



# **Detailed Clearing and Settlement Rules of the Exchange Clearing House**

These rules come into force on 10 December 2021.

## Table of Contents

<b>DEFINITIONS</b> .....	<b>4</b>
<b>GENERAL PROVISIONS</b> .....	<b>11</b>
<b>CLEARING HOUSE MEMBERSHIP</b> .....	<b>11</b>
<b>TRANSACTION CLEARING LIQUIDITY GUARANTEE SYSTEM</b> .....	<b>14</b>
CLEARING OF BENEFITS RESULTING FROM A POSITIVE INTEREST RATE AND COSTS RESULTING FROM A NEGATIVE INTEREST RATE ON THE CASH ACCUMULATED IN THE TRANSACTION CLEARING LIQUIDITY GUARANTEE SYSTEM .....	15
TRANSACTION MARGINS .....	16
DELIVERY MARGIN .....	20
HISTORIC MARGIN .....	21
TRANSACTION LIMIT .....	23
COLLATERAL MARGINS FOR FIM/RTP .....	32
NON-CASH COLLATERAL REGISTER .....	45
NON-CASH COLLATERAL CONCENTRATION LIMIT .....	59
GUARANTEE FUND .....	63
<b>RULES OF CONDUCT IN THE EVENT OF AN INFRINGEMENT</b> .....	<b>65</b>
<b>REGISTRATION OF OPERATIONS RELATED TO TRADING IN COMMODITIES</b> .....	<b>66</b>
<b>BREAKDOWN OF FORWARD CONTRACT POSITIONS FROM FIM/RTP FOR TRADING IN GAS</b> .....	<b>69</b>
<b>METHOD AND PROCEDURE FOR THE CLEARING OF TRANSACTIONS</b> .....	<b>70</b>
GENERAL PROVISIONS .....	70
RULES FOR DETERMINING THE AMOUNT OF RECEIVABLES AND LIABILITIES UNDER TRANSACTIONS EXECUTED ON DAM .....	72
RULES FOR DETERMINING THE AMOUNT OF RECEIVABLES AND LIABILITIES UNDER TRANSACTIONS EXECUTED ON IDM .....	72
RULES FOR DETERMINING THE AMOUNT OF RECEIVABLES AND LIABILITIES UNDER TRANSACTIONS ENTERED INTO ON FIM/RTP .....	73
RULES FOR DETERMINING THE AMOUNT OF RECEIVABLES AND LIABILITIES UNDER TRANSACTIONS ENTERED INTO ON PRM. ....	74
RULES FOR DETERMINING THE AMOUNT OF RECEIVABLES AND LIABILITIES UNDER TRANSACTIONS ENTERED INTO ON DAMG AND IDMg	75
<b>METHOD AND PROCEDURE OF THE SETTLEMENT OF TRANSACTIONS</b> .....	<b>75</b>
RULES FOR EXCHANGE OF INFORMATION BETWEEN THE CLEARING HOUSE, THE SETTLEMENT BANK AND THE CLEARING BANK .....	76
SERVICES FOR CLEARING MEMBERS AS PART OF CASH SETTLEMENT .....	80
ELECTRICITY SETTLEMENT.....	82
SETTLEMENT OF PROPERTY RIGHTS TO CERTIFICATES OF ORIGIN IN THE PROPERTY RIGHTS MARKET .....	83
SUSPENSION OF TRANSACTION CLEARINGS. A STANDARD PROCEDURE IN THE EVENT OF LACK OF SUFFICIENT QUANTITY OF PROPERTY RIGHTS TO CERTIFICATES OF ORIGIN ON THE ACCOUNT OF THE CERTIFICATE OF ORIGIN REGISTER MEMBER. A BUY TRANSACTION OF THE MISSING QUANTITY OF PROPERTY RIGHTS TO CERTIFICATES OF ORIGIN ON TGE AS AN OTC OR PRM SESSION TRANSACTION ...	84
THE BUY TRANSACTION OF THE MISSING PROPERTY RIGHTS TO CERTIFICATES OF ORIGIN ON PRM AS AN OTC.....	85
PROCEDURE AFTER BUYING ADDITIONAL PROPERTY RIGHTS TO CERTIFICATES OF ORIGIN .....	85
GAS SETTLEMENT .....	86
SETTLEMENT AND CLEARING OF ELECTRICITY TRADING TRANSACTIONS ENTERED INTO ON EXCHANGES AND EXECUTED OUTSIDE THE DOMESTIC SYSTEM.....	86
<b>OTHER OPERATIONS</b> .....	<b>88</b>
POSITION TRANSFER .....	88
THE CLEARING HOUSE’S ACTIONS IN THE EVENT OF CONGESTIONS OF ELECTRICITY OR GAS CONSUMPTION OR DELIVERIES .....	90

THE CLEARING HOUSE’S ACTIONS IN THE CASE OF SUSPENDED PROVISION OF TRANSMISSION SERVICES BY ETSO OR GTSO TO A CLEARING HOUSE MEMBER OR IN THE CASE OF TERMINATION OF AN AGREEMENT WITH A CLEARING HOUSE MEMBER BY THE ENTITY PROVIDING A SCHEDULING UNIT OR A SHIPPER CODE TO THE CLEARING HOUSE MEMBER .....	92
THE CLEARING HOUSE’S ACTIONS IF ETSO OR GTSO DOES NOT ACCEPT TRANSACTIONS IN ELECTRICITY OR GAS FOR PHYSICAL EXECUTION .....	93
<b>APPENDIX 1 TO THE DETAILED CLEARING AND SETTLEMENT RULES OF THE EXCHANGE CLEARING HOUSE - CLEARING SCHEDULE.....</b>	<b>94</b>
<b>APPENDIX 2 TO DETAILED CLEARING AND SETTLEMENT RULES OF THE EXCHANGE CLEARING HOUSE. - INVOICING SCHEDULE .....</b>	<b>95</b>
<b>APPENDIX 3A TO DETAILED CLEARING AND SETTLEMENT RULES OF THE EXCHANGE CLEARING HOUSE – FORM OF DECLARATION FOR THE CALCULATION OF THE TRANSACTION LIMIT DEDICATED TO THE IDM (XBID).....</b>	<b>97</b>
<b>APPENDIX 3B TO DETAILED CLEARING AND SETTLEMENT RULES OF THE EXCHANGE CLEARING HOUSE – FORM OF DECLARATION FOR THE CALCULATION OF THE TRANSACTION LIMIT DEDICATED TO THE EXCHANGE MEMBER REPRESENTATIVE .....</b>	<b>98</b>

## Definitions

- 1) **Clearing Bank** – bank providing Clearing House Members, under an agreement with the Clearing House, the Settlement Bank and agreements with Clearing House Members, with financial services associated with the settlement of Transactions executed by them on the exchange;
- 2) **Settlement Bank** – bank providing the Clearing House, under an agreement with the Clearing House and agreements with Payer Banks of Clearing House Members, with financial services associated with the settlement of Transactions executed on the exchange;
- 3) **Exchange Member** – entity that has entered into a membership agreement with the Exchange;
- 4) Clearing House Member – entity that has entered into a membership agreement with IRGiT;
- 5) **Delivery Day** – day on which a commodity sold or purchased on the Trading Day is delivered or accepted;
- 6) **Day N** – day on which the clearing of Transactions is performed by the Clearing House. The days preceding or following Day N are denoted as N-1 or N+1, respectively;
- 7) **Trading Day** – the day on which the session on which exchange commodities are quoted is held;
- 8) **Gas** – gaseous fuels referred to in art. 3 item 3 a) of the Energy Law, i.e. an exchange commodity admitted for trading on the Commodity Exchange Market in accordance with the relevant internal regulations of the Exchange;
- 9) **exchange** – Commodity Exchange Market within the meaning of the Regulations;
- 10) **Exchange, TGE** – Towarowa Gielda Energii S.A.;
- 11) **Power Group** – Power Group within the meaning of the Regulations.
- 12) **Schedule** – detailed plan of cash settlement conducted by the Clearing House, forming Appendix 1 hereto;
- 13) **IRGiT** – Izba Rozliczeniowa Giełd Towarowych S.A. with its registered office in Warsaw;
- 14) **IRiESPe** – Instruction of Transmission System Operation and Maintenance drawn up by the eTSO;
- 15) **IRiESPg** – The Transmission Network Code drawn up by the gTSO

- 16) **Clearing House** – exchange clearing house (within the meaning of the Act) operated by IRGiT SA;
- 17) **Scheduling Unit** – the basic object of the balancing market within the meaning of IRiESPe, assigned by eTSO or provided to: a Clearing House Member, a Clearing House Member's client or Exchange Member represented by a Clearing House Member in accordance with regulations applicable on the Exchange in order to physically carry out the supply of electricity;
- 18) **Shipper Code (ZUP)** – a code used to identify the Principal of the Transmission Service defined in IRiESPg assigned by the gTSO or provided to: a Clearing House Member, a Clearing House Member's client or Exchange Member represented by a Clearing House Member in accordance with regulations applicable on the Exchange in order to physically carry out the supply of gas;
- 19) **SWIFT messages** – messages sent between banks participating in the settlement process consistent with the standards published by the Society for Worldwide Interbank Financial Telecommunication;
- 20) **Physical delivery account** – recording device used to register the volume of Positions subject to delivery;
- 21) **Trading account** – recording device used to register Positions in exchange commodities maintained by IRGiT according to the Clearing House Member's code, the code of the Clearing House Member's client or Exchange Member represented by a Clearing House Member, the code of the exchange commodity series, the activity type code;
- 22) **Clearing account** – recording device used to determine liabilities and receivables arising from the clearing of Transactions concluded on the exchange and the updating of required collateral margins, maintained by IRGiT according to the Clearing House Member's code, the code of the Clearing House Member's client or Exchange Member represented by a Clearing House Member;
- 23) **Settlement account** – recording device used to register the value of Clearing House Member's liabilities and receivables, based on which the Clearing House prepares payment orders forwarded to the Clearing Bank for financial settlement of Transactions cleared by the Clearing House;
- 24) **Collateral pledged account** – recording device used to register the total value of collateral provided by a Clearing House Member in the form of cash deposited in transaction margin bank sub-accounts and collateral margin sub-accounts maintained in the Settlement Bank or deposited by the Clearing House on another account of the Clearing House, as referred to in § 5 sec. 5, as well as in Clearing Bank Accounts

