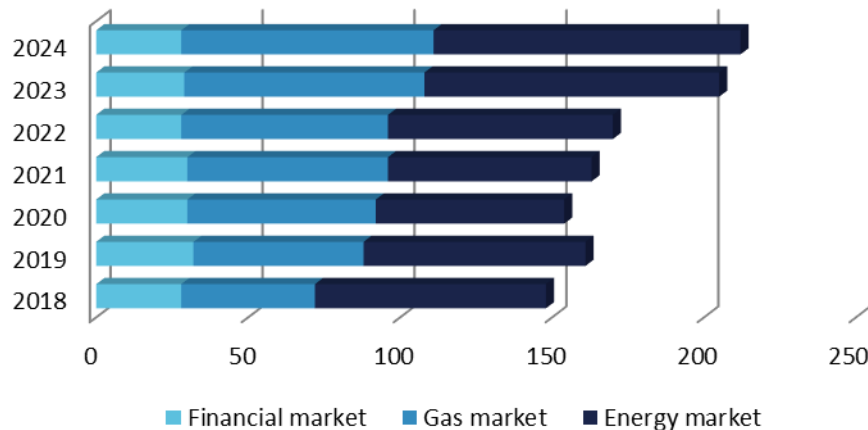


h u d e x
HUNGARIAN DERIVATIVE ENERGY EXCHANGE

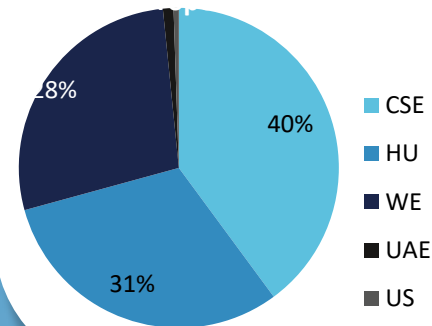


clientele – keler CCP

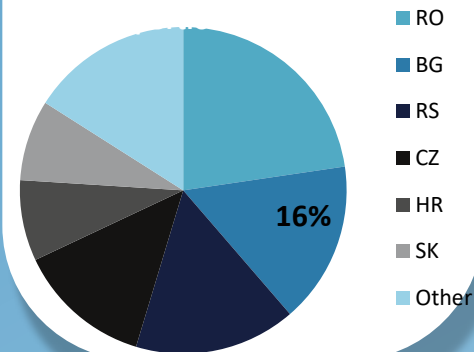
Proportion of clients per markets (2024.12.)



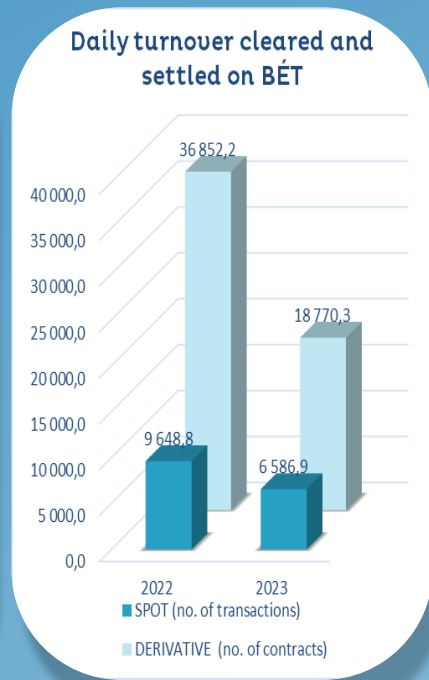
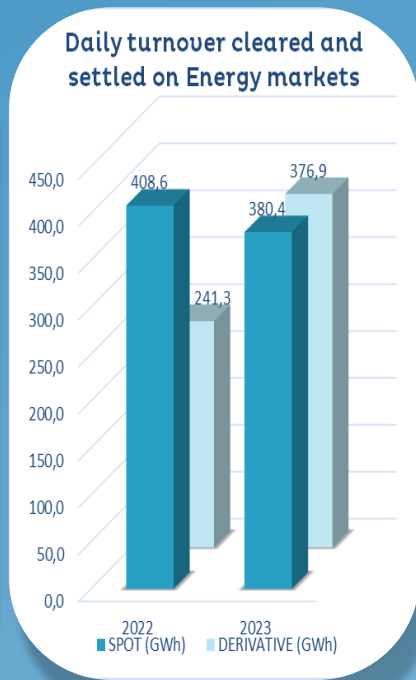
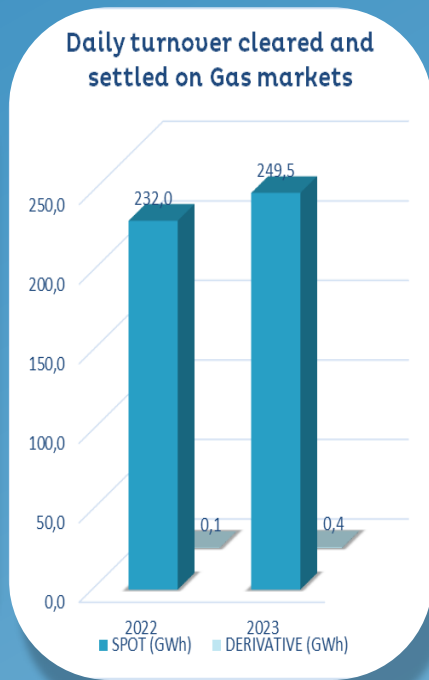
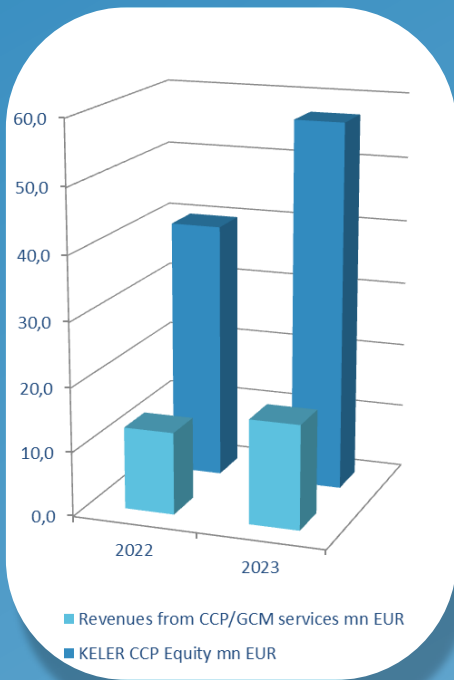
Proportion of clients (2024.12.)



