

## **KELER CCP's Announcement – No. 35/2018.**

Procedure of financial settlement, settlement of paid interest or forwarded negative interest and forwarded expenses on cash collateral management charged on the accounts of KELER CCP on the Energy Market

**Effective from: 1 July 2018**

On basis of its General Business Rules point 5.2. KELER CCP Ltd. specifies **the procedure of financial settlement on the Energy Market** as follows.

### **Settlement currency**

The currency of the energy market settlement: EUR, GBP.

### **Financial settlement**

According to its General Business Rules point 5.2.4. KELER CCP Ltd. specifies daily energy market net financial settlement position per non-clearing members and per currency based on the consolidated financial receivables/payables (spot market purchase price, futures market variation margin and delivery purchase price, fees collected by ECC, interest paid by KELER CCP Ltd., etc.).

KELER CCP Ltd. debits energy market non-clearing member's account with high priority to cover net financial debit position and credits **KELER CCP Ltd.'s energy market technical purchase price bank account**.

Credit payments are fulfilled on the energy market non-clearing member's own euro bank account held with KELER Ltd. In case of energy market non-clearing members registered in Serbia, payment settlement is executed on the accounts held with the energy market settlement agent.

### **Margin settlement**

According to its General Business Rules point 5.2.5. KELER CCP Ltd. specifies daily energy market margin requirement payable in cash per energy market non-clearing members. Method of the margin requirement calculation is based on KELER CCP Ltd.'s Announcement.

KELER CCP Ltd. debits energy market non-clearing member's account with high priority to cover daily margin requirement to be forwarded to ECC payable in cash and credits **KELER CCP Ltd.'s energy market technical margin bank account**.

Credit payments are fulfilled on the energy market non-clearing member's own euro bank account held with KELER Ltd. In case of energy market non-clearing members registered in Serbia, margin settlement is executed on the accounts held with the energy market settlement agent.

Margin requirements exceeding the amount to be forwarded to ECC are performed on the energy market non-clearing member's own euro bank account by freezing euro in favour of KELER CCP Ltd. due for energy market, by placing forint on the margin sub-account, by freezing securities in favour of KELER CCP Ltd. due for energy market or by providing bank guarantee.

## Settlement procedure

Financial and margin settlement to be performed by the energy market non-clearing members, with the performance deadlines taken into consideration, is carried out in the method and order as detailed below in line with the General Business Rules of KELER CCP Ltd.

1. If there is enough FX cash amount on the energy market non-clearing member's own foreign currency account held with KELER Ltd. at the deadline of the settlement, KELER Ltd. or the energy market settlement agent automatically deprives the amount to be settled.
2. If there is not enough FX cash amount for the settlement on the energy market non-clearing member's own foreign currency account held with KELER Ltd., however there is enough cover on the HUF account held with KELER Ltd., until the deadline of the settlement FX cash cover can be fulfilled by conversion (free of charge) by the client, which amount, according to point 1) will be deprived by KELER Ltd.
3. If there is not enough FX cash amount for the settlement on the energy market non-clearing member's own foreign currency account held with KELER Ltd., and the member did not arrange for converting the amount debiting its own HUF account held with KELER Ltd. until the deadline of the settlement, then KELER Ltd. ensures the FX cash cover by compulsory conversion (subject to fees) charging the energy market non-clearing member's own HUF account, which, according to point 1) will be deprived by KELER Ltd.

According to the procedure described above the financial and margin settlement of the energy market non-clearing member is considered performed if the relevant FX amount and/or HUF cover was available at the deadline of the settlement on the own foreign currency/HUF account in accordance with the amount to be performed independently of the creation of the FX coverage.

1. The energy market non-clearing member's financial and margin settlement is to be considered as non-fulfilled, if the relevant FX amount and/or HUF cover available on the EUR and/or HUF account was not in accordance with the amount to be performed at the deadline of the settlement.

## Fulfilment of the basic financial collateral

The Basic Financial Collateral performed in EUR determined by KELER CCP Ltd. 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. <b>EUR acc.no.: 14105877 (EUR)</b>
Beneficiary's name:	KELER CCP Ltd.

The Basic Financial Collateral performed in **EUR** determined by KELER CCP Ltd., 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.

The Basic Financial Collateral performed in **GBP** determined by KELER CCP Ltd. 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.

An annual account balance statement about the fulfilled Basic Financial Collateral and cash collateral forwarded to ECC is provided by KELER CCP Ltd. for the energy market non-clearing member.

### **Settlement of the interest paid/collected on the cash collaterals placed at KELER CCP's accounts and the related expenses on cash collateral management**

The account holder banks of KELER CCP Ltd. based on the daily interest level pay interest or forward negative interest on the cash euro collaterals to their clients and charge cash collateral management expenses.

KELER CCP Ltd. distributes the paid or forwarded negative interest computed on the basic financial collateral, the daily closing balance of the collected energy market turnover, the initial margin cash euro collaterals and the related expenses on collateral management among the energy market non-clearing members in line with the rules below.

Rules of distribution:

1. Energy market non-clearing members are entitled to receive paid interest or obliged to fulfil forwarded negative interest and the expenses on cash collateral charged by the account holders of KELER CCP Ltd. daily, on their basic financial collateral and the daily closing balance of their cash euro collaterals on a pro rata basis of their contribution.

2. KELER CCP Ltd. calculates and distributes paid or forwarded negative interest and the expenses on cash collateral monthly, based on the information provided by the account holder banks within 20 days after the subject period. Paid or forwarded negative interest or expenses on cash collateral not reaching the amount of EUR 1.00 (that is one euro) are not settled.
3. Paid or forwarded negative interest and forwarded expenses on cash collateral resulting from the calculation is settled by KELER CCP Ltd. in line with the part of present Announcement on Financial settlement.
4. KELER CCP Ltd. issues an electronic statement on the paid or forwarded negative interest and an invoice on the forwarded expenses on cash collateral for the energy market non-clearing members.

### **Settlement of the fees collected by ECC**

ECC - together with its cooperating exchanges' and its own fees - directly debits KELER CCP Ltd.'s account with clearing house and exchange related fees charged for energy market non-clearing members. These fees are invoiced and sent directly to the energy market non-clearing members by ECC.

Fees charged based on the invoices issued by ECC shall be paid in the respective settlement currency in a lump sum to KELER CCP Ltd. in line with the part of present Announcement on Financial settlement.

Budapest, 1 July 2018

KELER CCP Ltd.