- maintained in the Clearing Bank in accordance with the Clearing House's regulations and in the form of non-cash collateral entered in the Non-Cash Collateral Register;
- 25) **Forward contract** – a forward contract within the meaning of the Regulations;
  - 26) **Domestic System** – set of devices understood in accordance with Article 3 item 33 of the Energy Law, operating within domestic energy policy.
  - 27) **Average EUR exchange rate** – the Euro exchange rate expressed in Polish zloty, calculated and published by the National Bank of Poland in accordance with the Resolution of the Management Board of the National Bank of Poland in the matter of the method for calculating and announcing current foreign exchange rates;
  - 28) **Transaction Limit** – a limit consisting of the Basic Transaction Limit, Transaction Limit dedicated to the IDM and Exchange Member Representative Transaction Limits;
  - 29) **Exchange Member Representative Transaction Limit** – a portion of the Transaction Limit declared and separated by a Clearing House Member, acting as a representative of an Exchange Member, made up of the Exchange Member Representative Basic Transaction Limit and the Exchange Member Representative Transaction Limit dedicated to the IDM;
  - 30) **Transaction Limit dedicated to the IDM** – a portion of the Transaction Limit declared and separated based on a Clearing House Member's declaration, defining the maximum aggregate value of purchase Transactions (in the case of positive prices) and/or the maximum aggregate value of sale Transactions (in the case of negative prices) that may be concluded by an Exchange Member on the IDM from 2:00 p.m. on Day N to 2:00 p.m. on Day N+1;
  - 31) **Exchange Member Representative Transaction Limit dedicated to the IDM** – a portion of the Exchange Member Representative Transaction Limit declared by the Clearing House Member and separated, defining the maximum aggregate value of purchase Transactions (in the case of positive prices) and/or the maximum aggregate value of sale Transactions (in the case of negative prices) that may be concluded by the Exchange Member represented by such entity on the IDM from 2:00 p.m. on Day N to 2:00 p.m. on Day N+1;
  - 32) **Nomination** – nomination defined in IRIESPg;
  - 33) **eTSO or the Power Transmission System Operator** – Polskie Sieci Elektroenergetyczne Spółka Akcyjna with its registered office in Konstancin-Jeziorna;
  - 34) **gTSO or the Gas Transmission System Operator** – Operator Gazociągów Przesyłowych GAZ-SYSTEM Spółka Akcyjna with its registered office in Warsaw;
  - 35) **OTF** – OTF within the meaning of the Regulations;

- 36) **Foreign Entity** – a Clearing House Member with its registered seat abroad, acting in the territory of the Republic of Poland;
- 37) **Basic Transaction Limit** – a portion of the Transaction Limit remaining after separating, on the basis of a declaration of the Clearing House Member: the Transaction Limit dedicated to the IDM, and Exchange Member Representative Transaction Limit, defining the maximum aggregate value of purchase Transactions (in the case of positive prices) and/or the maximum aggregate value of sale Transactions (in the case of negative prices) that may be concluded on Day N on the Day-Ahead Market (DAM), Day-Ahead Market for gas (DAMg), Intra-Day Market for gas (IDMg) and Property Rights Market (PRM) by the given Clearing House Member, excluding Transactions concluded on the DAM covered by the historic margin;
- 38) **Exchange Member Representative Basic Transaction Limit** – a portion of the Exchange Member Representative Transaction Limit remaining after separating, on the basis of a declaration of the Clearing House Member, the Exchange Member Representative Transaction Limit dedicated to the IDM, defining the maximum aggregate value of purchase Transactions (in the case of positive prices) and/or the maximum aggregate value of sale Transactions (in the case of negative prices) that may be concluded on Day N on the Day-Ahead Market (DAM), Day-Ahead Market for gas (DAMg), Intra-Day Market for gas (IDMg) and Property Rights Market (PRM) by the represented Exchange Member, excluding Transactions concluded on the DAM covered by the historic margin;
- 39) **Positions** – exchange commodities registered on Trading Accounts as a result of transactions, accepted for clearing, of the acquisition or disposal of a given series of exchange commodities or transactions executed as part of the clearing guarantee system operated by the Clearing House;
- 40) **Property Rights to Certificates of Origin** – property right to certificates of origin, within the meaning of the Energy Law, within the meaning of the Act on Renewable Energy Sources, and property rights under energy efficiency certificates, within the meaning of the Energy Efficiency Act;
- 41) **Transaction margin bank account** – account kept for the House in the Settlement Bank with sub-accounts dedicated to Clearing House Members in which funds constituting transaction margins provided by Clearing House Members are posted;
- 42) **Collateral margin bank account** – account kept for the Clearing House in the Settlement Bank with sub-accounts dedicated to Clearing House Members in which funds constituting transaction margins for FIM/RTP provided by Clearing House Members are posted;

- 43) **Clearing Bank Account** – account of a Clearing House Member in the Clearing Bank used to handle cash settlements for Transactions executed in the DAM, IDM, DAMg, IDMg, PRM and FIM/RTP and to update collateral margins for FIM/RTP;
- 44) **Clearing House’s settlement bank account** – account kept for the Clearing House in the Settlement Bank, dedicated to handling interbank transfers during cash settlements and updating the required collateral margins;
- 45) **Technical bank account** – account kept for the Clearing House in the Clearing Bank, dedicated to handling cash settlement and updating the required collateral margins;
- 46) **Payments Confirmation Report** – report sent by the Clearing House to the Clearing Bank on every business day containing information on payments of individual Clearing House Members on account of the clearing of Transactions executed on the exchange and updating the required collateral margins;
- 47) **Clearing Report** – report available to a Clearing House Member in the Clearing System, containing the values of margins and payments on a given day on account of the clearing of Transactions executed on the exchange, the value of the transaction Limit and the value of pledged collateral;
- 48) **IDM** – Intra-Day Market operated by the Exchange;
- 49) **IDMg** – Gas Intraday Market operated by the Exchange;
- 50) **DAM** – Day-Ahead Market operated by the Exchange;
- 51) **DAMg** – Gas Day-Ahead Market operated by the Exchange;
- 52) **Regulations** – Regulations of the Exchange Clearing House (Commodity Market);
- 53) **TGE Regulations** – Trading Regulations of the TGE Commodity Exchange Market;
- 54) **Certificate of Origin Register** – a register of certificates of origin operated by an authorized entity on the basis of legal regulations in effect in this respect;
- 55) **Non-Cash Collateral Register** – register kept by the Clearing House used for recording non-cash collateral specified by IRGiT, constituting collateral for payment of Clearing House Member’s and their clients’ or represented Exchange Members’ liabilities towards collateral margins and transaction margins;
- 56) **Clearing Member** – an entity, which has obtained membership in the Clearing House by the power of a resolution adopted by the IRGiT Management Board and has been admitted by the Clearing House to the clearing of Transactions concluded on the exchange;



- 57) **clearing** – process of establishing Positions, including the calculation of net liabilities, and ensuring that exchange commodities or cash are available to secure the exposures arising from such Positions, occurring from the moment the Clearing House accepts a Transaction for clearing in accordance with the Regulations until the moment the Clearing House or another authorized entity performs settlement;
- 58) **settlement** – performance of a transaction on exchange commodities cleared by the Clearing House, through a transfer of cash or a delivery of exchange commodities in accordance with the rules laid down in the Regulations;
- 59) **PRM** – Market for Property Rights to Certificates of Origin operated by the Exchange;
- 60) **FIM/RTP** – the Electricity Forward Market (EFM) and the Gas Forward Market (GFM), within which forward contracts are traded on the OTF, operated by the Exchange;
- 61) **contract series** – contract of a specific standard and period of performance;
- 62) **Clearing system** – collection of devices and software, in particular specialized computer software used for running the Transaction clearing process and preparing Clearing Reports, shared by the Clearing House with authorized users of the system;
- 63) **TGeBase** – the TGeBase index calculated by TGE in accordance with the Detailed rules for trading and clearing of electricity on the Day-Ahead Market;
- 64) **TGEgasDA** – the TGEgasDA index calculated by TGE in accordance with the Detailed rules for trading and clearing of gas on the Gas Day-Ahead Market and the Gas Intraday Market;
- 65) **TGeOffpeak** – the TGeOffpeak index calculated by TGE in accordance with the Detailed rules for trading and clearing of electricity on the Day-Ahead Market;
- 66) **TGePeak** – the TGePeak index calculated by TGE in accordance with the Detailed rules for trading and clearing of electricity on the Day-Ahead Market;
- 67) **TOE** – means the ton of oil equivalent within the meaning of the Energy Efficiency Act;
- 68) **exchange commodity** – is understood as the exchange commodity within the meaning of the Regulations;
- 69) **Transaction** – a sale agreement for exchange commodity concluded on the exchange, where a Clearing House Member is a party to clearing operations;
- 70) **Over-the-Counter Transaction** – a sale agreement for exchange commodity concluded outside of an exchange session, where a Clearing Member is a party to clearing operations;

- 71) **Act** – the Act of 26 October 2000 on Commodity Exchanges (consolidated text: Journal of Laws of 2005 No. 121 Item 1019, as amended);
- 72) **Energy Efficiency Act** – is understood to mean the Act of 15 April 2011 on Energy Efficiency (Journal of Laws of 2011, No. 94 Item 551, as amended);
- 73) **Act on Renewable Energy Sources** – is the Act of 20 February 2015 on Renewable Energy Sources (Journal of Laws of 2015, Item 478, as amended);
- 74) **Energy Law Act** – is understood to mean the Act of 10 April 1997 Energy Law (Journal of Laws of 2006, No. 89 Item 625, as amended);
- 75) **Foreign clearing house** – an entity acting individually in relation to the Clearing House, which clears electricity trading Transactions entered into outside the Domestic System;
- 76) **Order** – a purchase or sale offer made by an Exchange Member for exchange commodities on the exchange.

**CHAPTER I**  
**GENERAL PROVISIONS**

§ 1

1. These Detailed Clearing and Settlement Rules of the Exchange Clearing House. (hereinafter also "Detailed Clearing and Settlement Rules") have been approved by the IRGiT Management Board in order to lay down the detailed rules for conducting the clearing and settlement process of Transactions executed on the Exchange, in accordance with the Regulations.
2. Detailed rules for the clearing and settlement process of Transactions concluded on the exchange in respect of the Agricultural Commodity Market are laid down in the separate Detailed Clearing and Settlement Rules for this market.

§ 2

The IRGiT SA Management Board is entitled to amend these Detailed Clearing and Settlement Rules in whole or in part, at any time, on the terms set out in § 3 of the Regulations.

§ 3

The provisions and definitions set forth in the Regulations are applicable to the terms used in these Detailed Clearing and Settlement Rules, unless they were defined in these Detailed Clearing and Settlement Rules.