Proportion of CSE clients (2024.12.)



key figures – keler ccp





business model

business model overview

t
r
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i
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c
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a
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i
n
g



clearing procedures

Batch (short-term) and real time (long-term) data connection with BGH

Immediate action possibilities on the CCP's side:
intraday clearing, limit modifications, suspension

Irrevocability

9:00 am CET

Exchange opening

Matched trades

Closure of the exchange

6:00 pm CET

7:00 pm CET



Fulfill collateral requirement



Start of the trading



Trade confirmation



EOD – batch file



EOD clearing process



Clearing reports



operational framework



principles - general

range of services

central counterparty and clearing solutions + financial settlement of the cleared transactions

cleared products

all short-term and long-term products of BGH

membership

direct clearing participants (Individual/Direct Clearing Member)

governing law

Hungarian





principles – financial settlement

business calendar

Hungarian business calendar

currency

trading, clearing and settlement currency is Euro (EUR)

settlement cycle

T+1

place of settlement

settlement accounts with the designated Settlement Bank partners of KELER CCP -> direct debit by KELER CCP (all type of financial obligations)

limit

pre-paid, pre-trade limit is applied

invoicing

KELER CCP applies monthly self-billing invoicing regime for the commodity sold/purchased + monthly fee invoices of the services provided



principles – risk management

basic financial collateral

to cover individual exposures arising from day-trading, fixed amount

turnover/initial margin

to cover a potential change in the product price at least two days with at least 99% confidence, determined by product

variation margin

is the change of value of the open position in the instrument

delivery margin

covers the risk in positions in physically settled futures during the delivery period

additional margin

to cover additional risks arising from the CM's activity

default fund

risk pool, to cover the risks of stress that are not covered by individual collaterals, joint for short term+long term

CCP's skin in the game

own SIG in line with EMIR allocated to default funds

eligible assets as collateral

in the form of cash only, e.g. EUR

place of collateral

settlement bank, on CCP's account





guarantee system at a glance

Market	Collective collaterals****	Individual collaterals****					Trading limit
	Default fund	Basic financial collateral	Turnover margin/ Initial margin	Additional financial collateral***	Delivery margin	Variation margin	
Short-term	Joint: min. 15,000 EUR	fix. 30,000 EUR**	Voluntary*,**	min. 0 EUR	N/A	N/A	Pre-trade
Long-term		fix. 30,000 EUR	Determined by product		min. 0 EUR	Daily settlement!	Post-trade

