

KELER CCP's Announcement – No. 05/2021

Basic and Additional Financial Collateral requirements and Liquidity Currency Caution

Effective from: 18 January 2021

Regarding to KELER CCP Ltd.'s General Business Rules, KELER CCP Ltd. approved the **basic financial collateral (BFC)**, **additional financial collateral (AFC)** and **liquidity currency caution (LCC)** requirements as listed below and discloses the limit for naming the principals.

Basic Financial Collateral

Derivative markets

Section	BFC
BSE Share	10,000,000 HUF
BSE Financial	10,000,000 HUF
BSE Commodity	10,000,000 HUF

Cash markets

Section	BFC
T+2 Share, BÉT MTF Market (BÉTa, Xtend) ¹	10,000,000 HUF
T+2 Debt, Xbond and MTS Market ²	10,000,000 HUF

Gas market

Section	BFC
Trading Platform	30,000 EUR
Balancing Clearing	30,000 EUR
CEGEEEX spot market	30,000 EUR
HUDEX/Gas market	30,000 EUR

Energy market

Section	BFC
EEX derivative market	
• EUR settled products	40,000 EUR
• GBP settled products	40,000 GBP
• USD settled products	50,000 USD
EEX spot market	
• EUR settled products	40,000 EUR
• GBP settled products	40,000 GBP
EPEX SPOT SE market	
• EUR settled products	40,000 EUR
• GBP settled products	40,000 GBP
HUDEX/Power physical futures market	40,000 EUR

¹ Applied value in case of membership either or both at BSE T+2 Share Section and BÉT MTF Market.

² Applied value in case of membership either or both at BSE T+2 Debt, Xbond and MTS Market.

Section	BFC
HUPX spot market	40,000 EUR
PXE spot market	40,000 EUR
SEEPEX spot market	40,000 EUR
SEMOpX spot market	
<ul style="list-style-type: none"> • EUR settled products 	40,000 EUR
<ul style="list-style-type: none"> • GBP settled products 	40,000 GBP
NOREXECO futures market	50,000 USD

Energy market non-clearing members will receive a certain amount of reduction in the basic financial collateral required when entering into multiple energy markets. When a non-clearing member enters at least 3 markets (see the list above), from the entrance to the third market the basic financial collateral is 50% of the original basic financial collateral (20,000 EUR/market). In case of USD and GBP markets there is no reduction.

Example 1: ABC non-clearing member enters into the following markets:

- EEX derivative market - GBP settled products
- SEMOpX spot market - GBP settled products
- EPEX spot market - GBP settled products

The basic financial collateral requirement of ABC NCM is: 120,000 GBP (3 x 40,000 GBP). There is no reduction.

Example 2: ABC non-clearing member enters into the following markets:

- EPEX SPOT market - GBP settled products
- EEX SPOT market - EUR settled products
- SEEPEX spot market
- NOREXECO futures market

The basic financial collateral requirement of ABC NCM is: 40,000 GBP + 50,000 USD + 40,000 EUR (=40,000 GBP + 50,000 USD + 2 x 20,000 EUR).

Example 3: ABC non-clearing member enters into the following markets:

- EEX SPOT market - EUR settled products
- EEX derivative market - EUR settled products
- EPEX SPOT market - capacity auction
- SEEPEX spot market
- SEMOpX spot market - EUR settled products

The basic financial collateral requirement of ABC NCM is: 140,000 EUR (=2 x 40,000 EUR + 3 x 20,000 EUR).

Additional Financial Collateral

I. Due to unaudited financial statement

Regarding to KELER CCP Ltd.'s effective General Business Rules, in case of not submitting the audited financial statement within the framework of BÉT derivative clearing membership, Multinet (spot) market clearing membership, derivative non-clearing membership, or certain spot (for example CO2 quota trading) energy market non-clearing membership relation establishment or the annual data reporting, the one-time additional financial collateral is:

10,000,000 HUF or 30,000 EUR

In case of Balancing Clearing members not submitting the audited financial statement the additional financial collateral amount is:

30,000 EUR

For a new comer, if the applicant (non)clearing member's equity does not meet the level required in KELER CCP Ltd.'s effective General Business Rules for the applicable market, then KELER CCP can impose additional financial collateral to an extent which covers the additional risk deriving from the lack of necessary equity.

II. Due to inadequate shareholders' equity level

For a new member, if the applicant's registration process on the Registry Court submitted within 6 months before the submission of the (non)clearing membership application, or the applicant established in the year of submission of the application, the KELER CCP refrains from the audited financial statement.

In case of existing clearing membership, the shareholders' equity of the clearing members must constantly meet the minimum requirement for the specific market, determined in the General Business Rules of KELER CCP Ltd. In case of inadequate shareholders' equity level, KELER CCP Ltd. is entitled to impose additional financial collateral to cover the additional risks arising from the inadequate level of shareholders' equity.

III. Based on credit risk assessment on gas market

For the gas market clearing members - based the internal credit rating result, taken into account the annual financial statement and KYC (Know Your Customer) questionnaire - an additional financial collateral could be imposed for Balancing Clearing purpose.

Please find in the table below the additional financial collateral amounts for each credit rating category.

Rating category	Amount of additional financial collateral (EUR)
Very low	-
Low	34.000
Medium	68.000
High	135.000
Very high	270.000

The additional financial collateral amounts in the table above, after the effectiveness of this announcement, will be determined for new clearing members of Balancing Clearing during the registration process.

For existing clearing members of the Balancing Clearing, the amount of the additional financial collateral will be determined within 60 calendar days after the deadline of reporting obligation, which shall be settled within 5 business days.

The additional financial collateral can be fulfilled in security and currency based on the effective condition list about the acceptance of instruments.

Liquidity Currency Caution

Currently not applied!

Naming the Principal

In line with the 3.6.2 article of KELER CCP's general business rules the applied limit for naming the Principals is: 30,000,000 HUF.

Budapest, 15 January 2021

KELER CCP Ltd.