**CHAPTER II**  
**CLEARING HOUSE MEMBERSHIP**

§ 4

1. The following may be Clearing House Members on the terms and conditions specified in the Regulations:
  - a) companies operating the Commodity Exchange Market,
  - b) commodity brokerage houses,
  - c) brokerage houses,
  - d) domestic financial institutions other than those enumerated in items (a)-(c), in particular banks if their membership is aimed at cooperating the Clearing House in the clearing of Transactions executed on Commodity Exchange Markets,

- e) power companies,
  - f) foreign legal entities referred to in Article 50 sec. 1 of the Act conducting brokerage activities of trading in exchange commodities in the territory of the Republic of Poland in the form of a branch.
  - g) companies running an exchange clearing house with their registered office in a member state of the European Union, the Swiss Confederation or in a member state of the European Free Trade Agreement (EFTA) – parties to the Agreement on the European Economic Area.
2. Clearing House membership is acquired by way of a resolution adopted by the IRGiT Management Board accepting the application of the interested entity for executing a membership agreement.
3. The application referred to in sec. 2 shall be prepared in accordance with the form defined by the Clearing House.
4. In the application referred to in sec. 2, the Applicant shall indicate the type of its activity. The presentation distinguishes between the following activities:
- a) activity on one's own account – when a Clearing House Member assumes responsibility for the discharge of liabilities arising from the clearing of Transactions executed by the said Clearing House Member on its own account,
  - b) activity on client's account – when a Clearing House Member assumes responsibility for the discharge of liabilities arising from the clearing of Transactions executed by the said Clearing House Member on its client's account,
  - c) as a representative of an Exchange Member - if a Clearing House Member assumes responsibility for discharge of liabilities arising from clearing of Transactions concluded by another entity.
- It is permitted to indicate more than one type of activity.
5. An Exchange Member represented by a Clearing House Member on the rules laid down in sec. 4 letter c) may not be at the same time a Clearing House Member. An Exchange Member may be represented by only a single Clearing House Member.
6. A Clearing House Member which intends to act as a representative of an Exchange Member is required to attach to the application for executing a House membership agreement a written declaration of the entity which it intends to represent as a party to clearing in which the said entity agrees to the Exchange Member's discharge of the obligations arising from the clearing of Transactions executed by it.

7. For a Clearing House Member which intends to conduct activity on its own account and at the same time conduct activity on the account of a client or as an Exchange Member representative, the Clearing House shall create two separate account sets in the Clearing System, pursuant to the provisions of §39 and § 40, one for the activity conducted by the given Clearing House Member on its own account and the other one for the activity other than activity conducted on own account.
8. The Clearing House sets up the accounts referred to in §39 and § 40 for a Clearing House Member acting solely on its own account on the basis of an application for executing a Clearing House membership agreement. A Clearing House Member acting on client's account or as an Exchange Member representative will submit to the Clearing House a separate application to open relevant accounts in the Clearing System.
9. A Clearing House Member shall name, in the application for executing a Clearing House membership agreement, an entity that will act for it as the Clearing Bank. A Clearing House Member which intends to act on its own account and at the same time act on client's account or as an Exchange Member representative is required to open two bank accounts in the Clearing Bank: one dedicated for the activity on its own account and the other one for activity other than activity conducted on own account.
10. The Clearing House clears Transactions, for the clearing of which a given Clearing House Member is responsible, provided that, at the time of execution of such Transactions, the said Member has the status of a Clearing Member in accordance with the rules set out in the Regulations. A Clearing House Member which intends to act on its own account and at the same time act on the account of a client or as an Exchange Member representative is required to obtain the status of a Clearing Member for each type of its activity.
11. A Clearing House Member is obligated to sign with the Clearing House an agreement authorizing the buyer to issue invoices, correction invoices and duplicate invoices on behalf and for the supplier, on the basis of which the Clearing House provides the self-billing service.
12. The membership agreement may be amended by way of an application submitted by the Clearing House Member in accordance with the form defined by the Clearing House and requires approval by the IRGiT Management Board.
13. The membership agreement may be terminated by the Clearing House Member in writing only. A Clearing House Member may terminate its Clearing House membership agreement with fourteen days' notice, effective at the end of the relevant calendar month. A Clearing House Member which has unilaterally terminated its Clearing House membership agreement shall take actions aimed at closing its Positions opened as a

result of Transactions executed on the exchange for the clearing of which it is responsible or shall transfer such Positions to another Clearing Member. Such Positions shall be closed or transferred by the end date of the termination notice period. Unilateral termination of a Clearing House membership agreement shall not result in the forfeiture of the Clearing Member status in respect of Transactions executed on the exchange until the termination of the said agreement or the expiration of other obligations related to this status.

## **CHAPTER III**

### **TRANSACTION CLEARING LIQUIDITY GUARANTEE SYSTEM**

#### **§ 5**

1. The clearing guarantee system operated by the Clearing House consists of:
  - a) transaction margins, which consist of a delivery margin, historic margin and Transaction Limit taking into account the Basic Transaction Limit, the Transaction Limit dedicated to the IDM and the Exchange Member Representative Transaction Limit,
  - b) collateral margins for forward contracts, comprised of the initial margin and the variation margin,
  - c) Guarantee Fund.
2. The Clearing House creates and manages a clearing liquidity guarantee system for Transactions executed on the exchange based on the cash collected in the Transaction Margin Sub-Accounts and the Collateral Margin Sub-Accounts of the Clearing House Members in the Settlement Bank and based on recognized non-cash collateral entered in the Non-Cash Collateral Register, subject to the provisions of sec. 3 and 5.
3. In the case of Clearing House Members which have obtained the consent of the IRGiT Management Board referred to in § 11 sec. 2 of the Regulations, the Clearing House may recognize the indicated Clearing Bank Account kept in the Clearing Bank as the Transaction Margin Bank Account or the Collateral Margin Account.
4. Deposits into and withdrawals from the Transaction Margin Sub-Account are made by the Clearing House Member and shall affect directly the Basic Transaction Limit. Cash collected in the Collateral Margin Sub-Account shall be updated automatically, based on payment orders submitted by IRGiT on every business day.

5. The IRGiT Management Board may, in exceptional circumstances, adopt a resolution to temporarily transfer, for a defined term, the funds referred to in sec. 2 to the Clearing House's collective account kept by a bank other than the Settlement Bank and define detailed rules of procedure in such situation.

## § 6

1. Each Clearing House Member has a Collateral Pledged Account in the Clearing System reflecting the current balance of collateral pledged for Transactions for the clearing of which it is responsible.
2. On every business day following the completion of clearings by 6:30 p.m., the balance of the Collateral Pledged Account shall be updated based on the provided cash and recognized non-cash collateral.
3. Before every Trading Day, the Clearing House shall send to the Exchange the current Basic Transaction Limits and Exchange Member Representative Basic Transaction Limits set for the next session for the respective Clearing Members and Exchange Members represented by Clearing House Members.
4. Transaction Limits dedicated to the IDM and Exchange Member Representative Transaction Limits are set for the period, in which instruments are quoted on the IDM. These limits are updated and sent to the Exchange on Day N up to 2:00 p.m. and after the completion of clearing of Transactions concluded on the IDM between 1:00 p.m. on Day N-1 and 1:00 p.m. on Day N. In extraordinary situations, such limits may be sent to the Exchange after 2:00 p.m.

### **Clearing of benefits resulting from a positive interest rate and costs resulting from a negative interest rate on the cash accumulated in the Transaction clearing liquidity guarantee system**

## § 7

1. Benefits resulting from a positive interest rate on cash contributed by Clearing Members to Collateral Margin Sub-Accounts in the Settlement Bank shall be transferred to Clearing House Members on the business day following the date of their receipt during the collateral margin update, by reducing or increasing the amount resulting from the margin update. The costs resulting from a negative interest rate on cash contributed to the collateral margin sub-accounts shall be deducted from the cash contributions to the collateral margin of each Clearing House Member.

2. Until Clearing House Members receive the benefits referred to in sec. 1 above, they shall be counted towards the contribution of the collateral margin of a given Clearing House Member.
3. Benefits resulting from a positive interest rate on cash contributed by Clearing House Members to Transaction Margin Sub-Accounts in the Settlement Bank shall be counted towards the contribution of the transaction margin of a given Clearing House Member. The costs resulting from a negative interest rate on cash contributed to the transaction margin sub-accounts shall be deducted from the cash contributions to the transaction margin of each Clearing House Member.
4. Benefits resulting from a positive interest rate and costs resulting from a negative interest rate on cash contributed by Clearing House Members to the account of the Guarantee Fund shall be accounted for in accordance with § 45f of the Regulations.
5. With respect to Clearing House Members for which the IRGiT Management Board has given the consent referred to in § 11 sec. 2 of the Regulations, benefits resulting from a positive interest rate on the cash contributed by such Members and held in the Clearing Bank Accounts shall be counted towards payment for the transaction margin and the collateral margin. The costs resulting from a negative interest rate shall reduce these payments.
6. The value of benefits obtained from a positive interest rate on cash contributed by Clearing House Members to the clearing guarantee system shall be reduced in accordance with the applicable laws by the amount of tax due. Tax on interest rate benefits on cash contributed by Clearing House Members to Collateral Margin Sub-Accounts and to Transaction Margin Sub-Accounts shall be withdrawn in the first week of every month for the previous month, while tax on benefits in the form of cash contributed to the Guarantee Fund shall be withdrawn on a quarterly basis together with the update of contributions to this Fund.

## **Transaction margins**

### **§ 8**

1. Transaction margins are designed for collateralization of cash settlements and liabilities on account of changes to the value of collateral margins.
2. The value of transaction margins is the sum of cash contributed towards the required delivery margin, the required historic margin and cash contributed towards the Transaction Limit.



3. The Clearing House requires a Clearing Member to maintain the minimum value of transaction margins which, subject to sec. 4, depending on the market on which it conducts business, is:
  - a) for the PRM: PLN 0,
  - b) for the DAMg and IDMg: PLN 0,
  - c) for the DAM and IDM: PLN 20,000,
  - d) for the FIM/RTP: PLN 50,000.
  
4. If a Clearing House Member conducts activity on more than one market, the minimum value of transaction margins is calculated as determined for the market with the highest required minimum value of transaction margins pursuant to sec. 3.

#### § 9

1. Cash contributed towards the transaction margin by a Clearing House Member is collected separately for activity conducted on one's own account and separately for activity other than activity conducted on own account, in the Transaction Margin Sub-Account dedicated to the said Clearing House Member in the Settlement Bank and in the Non-Cash Collateral Register, subject to § 5 sec. 3 and 5.
2. Payments to a Transaction Margin Sub-Account are made without the need to obtain the Clearing House's prior approval.
3. Withdrawals of cash contributed towards the transaction margin shall be made on business days at the request of a Clearing Member, subject to prior approval by the Clearing House.
4. An order to withdraw cash contributed towards the transaction margin shall be executed no later than on the business day immediately following the date of submission of the pertinent instruction by the Clearing House Member in the Settlement Bank's electronic banking system or, in the case referred to in § 5 sec. 3, in the Clearing Bank's electronic banking system, along with approval of the instruction by persons authorized by the pertinent Clearing House Member.
5. The transfer instruction referred to in sec. 4 above may also be submitted by sending, by e-mail to the address of the Clearing and Settlement Department or on paper to the address of the Clearing House, a letter containing a request for the withdrawal of cash along with an indication of the withdrawal amount and the number of the Clearing Bank Account in the Clearing Bank or an alternative account number if the consent of the IRGiT Management Board referred to in sec. 6 has been obtained. The transfer order

must be signed by the persons authorized to represent the company, while in the case of a letter sent by e-mail, the Clearing House accepts electronic signature.

