

# **KELER CCP's Announcement – No. 13/2021**

## **ECC limit management**

**Effective from: 5 February 2021**

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 comprehensive 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 via email.

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 financial collateral,
- the average margin requirement calculated by ECC of the last quarter,
- the amount of additional financial collateral (if the additional financial collateral was imposed due to the increased number of trading limit breaches in short time, the amount of the additional financial collateral is not taken into account as a limit increasing factor).

## **Spot markets**

The comprehensive trading limit can be allocated by KELER CCP's non-clearing members themselves between spot markets as needed. KELER CCP applies only financial limits to spot markets, quantitative limits are not applied. 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.

## **Derivative markets**

On derivative markets, non-clearing members can take exposures up to the amount of their total trading limit. For non-clearing members with derivative market membership, a post-trade TMR (Total Margin Requirement) margin limit is set which is equal to the amount of comprehensive trading limit mentioned above. The nature of the post trade margin limit, is that the sum of margin requirement (spot and derivatives included) calculated by ECC (for example IMSM, SPAN, CONR, etc.) can not exceed the set TMR limit. If a TMR trading limit is breached (the total margin requirement exceeds the TMR limit amount), the trading right for that specific trading code will be suspended on all trading platforms. KELER CCP notifies the non-clearing member about the fact of the suspension and indicates the amount of the minimum collateral to be placed, which is necessary for the revocation of suspension.

## 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 (in case of auction market is 3, in case of continuous trading markets it is 1). The procedure of trading limit change request is the following:

1. The trading limit change request has to be sent to [limits@kelerkszf.hu](mailto:limits@kelerkszf.hu) at all time, including the provided (requested) amount and the relevant markets. To request a limit increase the requested amount on the non-clearing member's current account at the Settlement bank should be disposable.
2. In case of limit increase KELER CCP debits the non-clearing member's current account at the Settlement bank with the necessary amount, in case of limit decrease KELER CCP credits the non-clearing member's current account at the Settlement bank.

KELER CCP executes the limit increase requested before 17:00 p.m. CET, provided the requested amount on the non-clearing member's current account at the Settlement bank is disposable. If the amount is disposable the limit increase will be executed the same day, at the latest until the clearing day's end. If the limit modification is requested after 17:00 p.m. CET the trading limit modification will be executed on the next clearing day. The limit decrease will be executed no later than the end of the given clearing day with regard to requests received by 11:00 (CET) on the given day.

For **Serbian** resident energy market non-clearing members:

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.

## 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 email. Therefore, it is important that the appropriate contact email addresses are provided to KELER CCP, in case of any modification, please let us know by sending an email to [limits@kelerkszf.hu](mailto:limits@kelerkszf.hu) as soon as possible.

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, trading limit can be modified according to your request only after the new trading limit has been set.

Budapest, 1 February 2021

KELER CCP Ltd.