* Amount defined by the Clearing Member, min. 0 EUR

** Component of the spot market trading limit -> min. trading limit = 30,000 EUR

*** Min. 0 EUR – max. 270k EUR based on internal risk rating + in case of any non-compliance with the rules as a sanctioning element

**** Direct debit on the settlement bank account by KELER CCP



trading limit

Increase

Increase

Cash coverage is available on the settlement bank account

Limit amendment instruction sent to BGH ✓



Email instruction

Recording new limit amount

Approved

Approved

Credit of released collateral on the settlement bank account ✓

Decrease

Decrease

Limit amendment instruction sent to BGH

BGH check

Refused

Refused

Limit amendment instruction rejected ✗

MEMBERSHIP FEE (FIXED)*	775 EUR <i>6 month fee-holiday</i>	/month /market segment	Direct debit by KELER CCP
EXTENDED MEMBERSHIP FEE (FIXED)*	950 EUR <i>3 month fee-holiday</i>	/month /market segment	Direct debit by KELER CCP
CLEARING FEES (VARIABLE)	short-term products 0,01 EUR	/MWh	Direct debit by KELER CCP
CLEARING FEES (VARIABLE)	long-term products 0,005 EUR + physical settlement 0,01 EUR	/MWh	Direct debit by KELER CCP

*KELER CCP charges the fee for the full period for the broken month also.



admission of Clearing Members

first line of defence – clearing member criteria



Gatekeeper function → market protection

Cooperation with



- Authorities (energy & financial) &
- Trading venues, exchanges

Minimum requirements



- Minimum shareholders equity (75 mn HUF equivalent)
- All required documents are provided (accurate and comprehensive)
- Settlement bank account is opened

Compliance & risk assessment



- Full KYC review (counterparty & financial risks) -> operational capacities are available (no KO reason)
- Full compliance due diligence (sanctions screening)

Continuous monitoring



- Extra collateral
- Suspension
- Termination



- ✓ Active & continuous cooperation with authorities, trading venues
- ✓ Transparent requirements
- ✓ Dedicated sales department
- ✓ Transparent onboarding process
- ✓ Informative website
- ✓ Clear and detailed public General Business Rules





capital adequacy

- minimum shareholders equity
 - min. 75mn HUF equivalent shareholders equity -> **Total Equity** row in the balance sheet
 - FX rate: published by NBH (<https://www.mnb.hu/en/arfolyam-lekerdezes> for the balance sheet date)
 - 30/09/2024 BGN: 203,26 HUF/BGN -> 368,986.00 BGN
 - 31/12/2024 EUR: 410,09 HUF/EUR -> 182,887.00 EUR
- audited financial report
 - formal requirements:
 - audit opinion to be signed by the auditor
 - financial report to be signed by the representatives
 - method of submission
 - email attachment