6. The IRGiT Management Board, at the request of the Clearing House Member, may, by way of a resolution, consent to the placement, by such Clearing House Member, of orders to withdraw cash from the transaction margin sub-account to the bank account specified in the request, kept in PLN by a domestic bank established in Poland ("alternative account number").
7. The IRGiT Management Board is entitled to refuse to give consent for the Clearing House Member to use an alternative account number for the withdrawals referred to in sec. 6 or to revoke such consent if any event has occurred that, in IRGiT's opinion, may have an adverse impact on the security of clearings.
8. The Clearing House verifies the payment orders referred to in sec. 3 submitted by Clearing Members, while applying the following rules:

- a) In the case of an order from a Clearing House Member acting on its own account or a Clearing House Member conducting activity other than activity conducted on own account, which has not obtained the consent referred to in §11 sec. 2 of the Regulations, the consent for the withdrawal shall be given if the following condition is fulfilled:

$$W\acute{S}DT - WW - DWLT - LT_{IDM} + \min(BM; 0) + \min(SM; 0) \geq \max(DD + \acute{S}PDH; MWDT)$$

where:

- W $\acute{S}$ DT* – value of cash in the transaction margin sub-account in the Settlement Bank,
- WW* – value of the withdrawal in the order submitted by the Clearing Member,
- DWLT* – sum of the value of the Exchange Member Representative Transaction Limits,
- LT<sub>IDM</sub>* – value of the Transaction Limit dedicated to the IDM,
- MB* – value of the balance of liabilities or receivables resulting from the clearing of Transactions, as scheduled for payment on the nearest business day,
- SM* – value of the balance of liabilities or receivables resulting from the clearing of Transactions, as scheduled for payment on the second nearest business day,
- DD* – required value of the delivery margin referred to in § 10,
- \acute{S}PDH* – value of the required cash to cover the historic margin referred to in § 11,
- MWDT* – minimum value of the transaction margin referred to in § 8 sec. 3 and sec. 4.

- b) In the case of an order from a Clearing House Member, which has obtained the consent referred to in §11 sec. 2 of the Regulations, the consent for the withdrawal shall be given if the following conditions are fulfilled:

$$W\acute{S} - WW - DWLT - W\acute{S}DZ - LT_{IDM} + \min(BM; 0) + \min(SM; 0) \geq MWDT$$

$$W\acute{S} - WW \geq PLN 0$$

where:

- W $\acute{S}$*  – value of cash on the Clearing Bank Account in the Clearing Bank,
- WW* – value of the withdrawal in the order submitted by the Clearing Member,
- DWLT* – sum of the value of the Exchange Member Representative Transaction Limits,
- LT<sub>IDM</sub>* – value of the Transaction Limit dedicated to the IDM,
- W $\acute{S}DZ$*  – value of cash required for the collateral margins,
- DWLT* – value of the balance of liabilities or receivables resulting from the clearing of Transactions, as scheduled for payment on the nearest business day,
- DWLT* – value of the balance of liabilities or receivables resulting from the clearing of Transactions, as scheduled for payment on the second nearest business day,
- MWDT* – minimum value of the transaction margin referred to in § 8 sec. 3 and sec. 4.

9. The consent for withdrawal shall be given if all required signatures are affixed by persons authorized to issue cash transfer instructions from the Transaction Margin Sub-Account in the Settlement Bank dedicated to the pertinent Clearing House Member or, in the case referred to in §5 sec. 3, from the Clearing Bank Account of brokerage houses and commodity brokerage houses in the Clearing Bank.
10. In the case of an order from a Clearing House Member acting on its own account or a Clearing House Member conducting activity other than activity conducted on own account, which has not obtained the consent referred to in §11 sec. 2 of the Regulations, the consent for the withdrawal is given after the fulfillment of the criteria described in sec. 8(a) and if the indicated account number to which the cash will be transferred is the number of the Clearing Member's Clearing Bank Account or an alternative account number referred to in sec. 6.
11. In the case of an order from a Clearing House Member, which has obtained the consent referred to in §11 sec. 2 of the Regulations, the consent for the withdrawal is given subject to the fulfillment of the criteria described in sec. 8(b), if the indicated account number to which the cash will be transferred is the number of the bank account dedicated to the transfer of orders to withdraw cash from the Clearing Member's Clearing Bank Account.
12. Orders for the withdrawal of cash contributed to the transaction margin shall be approved on business days between 4:00 p.m. and 4:30 p.m., provided that an e-mail is sent by 4:00 p.m. to the address of the Clearing and Settlement Department or, in emergencies, a text message (SMS) is sent to the telephone of the Operator of the

Clearing and Settlement Department, containing a notice of submission of the order and provided that the conditions set forth in sec. 4-9 have been fulfilled.

13. The Clearing House does not execute withdrawals of funds, which would reduce directly the value of the limits declared by the Clearing House Member. In order to withdraw the funds separated for the purposes of the Transaction Limit dedicated to the IDM or Exchange Member Representative Transaction Limit, a Clearing House Member is obligated to reduce the declared value of the limit by sending an appropriate instruction to change its amount, and then make a withdrawal order referred to in § 9 sec. 4.

## **Delivery margin**

### § 10

1. A Clearing Member shall be required to contribute and maintain the delivery margin for forward contracts for electricity and Gas in the amount specified by the Clearing House in the Transaction Margin Sub-Account dedicated to the said Clearing House Member in the Settlement Bank, subject to § 5 sec. 3 and 5. In the case of the Clearing House Members conducting activity on their own account and at the same time activity other than activity conducted on own account, the delivery margin shall be defined separately for these types of activity. Brokerage Houses and Commodity Brokerage Houses which have obtained the consent referred to in §11 sec. 2 of the Regulations are exempted from the obligation to provide the delivery margin for the activity other than activity conducted on own account.
2. Cash collected by a Clearing House Member as a delivery margin and historic margin ensures the coverage of liabilities in the event that the Clearing Bank reserves a payment order on account of a delivery of exchange commodities as referred to in § 55 sec. 2. The Brokerage Houses and Commodity Brokerage Houses, which have obtained the consent referred to in §11 sec. 2 of the Regulations, are obligated to review and ensure the coverage of orders according to the rules laid down in § 37 sec. 11 of the Regulations.
3. The required delivery margin for forward contracts for electricity and Gas is determined separately for activity conducted on own account and for activity other than activity conducted on own account conducted by a Clearing House Member using the following algorithm:

the value of the required delivery margin for each Clearing Member for a given month is equal to twice the maximum daily value of liabilities arising as a result of deliveries

under Transactions concluded on the FIM/RTP with Physical Delivery with respect to electricity and Gas until the date of setting the delivery margin delivered during that month.

The value of the required delivery margin is determined on the penultimate day of the previous month or, if such day is a non-business day, on the last business day preceding that day. The new value of the required delivery margin is announced to the Clearing House Members on the date when the delivery margin amount is determined.

4. The first business day of the month is the day when the Clearing House Members contribute the required delivery margin. The required delivery margin amount is contributed, subject to § 5 sec. 3, to the Transaction Margin Sub-Accounts in the Settlement Bank dedicated to Clearing House Members, resulting in a decrease or increase in the Basic Transaction Limit. If, following an update, the cash balance of the Transaction Margin Sub-Account is not sufficient to cover the updated value of the delivery margin, the Clearing House Member, subject to § 5 sec. 5, is requested to promptly contribute the lacking funds. Until the time of payment of the required amount the Basic Transaction Limit of that Clearing House Member is equal to the difference between the amount of funds deposited by the Clearing House Member on the Transaction Margin Sub-Account and the sum of the required delivery margin, the required historic margin and the balance of liabilities or receivables on account of Transaction clearing, while the Transaction Limit dedicated to the IDM and the Exchange Member Representative Transaction Limits are equal to zero. Clearing House Member's failure to supplement the funds to the required amount may constitute a premise for the Clearing House to declare an Infringement within the meaning of the Regulations and to take the actions referred to in § 54 of the Regulations.

## **Historic margin**

### § 11

1. A Clearing Member shall be required to contribute and maintain the historic margin value set by the Clearing House in the Transaction Margin Sub-Account in the Settlement Bank dedicated to that Member, subject to § 5 sec. 3 and 5. In the case of the Clearing House Members conducting activity on their own account and at the same time activity other than activity conducted on own account, the historic margin shall be defined separately with respect to these types of activity.
2. The required amount of the historic margin for a Clearing Member is determined by the Clearing House daily in accordance with the following algorithm:

$$HM_t = \max (PF_t * pD; PF_{t-1} * pD; \dots; PF_{t-29} * pD; HM_{min})$$

where:

*DHH* – value of the historic margin determined on day *t*,

*PF<sub>t</sub>* – value of the payments on account of Transactions concluded on day *t* on the instrument types referred to in sec. 6, where the value of the purchase Transaction is marked with a positive sign and the value of the sale Transaction is marked with a negative sign;

*pD* – the number of days parameter is 3;

*HM<sub>min</sub>* – the minimum value of the historic margin determined as the minimum value of the payment for transaction margins for the Day-Ahead Market and Intraday Market pursuant to § 8 sec. 3.

3. The required historic margin can be paid in cash or in the form of bank guarantees, according to the principles laid down in § 33.
4. The historic margin is paid by the Clearing Members in cash, subject to § 5 sec. 3, in the Transaction Margin Sub-Accounts in the Settlement Bank, dedicated to the Clearing Members on the day when its value is determined, affecting the amount of the Basic Transaction Limit for the next session.
5. If, as a result of an update, the cash balance contributed towards the historic margin and non-cash collateral is insufficient to cover its updated value, the Clearing Member, subject to § 5 sec. 5, shall be requested to immediately provide collateral in the amount specified by the Clearing House. Until the time the collateral is provided the Basic Transaction Limit of that Clearing Member is equal to the difference between the amount of funds deposited by the Clearing House Member on the Transaction Margin Sub-Account and the sum of the required delivery margin, the required historic margin and the balance of liabilities or receivables on account of Transaction clearing, while the Transaction Limit dedicated to the IDM and the Exchange Member Representative Transactions Limits are equal to zero. In such a situation, the Clearing House may limit the possibility of placing orders on selected markets. Clearing House Member's failure to supplement the collateral to the required amount may constitute a premise for the Clearing House to declare an Infringement within the meaning of the Regulations and to take the actions referred to in § 54 of the Regulations.
6. The historic margin is used for instruments whose code, in accordance with the specification laid down in the Detailed rules for trading and clearing of electricity on the Day-Ahead Market published by the Polish Power Exchange, starts with a sequence of characters "DAM".

