

KELER CCP's Announcement – No. 8/2020.

ECC limit management

Effective from: 24th January 2020

Based on its General Business Rules KELER CCP defines ECC trading limit management as follows.

Trading limits

On the spot and derivatives markets cleared by ECC, ECC allows trading limits to be applied. KELER CCP calculates a trading limit for all its energy market non-clearing member, that is reviewed at least on a quarterly basis. KELER CCP notifies its non-clearing members regarding the result of the revision. The trading limit is solely a financial limit KELER CCP does not apply any quantity limits.

The trading limit is the result of an internal methodology and regulated confidentially within KELER CCP, based on the following components:

- individual risk assessment: based on the result of annual KYC due diligence questionnaire and the analyses of the provided audited corporate Financial Statement,
- the amount of the provided basic financial collateral,
- the average margin requirement calculated by ECC of the last quarter,
- amount of supplementary financial collateral (if available)

The calculated trading limit can be allocated by KELER CCP's non-clearing members themselves between spot and futures markets as needed. On the spot markets a pre-trade limit can be set both for auction and continuous trading markets. On the auction trading markets the trading limit is for trading days and it resets on every business days, however on the continuous trading markets the trading limit is linked to the settlement cycle, therefore it has to be sufficient to cover weekend and ECC holiday periods.

For non-clearing members with derivatives market membership, a post-trade TMR (Total Margin Requirement) margin limit is set. The nature of the post trade margin limit, is that the sum of margin requirement (spot and derivatives included) calculated by ECC can not exceed the set TMR value.

Trading limit change request

The energy market non-clearing members have the possibility to increase (decrease) their trading limits by voluntarily providing (requesting back) basic financial collateral, taking into consideration the relevant multipliers used for the relevant markets. The procedure of trading limit change request is the following:

1. The trading limit change request has to be sent to limits@kelerkszf.hu at all time, including the provided (requested) amount and the relevant markets.

2. The voluntary basic financial collateral has to be transferred to the following accounts. Please fill in the reference column with your company name or ECC trading code (for example: ABCEX) and the purpose of the transfer (for example: trading limit increase).

The basic financial collateral performed in EUR is to be transferred to the energy market settlement account of KELER CCP Ltd.:

IBAN: HU46 1440 0025 7242 0607 0000 0000 (account-holding bank: KELER Ltd.)

Corresponding bank's SWIFT: CITIGB2L

Corresponding bank's name: Citibank, N.A. London Branch

Beneficiary's account holder bank's SWIFT: KELRHUHB

Beneficiary's account holder bank's name: KELER Ltd. **EUR acc.no.: 14105877 (EUR)** Beneficiary's name: KELER CCP Ltd.

The basic financial collateral performed in **GBP** is to be transferred to the energy market settlement account of KELER CCP Ltd.:

IBAN: HU63 1440 0025 7242 0614 0000 0000 (account-holding bank: KELER Ltd.)

Corresponding bank's SWIFT: CITIGB2L

Corresponding bank's name: Citibank, N.A. London Branch

Beneficiary's account holder bank's SWIFT: KELRHUHB

Beneficiary's account holder bank's name: KELER Ltd. **GBP acc.no.: 14105885 (GBP)**

Beneficiary's name: KELER CCP Ltd.

The basic financial collateral performed in **EUR**, with respect to the **Serbian resident** energy market non-clearing members, is to be transferred to the own energy market account of the energy market non-clearing member held at OTP Banka Srbija:

IBAN: account number is to be determined at the time of account opening procedure by OTP Banka Srbija

Beneficiary's account holder bank's SWIFT: OTPVRS22

Beneficiary's account holder bank's name: OTP Banka

Beneficiary's name: KELER CCP Ltd.

3. **Deadline of transfer arrival: 16:00 p.m. CET.** After deadline all incoming transfers will be automatically redirected to the own account of the energy market non-clearing member hold by KELER Ltd, and the trading limit will not be modified. In this case the energy market non-clearing member has to reinitiate the transfer on the next clearing day by themselves because it will not be automatically deducted by KELER CCP.

4. In case the transfer arrives to the above mentioned accounts before 16:00 p.m. CET the trading limit will be modified until end of that clearing day at latest. If the transfer does not arrive until 16:00 p.m. CET the next possibility for the trading limit modification will only be in the next clearing day.

Trading limit modification during revision period

KELER CCP reviews the trading limit for all its energy market non-clearing member at least on a quarterly basis. The revision takes place the following month after the end of the quarter and the results are communicated to the non-clearing members via e-mail.

KELER CCP reserves the right that no modification of the trading limit is possible on the day of the revision.

KELER CCP always communicates the results of the revision including the deadline until the non-clearing members have the possibility to modify. After the given deadline no modification of the trading limit is possible.

January 20, 2020

Budapest

KELER CCP Ltd.