capital adequacy

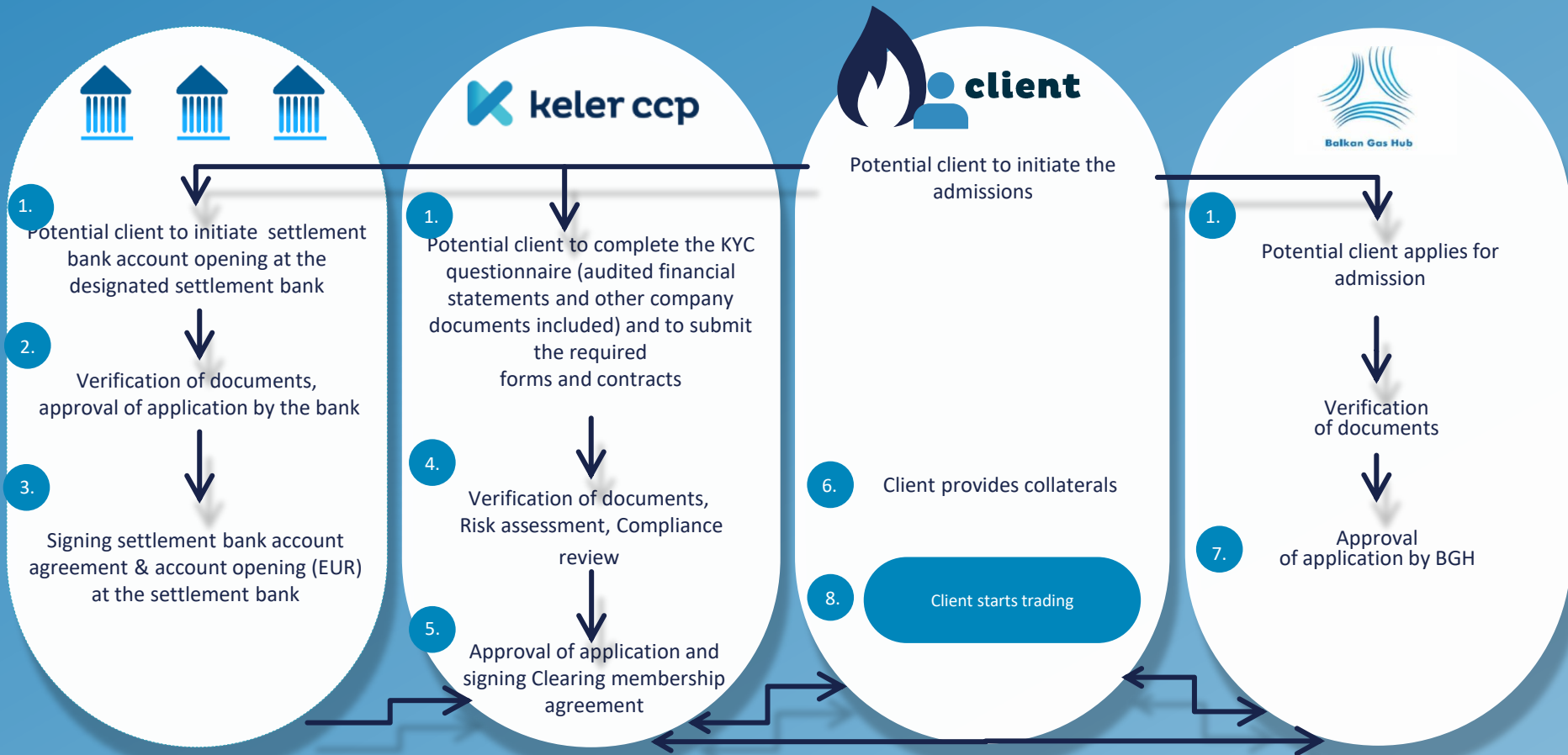
- What if shareholders equity (Total Equity) does not reach the minimum requirement?
 - increase of registered capital
 - ✓ general meeting resolution
 - ✓ bank account statement of the money transfer
 - ✓ change entry request / new company extract confirming the increased registered capital
 - increase in any other part of the shareholders equity (reserves)
 - ✓ interim audited financial report



KO reasons

- capital inadequacy
- entity does not have a bank account contract with the settlement bank
- entity or it's representative/direct or indirect owner/beneficial owner is subject to a financial sanction
- as per the entity's own statement, the entity
 - does not have the liquid assets necessary to meet it's financial obligations
 - fails to establish and maintain access to its settlement bank account
 - is unable to provide the required margins in its settlement bank account in a timely manner
 - does not have a contingency solution in the event of a failure to provide access to its settlement bank account
 - is technically unable to provide the funds required in a timely manner at all times
 - is not able to meet its obligations directly to KELER CCP in the event of any possible impediment to its settlement account
 - is unable to manage operational obstacles due to different working and bank holidays
 - does not have primary software and applications to ensure electronic communication with KELER CCP at all times
 - does not have a backup solution to ensure electronic communication (email)
 - does not have a back-up solution to ensure continuous trading activity
 - does not have a framework for handling operational risks

admission process



documentation

DOCUMENTS AND FORMS

- ✓ Know Your Customer questionnaire (+supporting documents)
- ✓ Excerpt from Trade Registry^{1,2}
- ✓ Signature Specimens^{1,2}
- ✓ Document certifying tax No^{1,2}
- ✓ Beneficial Owner Declaration
- ✓ ID or passport copies (scanned)
- ✓ Basic Information Form
- ✓ Data registration form

CONTRACTS AND AGREEMENTS

- ✓ Clearing Membership Agreement²
- ✓ Settlement Bank account agreement

✓ **QES is accepted by KELER CCP**


More detailed information in the Checklist!

¹ Original or notarized copy

² Official document - to be checked if Apostille/legalization is needed

client communication

Market standard
proposal

	Information	The way of communication	 keler ccp
Reports	T 7:00 pm CET	E-mail	pdf, xmls
Operations specialist	Clearing reports, Margin requirements, Limit management, Suspension	E-mail, phone	<input checked="" type="checkbox"/>
Key Account Managers	Dedicated team to support clients	E-mail, phone	<input checked="" type="checkbox"/> Single point of contact during onboarding
Direct line to the management	Strategic questions	E-mail, phone	<input checked="" type="checkbox"/>



more information



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keler ccp

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