7. Brokerage Houses or Commodity Brokerage Houses which have obtained the consent referred to in § 11 sec. 2 of the Regulations are exempted from the obligation to lodge the historic margin with regard to activity other than activity conducted on own account.
8. On each business day, immediately after publication of the quotations in the single-price system for the instruments referred to in sec. 6, the Clearing House compares for each Clearing House Member the value of the payments following from the concluded Transactions for the clearing of which such Clearing Member is responsible with the value of the historic margin lodged.
9. In the cases where the result of the comparison referred to in sec. 8 points to the lack of appropriate amount of collateral to cover the historic margin, the Clearing House immediately blocks the possibility of concluding Transactions by the given Clearing House Member or Exchange Members which the given Clearing House Member represents and may close the Positions following from the Transactions concluded on the given day in the instruments referred to in sec. 6.
10. The Clearing House may increase the value of the number of days parameter  $pD$  referred to in sec. 2 for all or selected Clearing House Members who compromise the security of clearing with regard to the markets subject to the historic margin. The parameter shall be changed by way of a resolution of the Management Board of IRGiT.
11. The Clearing House has the right to set a limit for the maximum value of Transactions concluded during a single session on the markets subject to the historic margin for the Clearing House Members who expose the security of clearing with regard to such markets. The limit shall be set by way of a resolution of the Management Board of IRGiT.

## **Transaction Limit**

### § 12

1. The transaction limit shall be set account being taken of the division into the Basic Transaction Limit and the Transaction Limit dedicated to the IDM, separately for:
  - a) activity conducted on own account,
  - b) activity other than activity conducted on own account,

however if the Clearing House Member discharges the function of an Exchange Member representative the Transaction Limit is divided into the Basic Transaction Limit, Exchange Member Representative Transaction Limits and the Transaction Limit dedicated to the IDM.

2. The payments feeding the Transaction Limit may be contributed in cash and in a non-cash form in compliance with the rules defined in § 28-36, except for the Transaction Limit dedicated to the IDM and the Exchange Member Representative Transaction Limit declared by the Clearing House Member where the payments can be made in cash only.
3. Changes in the balance of the Transaction Margin Bank Account on statutory holidays shall not affect the value of the Transaction Limit on such days.

### § 13

1. The value of the Basic Transaction Limit of the given Clearing House Member acting on its own account and the Clearing House Member conducting activity other than activity conducted on own account that has not received the consent referred to in § 11 sec. 2 of the Regulations, subject to § 5 sec. 5, shall be set on the basis of the sum of the funds paid as the transaction margin less the required value of the delivery margin, the historic margin, the Transaction Limit dedicated to the IDM, the value of Exchange Member Representative Transaction Limits decreased or increased by the balance of liabilities and receivables under the clearings of the Transactions concluded by the Clearing Member on:
  - a) Day N on DAM with delivery on Day N+2,
  - b) Day N on DAM with delivery on Day N+3 (if Day N is a Thursday),
  - c) Day N on DAMg with delivery on Day N+2 (if Day N is a Thursday or Friday),
  - d) Day N on DAMg with delivery on Day N+3 (if Day N is a Thursday),
  - e) on Day N on IDMG with delivery on Day N, DAMg with delivery on Day N+1 and DAM with delivery on Day N+1 (if Day N is a non-business day),
  - f) on days preceding Day N, if the values following from such Transactions were not taken into account in the Payments Confirmation Reports referred to in § 52, sent to the Clearing Bank on the last business day before Day N.
2. The value of the Exchange Member Representative Basic Transaction Limit for the House Member represented by the Clearing House Member that has not received the consent referred to in § 11 sec. 2 of the Regulations is decreased by the value of the Exchange Member Representative Transaction Limit dedicated to the IDM and decreased or increased by the balance of liabilities and receivables under the clearings of the Transactions concluded by the represented Exchange Member on the markets and in accordance with the provisions referred to in sec. 1 letters a)-f).



3. The value of the Basic Transaction Limit of the respective Clearing Member acting on clients' account that has received the consent referred to in § 11 sec. 2 of the Regulations shall be set as on the basis of the sum of cash contributed to the Clearing Bank Account in the Clearing Bank minus the required value of the collateral margin, the Transaction Limit dedicated to the IDM, the value of Exchange Member Representative Transaction Limits and minus or plus the balance of liabilities and receivables of the Clearing Member resulting from the Transactions concluded by:
- a) the Clearing Member on Day N on PRM with delivery on Day N (if Day N is a day from Monday to Thursday),
  - b) the Clearing Member on Day N on IDMg with delivery on Day,
  - c) the Clearing Member on Day N on DAM with delivery on Day N+1 and Day N+2,
  - d) the Clearing Member on Day N on DAM with delivery on Day N+3 (if Day N is a Thursday),
  - e) the Clearing Member on Day N on DAMg with delivery on Day N+1,
  - f) the Clearing Member on Day on DAMg with delivery on Day N+2 (if Day N is a Thursday or Friday),
  - g) the Clearing Member on Day N on DAMg with delivery on Day N+3 (if Day N is a Thursday),
  - h) the Clearing Member and the Exchange Members it represents on FIM/RTP with delivery on Day N+1 (if Day N is a business day),
  - i) the Clearing Member and the Exchange Members it represents on FIM/RTP with delivery on the following day in relation to each holiday preceding Day N (if Day N is the first business day following a holiday).
4. The value of the Exchange Member Representative Basic Transaction Limit for the Exchange Member represented by the Clearing House Member that has received the consent referred to in § 11 sec. 2 of the Regulations is decreased by the value of the Exchange Member Representative Transaction Limit dedicated to the IDM and decreased or increased by the balance of liabilities and receivables resulting from the concluded Transactions by the represented Exchange Member on the markets and in accordance with the provisions referred to in sec. 3 letters a)-g). A Clearing House Member conducting activity as a representative of an Exchange Member defines the value of the Exchange Member Representative Transaction Limit dedicated to the IDM by sending an e-mail on business days, by 11:00 a.m., to the address of the Clearing and Settlement Department and the Risk Management Department, given on the IRGiT website, a

declaration with specification of the value of the limit on a form in accordance with the model provided in Appendix 3b to these Detailed Clearing Rules.

5. If the instruction referred to in sec. 5 is delivered to the Clearing House by 11:00 a.m. on the current business day, the updated value of the limits shall be in force subject to its approval by the Clearing House after delivery of the report referred to in § 44 sec. 4, provided that:
  - a) the amount of the increase of the Exchange Member Representative Transaction Limit is lower than free cash in the Basic Transaction Limit specified for such Clearing House Member;
  - b) the amount of the decrease of the Exchange Member Representative Transaction Limit is lower than or equal to the Exchange Member Representative Basic Transaction Limit
6. If an instruction to declare the Exchange Member Representative Transaction Limit is submitted to the Clearing House after 11:00 a.m. on any day, the updated value of these limits will be valid in accordance with the rules set forth sec. 6 on the next business day.
7. If as a result of clearing of Transactions concluded by the Clearing House Member or update of the margins the Basic Transaction Limit of the respective Clearing House Member is lower than zero, the Clearing House covers the negative value of this limit by reducing in the appropriate order:
  - a) The Basic Transaction Limits of the Exchange Member Representative of the Exchange Members whom it represents;
  - b) The Exchange Member Representative Transaction Limits dedicated to the IDM of the Exchange Members whom it represents;
  - c) the Transaction Limit dedicated to the IDM of the given Clearing House Member.

In such a situation, the Clearing House may also limit the possibility of placing orders on selected markets. If the funds defining the value of the limits referred to in letters a)-c) are insufficient to cover the negative value of the Basic Transaction Limit of the Clearing House Member, the Clearing House calls upon the Clearing House Member to immediately make a payment supplementing the transaction margin.

#### § 14

1. The Clearing House Member defines the value of the Transaction Limit dedicated to the IDM as well as the value of the Exchange Member Representative Transaction Limit dedicated to the IDM by sending an e-mail to the address of the Clearing and Settlement Department and the Risk Management Department, given on the IRGiT website, with

specification of the value of these limits in PLN on a form, in accordance with the model provided in Appendix 3a to these Detailed Clearing Rules.

2. If the instruction referred to in sec. 1 is delivered to the Clearing House by 11:00 a.m. on the current business day, the updated value of the limits will be in force subject to a prior approval by the Clearing House:

a) starting as of 2:00 p.m. on that day:

1) in the event of a decrease in the value of the Transaction Limit dedicated to the IDM or the Exchange Member Representative Transaction Limit dedicated to the IDM, provided that the value of the new limit is greater than the value of payables arising from Transactions concluded by the Clearing House Member or represented Exchange Member on the IDM;

2) in the event of an increase in the value of the Transaction Limit dedicated to the IDM of a given Clearing Member that has received the consent referred to in § 11 sec. 2 of the Regulations or increase in the value of the Exchange Member Representative Transaction Limit dedicated to the IDM for the Exchange Member for which it acts as a representative;

3) in the event of an increase in the value of the Transaction Limit dedicated to the IDM of a given Clearing Member acting on its own account and a Clearing Member conducting activity other than activity conducted on own account that has not received the consent referred to in § 11 sec. 2 of the Regulations or increase in the value of the Exchange Member Representative Transaction Limit dedicated to the IDM of the Exchange Member for whom it discharges the function of a representative, provided that such Member has made a payment to the transaction margin sub-account in an appropriate amount and the payment has been credited to this account by 12:00 noon on the given day. The provisions of this subsection shall not apply to the case referred to in § 5 sec. 5.;

b) after delivery of the report referred to in § 44 sec. 4 – for a Clearing Member acting on its own account and a Clearing Member conducting activity other than activity conducted on own account that has not received the consent referred to in § 11 sec. 2 of the Regulations or for Exchange Member for whom it discharges the function of a representative, unless such Member has made a payment to the transaction margin sub-account, provided that the amount of the increase in the value of the Transaction Limit dedicated to the IDM or Exchange Member Representative Transaction Limit dedicated to the IDM is smaller than the free cash on the Basic Transaction Limit specified for such Clearing House Member or Exchange Member Representative Basic Transaction Limit specified for the represented Exchange Member, respectively.

3. If an instruction to update the Transaction Limit dedicated to the IDM or the Exchange Member Representative Transaction Limit dedicated to the IDM is submitted to the Clearing House after 11:00 a.m. on any day, the updated value of these limits will be valid in accordance with the rules set forth sec. 2 on the next business day.
4. The value of the respective Clearing Member's Transaction Limit dedicated to the IDM or the Exchange Member Representative Transaction Limit dedicated to the IDM is calculated on the basis of the value defined by the Clearing Member in accordance with the rules set forth in sec. 1-3 and taking into account the balance of payables and receivables resulting from the Transactions concluded by this Clearing House Member or Exchange Member represented by it, respectively, in accordance with the principles laid down in sec. 5-8 below.
5. On business days, subject to sec. 6, the value of the Transaction Limit dedicated to the IDM defined by a Clearing Member acting on its own account and a Clearing Member conducting activity other than activity conducted on own account that has not received the consent referred to in § 11 sec. 2 of the Regulations or the Exchange Member Representative Transaction Limit dedicated to the IDM for the Exchange Member for whom it discharges the function of a representative shall be decreased by:
  - a) the balance of payables and receivables under Transactions concluded by such Clearing House Member or represented Exchange Member, respectively, on IDM with delivery on Day N-1,
  - b) the balance of its payables and receivables under Transactions concluded by such Clearing House Member or represented Exchange Member on IDM with delivery on Day N (if the Transactions were concluded on Day N by 1:00 p.m.),provided that if the Transaction balances referred to in items (a) and (b) are positive, they do not affect the amount of these limits.
6. On the first business day following non-business days, the value of the Transaction Limit dedicated to the IDM defined by a Clearing Member acting on its own account and a Clearing Member conducting activity other than activity conducted on own account that has not received the consent referred to in § 11 sec. 2 of the Regulations or the Exchange Member Representative Transaction Limit dedicated to the IDM for the Exchange Member for whom it discharges the function of a representative, shall be decreased by:
  - a) the balance of payables and receivables under Transactions concluded by such Clearing House Member or represented Exchange Member, respectively, on IDM with delivery on Day N-1 with respect to each non-business day preceding such business day and with delivery on Day N-1 with respect to such business day,

b) the balance of payables and receivables under Transactions concluded by such Clearing House Member or represented Exchange Member, respectively, on IDM with delivery on the first business day following non-business days (if the Transactions were concluded on such business day by 1:00 p.m.),

provided that if the Transaction balances referred to in items (a) and (b) above are positive, they do not affect the amount of these limits.

7. On non-business days, the value of the Transaction Limit dedicated to the IDM defined by a Clearing Member acting on its own account and a Clearing Member conducting activity other than activity conducted on own account that has not received the consent referred to in § 11 sec. 2 of the Regulations or the Exchange Member Representative Transaction Limit dedicated to the IDM for the Exchange Member for whom it discharges the function of a representative, shall be decreased by:

a) the balance of payables and receivables under Transactions concluded by such Clearing House Member or represented Exchange Member, respectively, on IDM with delivery on the penultimate business day before the non-business day,

b) the balance of payables and receivables under Transactions concluded by such Clearing House Member or represented Exchange Member, respectively, on IDM with delivery on Day N-1 with respect to each non-business day and with delivery on the current non-business day (if the Transactions were concluded on the current day by 1:00 p.m.).

provided that if the Transaction balances referred to in items (a) and (b) above are positive, they do not affect the amount of these limits.

8. On business days, subject to sec. 9, the value of the Transaction Limit dedicated to the IDM defined by a Clearing Member that has received the consent referred to in § 11 sec. 2 of the Regulations or the Exchange Member Representative Transaction Limit dedicated to the IDM for the Exchange Member for whom it discharges the function of a representative, shall be decreased or increased by the balance of payables and receivables under Transactions concluded by such Clearing House Member or represented Exchange Member, respectively, on IDM:

a) with delivery on Day N - 1,

b) with delivery on Day N (if the Transactions were concluded on Day N by 1:00 p.m.).

9. On the first business days following non-business days, the value of the Transaction Limit dedicated to the IDM defined by a Clearing Member acting on its own account and a Clearing Member that has received the consent referred to in § 11 sec. 2 of the Regulations or defined value of the Exchange Member Representative Transaction Limit

dedicated to the IDM for the Exchange Member for whom it discharges the function of a representative, shall be decreased or increased by the balance of payables and receivables under Transactions concluded by such Clearing House Member or represented Exchange Member, respectively, on IDM:

- a) with delivery on Day N-1 with respect to each non-business day preceding such business day,
  - b) with delivery on Day N-1 with respect such business day,
  - c) with delivery on the first business day following non-business days (if the Transactions were concluded on such business day by 1:00 p.m.).
10. On non-business days, the value of the Transaction Limit dedicated to the IDM defined by a Clearing Member that has received the consent referred to in § 11 sec. 2 of the Regulations or defined value of the Exchange Member Representative Transaction Limit for the Exchange Member for whom it discharges the function of a representative, shall be decreased or increased by the balance of payables and receivables under Transactions concluded by such Clearing House Member or represented Exchange Member, respectively, on IDM:
- a) with delivery on the penultimate business day before the non-business day,
  - b) with delivery on Day N-1 with respect to each non-business,
  - c) with delivery on the current non-business day (if the Transactions were concluded on the current day by 1:00 p.m.).
11. If as a result of clearing of Transactions concluded by the Clearing House Member, the Transaction Limit dedicated to the IDM is lower than zero, the Clearing House covers the negative value of this limit by reducing in the appropriate order:
- a) The Basic Transaction Limit of such Clearing House Member;
  - b) The Basic Transaction Limits of the Exchange Member Representative of the Exchange Members whom it represents;
  - c) The Exchange Member Representative Transaction Limits dedicated to the IDM of the Exchange Members whom it represents.

If the funds defining the value of the limits referred to in letters a)-c) are insufficient to cover the negative value of the Transaction Limit dedicated to the IDM, the Clearing House calls upon the Clearing House Member to immediately make a payment supplementing the transaction margin.

12. If as a result of clearing of Transactions concluded by the Clearing House Member represented by an Exchange Member, the Exchange Member Representative

Transaction Limit dedicated to the IDM is lower than zero, the Clearing House covers the negative value of this by limit reducing in the appropriate order:

- a) The Exchange Member Representative Basic Transaction Limit of such Exchange Member;
- b) The Basic Transaction Limit of the Clearing House Member who represents such Exchange Member;
- c) The Transaction Limit dedicated to the IDM of the Clearing House Member who represents such Exchange Member
- d) The Exchange Member Representative Basic Transaction Limits of the remaining Exchange Members who are represented by the given Clearing House Member;
- e) The Exchange Member Representative Transaction Limits dedicated to the IDM of the remaining Exchange Members who are represented by the given Clearing House Member.

In such a situation, the Clearing House may limit the possibility of placing orders on selected markets by the Clearing House Member or the Exchange Member represented by him. If the funds defining the value of the limits referred to in letters a)-e) are insufficient to cover the negative value of the Transaction Limit of the Exchange Member Representative dedicated to the IDM, the Clearing House calls upon the Clearing House Member who discharges the function of Exchange Member representative to immediately make a payment supplementing the transaction margin.

## § 15

1. The Clearing House shall deliver to the Exchange the information on the value of the Transaction Limit set for the given Clearing House Member, taking into account the division into the Basic Transaction Limit and the Transaction Limit dedicated to the IDM and the value of the Exchange Member Representative Transaction Limits for individual Exchange Members represented by the given Clearing House Member, taking into account the division into the Exchange Member Representative Basic Transaction Limit and the Exchange Member Representative Transaction Limit dedicated to the IDM.
2. The value of the Basic Transaction Limit and the Exchange Member Representative Basic Transaction Limit provided to the Exchange shall be determined in accordance with the principles set forth in § 13 and provided by the Clearing House in PLN.
3. The value of the Transaction Limit dedicated to the IDM and the Exchange Member Representative dedicated to the IDM shall be set by the Clearing House in PLN in

accordance with the principles set forth in § 14 and then converted to EUR at the higher of the rates determined as the EUR average rate for the current day and the EUR average rate for the business day preceding the current day. If the current day is a statutory non-business day, the value of these limits is converted at the EUR average exchange rate for the last business day preceding the current day.

## **Collateral margins for FIM/RTP**

### § 16

1. The value of the collateral margin shall be calculated on a daily basis for each Clearing House Member.
2. The values of the collateral margins for a Clearing House Member shall be recorded in the sub-accounts of initial and variation margins maintained as part of the clearing account.
3. If a Clearing House Member effects clearings for other entities, the value of the collateral margin shall be calculated separately for each client of the said Clearing House Member, each represented Exchange Member and for own Positions of the said Clearing Member.

§ 17 To determine the values of the collateral margins (initial and variation margins) referred to in § 39 of the Regulations, the Positions in the electricity or Gas forward contracts of a given Clearing House Member and of its clients or represented Exchange Members shall be placed in the buckets established on the basis of the delivery periods, account being taken of the Position netting within these delivery periods.

1. The initial margins for forward contracts in electricity set on Day N shall include all Delivery Days, starting from Day N+1 with respect to contracts concluded until Day N (inclusive).
2. The initial margins for forward contracts in electricity shall be calculated in accordance with the following algorithm:

$$Dw_e = - \sum_{i=1}^N (|LK_i - LS_i| * P_i * Kr_i - NW\_MP_{and})$$

where:

$Dw_e$  – value of the initial margin [PLN];



- $LK_{and}$  – undelivered electricity volume in forward purchase contracts for the  $i$ -th delivery period [MWh];
- $LS_i$  – undelivered electricity volume in forward sales contracts for the  $i$ -th delivery period [MWh];
- $Kr_i$  – clearing price for the  $i$ -th delivery period [PLN/MWh];
- $i$  – delivery period;
- $P_i$  – arithmetic mean of the risk parameters assigned to all the days in the  $i$ -th delivery period;
- $N$  – number of delivery periods of forward contracts;
- $NW_{MP_{and}}$  – value of cross-product netting for the  $i$ -th delivery period, calculated in accordance with the rules described in § 17a.

### § 17a

1. For each delivery period  $i$  established in each of the forward contracts cleared on the EFM (BASE, PEAK5, OFFPEAK), the net position in the respective delivery period is calculated. The net position in BASE forward contracts during delivery period is calculated as:

$$BASE_{and} = (BASE_{K_{and}} - BASE_{S_{and}})$$

where:

- $BASE_{and}$  – net position in BASE forward contracts during delivery period  $i$  [MWh],
- $Kr_i$  – quantity of executed BASE forward product buy contracts during delivery period  $i$  [MWh],
- $BASE_{S_{and}}$  – quantity of executed BASE forward product sell contracts during delivery period  $i$  [MWh].

The net position in PEAK5 and OFFPEAK forward contracts is calculated in a corresponding manner.

2. For each delivery period  $i$  for BASE forward contracts, the corresponding delivery periods  $i$  are set for PEAK5 and OFFPEAK forward contracts. The corresponding delivery periods are periods, the beginning of which falls no later than the beginning of delivery period  $i$  for a BASE forward contract and the end of which falls no later than the end of delivery period  $i$  for a BASE forward contract.
3. In cases where for a PEAK5 forward contract the corresponding delivery period  $i$  does not exist, it is assumed that the net position in PEAK5 forward contracts during the corresponding delivery period  $i$  is 0.
4. For the purposes of calculating cross-product netting on the EFM, the net position in BASE forward contracts during delivery period  $i$  is decomposed into synthetic positions in PEAK5 and OFFPEAK forward contracts in the corresponding delivery periods  $i$ :

$$PEAK5'_{and} = BASE_{and} + PEAK5_{and}$$

$$OFFPEAK'_{and} = BASE_{and} + OFFPEAK_{and}$$

where:

$PEAK5'_{and}$  – synthetic position in PEAK5 forward contracts during the corresponding delivery period  $i$  [MWh],

$PEAK5'_{and}$  – synthetic position in OFFPEAK forward contracts during the corresponding delivery period  $i$  [MWh],

$PEAK5'_{and}$  – net position in BASE forward contracts during delivery period  $i$  [MWh],

$PEAK5'_{and}$  – net position in PEAK5 forward contracts during the corresponding delivery period  $i$  [MWh],

$PEAK5'_{and}$  – net position in OFFPEAK forward contracts during the corresponding delivery period  $i$  [MWh].

5. A delivery period in OFFPEAK and PEAK5 forward contracts, corresponding to a delivery period in a BASE forward contract referred to in sec. 4 above, is defined as a delivery period whose beginning is not earlier than the beginning of the delivery period in a BASE forward contract and the end is no later than the end of the delivery period in a BASE forward contract. If no period corresponding to the delivery period under a given forward contract type meets the definition above then it is assumed that the net position used for further analyses instead of net positions for the corresponding delivery period is in each case equal to zero.
6. For each delivery period  $i$ , the synthetic net position in a BASE forward contract ( $BASE'_{and}$ ) after netting is calculated according to the following rules:

- a) if there is no corresponding delivery period  $i$  in a PEAK5 forward contract:

$$BASE'_{and} = OFFPEAK'_{and}$$

- b) if a long position is held in delivery period  $i$  both in  $PEAK5'_{and}$  and in  $OFFPEAK'_{and}$ , then the synthetic net position in a BASE forward contract is calculated according to the following formula:

$$BASE'_{and} = MIN(PEAK5'_{and}; OFFPEAK'_{and})$$

- c) if a short position is held both in  $PEAK5'_{and}$  and in  $OFFPEAK'_{and}$ , then the synthetic net position in a BASE forward contract is calculated according to the following formula:

$$BASE'_{and} = MAX(PEAK5'_{and}; OFFPEAK'_{and})$$

d) in all other cases:

$$BASE'_{and} = 0$$

where:

$BASE'_{and}$  – synthetic net position after cross-product netting in BASE forward contracts during delivery period  $i$  [MWh],

–  $PEAK5'_{and}$  – synthetic position in PEAK5 forward contracts during the corresponding delivery period  $i$  [MWh],

–  $OFFPEAK'_{and}$  – synthetic position in OFFPEAK forward contracts during the corresponding delivery period  $i$  [MWh].

7. For each delivery period  $i$ , the quantity of forward contracts corresponding to the synthetic net positions in PEAK5 and OFFPEAK forward contracts during the respective delivery period  $i$  after netting is calculated according to the following formula:

$$PEAK5''_i = PEAK5'_{and} - BASE'_{and}$$

$$OFFPEAK''_{and} = OFFPEAK'_{and} - BASE'_{and}$$

where:

$BASE'_{and}$  – synthetic net position after cross-product netting in BASE forward contracts during delivery period  $i$  [MWh],

$PEAK5''_i$  – synthetic net position after cross-product netting in PEAK5 forward contracts during the corresponding delivery period  $i$  [MWh],

$OFFPEAK''_{and}$  – synthetic net position after cross-product netting in OFFPEAK forward contracts during the corresponding delivery period  $i$  [MWh].

8. For each delivery period  $i$ , the value of cross-product netting of the initial margin is calculated using the following formulas:

$$NW\_MP_{BASE_{and}} = (|BASE_{and}| - |BASE'_{and}|) \cdot P_{BASE_{and}} \cdot Kr_{BASE_{and}} \cdot U_{MP}$$

$$NW\_MP_{PEAK5_{and}} = (|PEAK5_{and}| - |PEAK5''_i|) \cdot P_{PEAK5_{and}} \cdot Kr_{PEAK5_{and}} \cdot U_{MP}$$

$$NW\_MP_{OFFPEAK_{and}} = (|OFFPEAK_{and}| - |OFFPEAK''_{and}|) \cdot P_{OFFPEAK_{and}} \cdot Kr_{OFFPEAK_{and}} \cdot U_{MP}$$

where:

$NW\_MP_{and}$  – potential change in the amount of the required initial margin for BASE, PEAK and OFFPEAK forward contracts during delivery period  $i$ , resulting from the difference between the volume of the net position and the volume of the synthetic net position [PLN],

$P_{BASE\ and}, P_{PEAK5\ and}, P_{OFFPEAK\ and}$  – arithmetic mean of the risk parameters published by IRGiT for BASE, PEAK5 and OFFPEAK forward contracts, respectively, assigned to all days in delivery period  $i$ ,

$Kr_{BASE\ and}, Kr_{PEAK5\ and}, Kr_{OFFPEAK\ and}$  – clearing price set by IRGiT, ascribed to a BASE, PEAK5 and OFFPEAK forward contract, respectively, in delivery period  $i$  [PLN/MWh],

$U_{MP}$  – parameter of cross-product netting recognition published by IRGiT.

9. The cross-product netting parameter is published in a communique of the Risk Management Department Director and posted on the IRGiT website.

## § 18

1. The initial margins for forward contracts in Gas set on Day N shall include all Delivery Days, starting from Day N+1 with respect to forward contracts concluded until Day N (inclusive).
2. The initial margins for forward contracts in Gas shall be calculated in accordance with the following algorithm:

$$Dw_g = - \sum_{i=1}^N |LK_i - LS_i| * P_i * Kr_i$$

where:

$Dw_g$  – value of the initial margin [PLN];

$LK$  – undelivered Gas volume in forward purchase contracts for the  $i$ -th delivery period [MWh];

$LS_{and}$  – undelivered Gas volume in forward sales contracts for the  $i$ -th delivery period [MWh];

$Kr_i$  – clearing price for the  $i$ -th delivery period set by IRGiT [PLN/MWh];

$i$  – delivery period;

$P_i$  – arithmetic mean of the risk parameters assigned to all the days in the  $i$ -th delivery period;

$N$  – number of delivery periods of forward contracts.

## § 19

1. The variation margins for forward contracts in electricity set on Day N shall include all Delivery Days, starting from Day N+1 with respect to forward contracts concluded until Day N (inclusive).
2. The variation margins for forward contracts in electricity shall be calculated in accordance with the following algorithm:

$$Du_e = \sum_{i=1}^N (LK_i * (Kr_i - Kk_i) + LS_i * (Ks_i - Kr_i)) * (1 + VAT)$$

where:

$Du_e$  – value of the variation margin;

$LK_{and}$  – undelivered electricity volume in forward purchase contracts for the i-th delivery period [MWh];

$LS_{and}$  – undelivered electricity volume in forward sales contracts for the i-th delivery period [MWh];

$Kr_{and}$  – clearing price for the i-th delivery period set by IRGiT [PLN/MWh];

$Kk_{and}$  – weighted average buy Transaction price for forward contracts for the i-th delivery period [PLN/MWh];

$Ks_i$  – weighted average sell Transaction price for forward contracts for the i-th delivery period [PLN/MWh];

i - delivery period;

N - number of delivery periods of forward contracts;

VAT – value of the applicable basic VAT rate.

## § 20

1. The variation margins for forward contracts in Gas set on Day N shall include all Delivery Days, starting from Day N+1 with respect to forward contracts concluded until Day N (inclusive).
2. The variation margins for forward contracts in Gas shall be calculated in accordance with the following algorithm:

$$Du_g = \sum_{i=1}^N (LK_i * (Kr_i - Kk_i) + LS_i * (Ks_i - Kr_i)) * (1 + VAT)$$

where:

- $Du_g$  – value of the variation margin;
- $LK_{and}$  – undelivered Gas volume in forward purchase contracts for the i-th delivery period [MWh];
- $LS_{and}$  – undelivered Gas volume in forward sales contracts for the i-th delivery period [MWh];
- $Kr_{and}$  – clearing price for the i-th delivery period set by IRGiT [PLN/MWh];
- $Kk_{and}$  – weighted average buy Transaction price for forward contracts for the i-th delivery period [PLN/MWh];
- $Ks_i$  – weighted average sell Transaction price for forward contracts for the i-th delivery period [PLN/MWh];
- i - delivery period;
- N - number of delivery periods of forward contracts;
- VAT – value of the applicable basic VAT rate.

## § 21

1. For a Clearing House Member clearing its own Transactions only, the value of the collateral margin shall be calculated in accordance with the following formula:

$$Dz = \min (Dw_e + Du_e + Dw_g + Du_g; 0)$$

where:

- $Dz$  – total collateral margin;
- $Dw_e$  – Initial Margin for forward contracts in electricity;
- $Du_e$  – variation margin for forward contracts in electricity;
- $Dw_g$  – Initial Margin for forward contracts in Gas;
- $Du_g$  – Variation Margin for forward contracts in Gas.
2. If a Clearing House Member clears Transactions of its clients or represented Exchange Members, the principle presented in sec. 1 shall apply at the level of its individual clients or represented Exchange Members, and the total collateral margin calculated for this Clearing House Member shall be equal to the sum of the collateral margins calculated for all individual: clients, or represented Exchange Members and Clearing House Member's own Positions.

## § 22

1. The Initial Margin for forward contracts in electricity shall be calculated separately for each delivery period. The delivery period shall be deemed to be one day provided that the delivery takes place between Day N+1 and:
  - a) 16 days, when the day of calculating the margin is a Friday;
  - b) 15 days, when the day of calculating the margin is a Saturday;
  - c) 14 days, when the day of calculating the margin is a Sunday;
  - d) 13 days, when the day of calculating the margin is a Monday;
  - e) 12 days, when the day of calculating the margin is a Tuesday;
  - f) 11 days, when the day of calculating the margin is a Wednesday;
  - g) 10 days, when the day of calculating the margin is a Thursday.
2. With respect to the successive days, weekly delivery periods shall be established, which shall be in line with the execution dates of the weekly forward contracts subject to quotation.
3. In the case of weekly forward contracts including days of different months, the days shall be divided into two buckets: the first one including the days of the month that ends and the second one including the days of the month that begins.
4. If the delivery period of the last one of the weekly forward contracts subject to quotation does not end on the last day of the month, then the bucket shall be created starting from the day which is the first day following the last Delivery Day of the last weekly contract subject to quotation until the last day of that month.
5. Further delivery periods shall be created with respect to days which coincide in full with the monthly forward contracts subject to quotation and create monthly buckets.
6. If the delivery period of the last one of the monthly forward contracts subject to quotation does not end on the last day of the quarter, then the bucket shall be created starting from the day which is the first day following the last Delivery Day of the last monthly forward contract subject to quotation until the last day of that quarter.
7. The successive days which are not included in the delivery periods of monthly forward contracts subject to quotations shall be aggregated into quarterly buckets.

8. If the delivery period of the last one of the quarterly forward contracts subject to quotation does not end on the last day of the year, then the bucket shall be created starting from the day which is the first day following the last Delivery Day of the last quarterly forward contract subject to quotation until the last day of that year.
9. The successive days which are not included in the delivery periods of quarterly forward contracts subject to quotations shall be aggregated into yearly buckets.

## § 23

1. The Initial Margin for forward contracts in Gas shall be calculated separately for each delivery period. The delivery period shall be deemed to be one day provided that the delivery takes place between Day N+1 and:
  - a) 16 days, when the day of calculating the margin is a Friday;
  - b) 15 days, when the day of calculating the margin is a Saturday;
  - c) 14 days, when the day of calculating the margin is a Sunday;
  - d) 13 days, when the day of calculating the margin is a Monday;
  - e) 12 days, when the day of calculating the margin is a Tuesday;
  - f) 11 days, when the day of calculating the margin is a Wednesday;
  - g) 10 days, when the day of calculating the margin is a Thursday.
2. With respect to the successive days, weekly delivery periods shall be established, which shall be in line with the execution dates of the weekly forward contracts subject to quotation.
3. In the case of weekly forward contracts including days of different months, the days shall be divided into two buckets: the first one including the days of the month that ends and the second one including the days of the month that begins.
4. If the delivery period of the last one of the weekly forward contracts subject to quotation does not end on the last day of the month, then the bucket shall be created starting from the day which is the first day following the last Delivery Day of the last weekly forward contract subject to quotation until the last day of that month.
5. Further delivery periods shall be created with respect to days which coincide in full with the monthly forward contracts subject to quotation and create monthly buckets.
6. If the delivery period of the last one of the monthly forward contracts subject to quotation does not end on the last day of the quarter, then the bucket shall be created



starting from the day which is the first day following the last Delivery Day of the last monthly forward contract subject to quotation until the last day of that quarter.

7. The successive days which are not included in the delivery periods of monthly forward contracts subject to quotations shall be aggregated into quarterly buckets.
8. If the delivery period of the last one of the quarterly forward contracts subject to quotation does not end on the last day of the season (understood as the period of the second and third quarters of the year (summer season) or the last quarter of the year and the first quarter of the following year (winter season), then the bucket shall be created starting from the day which is the first day following the last Delivery Day of the last quarterly forward contract subject to quotation until the last day of that season.
9. The successive days which are not included in the delivery periods of quarterly forward contracts subject to quotations shall be aggregated into seasonal buckets.
10. Another bucket shall be created for the period starting on the day which is the first day following the last Delivery Day of the last seasonal forward contract subject to quotation until the last day of the year.
11. The successive days which are not included in the delivery periods of seasonal forward contracts subject to quotations shall be aggregated into yearly buckets.

#### § 24

1. The clearing price for the i-th delivery period of electricity shall be calculated on business days in accordance with the following algorithms:
  - a) For all delivery periods which do not coincide with any forward contract subject to quotation and enabling the conclusion of a Transaction on a given day, the clearing price shall be determined:
    - i) as the arithmetic mean of TGeBase of the last 7 days in the case of BASE forward contracts;
    - ii) as the arithmetic mean of TGePeak of the last 5 business days in the case of PEAK5 forward contracts;
    - iii) as weighted average of the last 7 days (weights being the numbers of hours on the basis of which the index for a given day is determined) of TGeOffpeak (in the case of business days) and TGeBase (in the case of holidays) in the case of OFFPEAK forward contracts.
  - b) For delivery periods that coincide only with weekly forward contracts quoted on the exchange, the clearing price shall be calculated as the price of the relevant weekly

forward contract corresponding to the pertinent delivery period. If a weekly forward contract price is not quoted, the clearing price for the delivery period shall be the price of the closest preceding weekly forward contract. Where there is no price for all weekly forward contracts with a nearer delivery period, the clearing price for the delivery period shall be calculated as per sec. 1(a).

- c) For the remaining delivery periods, with respect to the BASE, PEAK5, OFFPEAK forward contracts, the clearing price shall be calculated as the weighted average of the clearing prices of the forward contracts quoted on the TGE on the given day, corresponding to the given delivery period:

$$K_r = \frac{k_w * n_w + k_m * n_m + k_q * n_q + k_y * n_y}{N}$$

where:

$k_{w,m,q,y}$  – clearing price of a forward contract

with a term of one week/month/quarter/year set by the Exchange.

$n_{w,m,q,y}$  – volume of open Positions in forward contracts:

with a term of one week/month/quarter/year, in MWh.

$$N = n_w + n_m + n_q + n_y$$

- d) For other delivery periods, with respect to OFFPEAK forward contracts, if there are no open Positions in monthly, quarterly or annual forward contracts, the price shall be determined according to the following formula:

$$OFFPEAK = \frac{BASE \cdot 168 - PEAK5 \cdot 75}{93}$$

where:

$OFFPEAK$  – clearing price securing the given period;

$BASE$  i  $PEAK5$  – clearing prices of  $BASE$  and  $PEAK5$  products set by the Clearing House corresponding to the given period. If there is no delivery period  $PEAK5$  corresponding to the given period  $OFFPEAK$ , the clearing price for the previous period shall be assumed in the formula  $PEAK5$ .

The clearing prices of the buckets that coincide with the forward contracts with open Positions shall be set in accordance with the formula presented in sec. 1(c).

- e) In the cases when it is not possible to set the price in accordance with the aforementioned principles, the clearing price for a delivery period equals the price of the previous delivery period.
- f) The clearing prices determined in order to establish the margins on non-business days shall be the same as the clearing prices set on the business day preceding such days.

§ 25

1. The clearing price for the i-th delivery period of Gas shall be calculated on business days in accordance with the following algorithms:

- a) For all delivery periods which do not coincide with any forward contract subject to quotation and enabling the conclusion of a Transaction on a given day, the clearing price shall be determined as the arithmetic mean of TGEgasDA of the last 7 days.
- b) If it is not possible to set the clearing prices referred to in sec. 1(a), the clearing price shall be the last clearing price of the monthly forward contract set by the Exchange with the delivery corresponding to the delivery periods indicated in sec. 1(a).
- c) For delivery periods that coincide only with weekly forward contracts quoted on the exchange, the clearing price shall be calculated as the price of the relevant weekly forward contract corresponding to the pertinent delivery period. If a weekly forward contract price is not quoted, the clearing price for the delivery period shall be the price of the closest preceding weekly forward contract. Where there is no price for all weekly forward contracts with a nearer delivery period, the clearing price for the delivery period shall be calculated as per sec. 1(a).
- d) If there are days which follow the quotation period of the last quoted weekly forward contract and which do not correspond to the delivery period of any of the quoted monthly forward contract, the clearing price for the period composed of such days shall be the clearing price for the previous delivery period.
- e) For the remaining delivery periods, the clearing price shall be calculated as the weighted average of the clearing prices of the forward contracts quoted on TGE on a given day, corresponding to a given delivery period:

$$K_r = \frac{k_w * n_w + k_m * n_m + k_q * n_q + k_s * n_s + k_y * n_y}{N}$$

where:

$k_{w,m,q,s,y}$  – clearing price of a weekly/monthly/quarterly/seasonal/annual forward contract set by the Exchange.

$n_{w,m,q,s,y}$  – volume of open Positions in weekly/monthly/quarterly/seasonal/annual forward contracts expressed in MWh.

$$N = n_w + n_m + n_q + n_s + n_y$$

- f) In the cases when the price calculated in accordance with the aforementioned principles does not exist, the clearing price for a delivery period equals the price of the previous delivery period.
- g) The clearing prices determined by the Clearing House in order to establish the margins on non-business days shall be the same as the clearing prices set on the business day preceding such days.

## § 26

1. Setting clearing prices for electricity or Gas delivery periods or Delivery Days in special circumstances:
  - a) If the daily clearing price of the forward contract determined by the Exchange significantly deviates from the price from the previous day and the situation significantly impacts (or may impact) the clearing price for the delivery periods, the IRGiT Management Board may adjust the daily clearing price of the forward contract adopted to determine the clearing price on a given day to make it correspond to the market values or adopt the price from the day before.
  - b) If the clearing price for the i-th delivery period determined pursuant to § 22 sec. 1 or § 23 sec. 1 significantly deviates from the market values, the IRGiT Management Board may adjust such a clearing price.

## § 27

1. The collateral margin may be covered with cash and with contributed non-cash collateral in accordance with the rules set forth in § 28. Cash paid towards collateral margins is, subject to § 5 sec. 3 and 5, accumulated on Collateral Margin Sub-Accounts dedicated to Clearing House Members in the Settlement Bank. Update of the amount of the required collateral margins is published daily by 5:00 p.m. in the Clearing Report. On business days, at 11:00 a.m. and 1:00 p.m. a forecast of the value of collateral margins is made in the clearing System on the basis of the intraday clearing prices which are calculated on the basis of all Transactions entered into on FIM/RTP before the forecast. If the forecast value of liabilities under the margins exceeds the total value of margins

paid, the Clearing House Member shall be required to immediately supplement the monies on the Collateral Margin Sub-Account.

2. Clearing House Members are required to settle their liabilities resulting from the calculated collateral margins on the next business day in the process of execution of payment order batch no. 3 referred to in § 59 sec. 1(c).
3. If a Clearing House Member has no cash available to cover its liabilities referred to in sec. 2, it shall be required, at the Clearing House's request, to immediately reduce the quantity of its Positions on FIM/RTP to a level at which the value of the cash deposited by it and the possible credited value of non-cash collateral is sufficient to cover its liabilities.
4. If a Clearing House Member, within a time limit set by the Exchange, fails to replenish the required cash to cover its liabilities or fails to fulfill the Clearing House's request referred to in sec. 3, the IRGiT Management Board shall have the right to suspend the possibility of concluding Transactions by the said Clearing House Member or launch procedures associated with an Infringement.

### **Non-Cash Collateral Register**

#### § 28

1. The Clearing House, acting pursuant to § 37 sec. 8 and 9 and § 39 sec. 6 of the Regulations, maintains the Non-Cash Collateral Register for collateral contributed by individual Clearing House Members.
2. It is only non-cash collateral contributed for covering liabilities of Clearing House Members towards contributions to the Guarantee Fund, collateral margins and transaction margins that may be entered in the Non-Cash Collateral Register.
3. The object of collateral provided by Clearing House Members in non-cash form to serve the purpose of a collateral margin may be the following:
  - a) Property Rights to Certificates of Origin,
  - b) CO2 emission allowances,
  - c) bank guarantees,
  - d) sureties granted by third parties,
  - e) the EUR currency,

- f) statement of submitting to enforcement submitted in the form of a notary deed following the procedure under Article 777 § 1 item 5 of the Act of 17 November 1964 – Code of Civil Procedure (consolidated text: Journal of Laws of 2020, item 1575),
- on condition that the object of the collateral referred to in items (a)–(f) is accepted by the Clearing House.
4. The object of the collateral provided by Clearing House Members in non-cash form towards the Basic Transaction Limit, contributions to the Guarantee Fund and the historic margin may only be bank guarantees accepted by the Clearing House.
  5. Non-cash collateral contributed by a member of a Power Group, within the meaning of the Regulations, which has signed an agreement with the Clearing House specifying the principles for establishment of financial collateral for the Power Group may be recognized in the Non-Cash Collateral Register as non-cash collateral for other members of this Power Group. The breakdown of collateral between pertinent entities shall be in accordance with the terms set forth in the Management Board resolution referred to in § 39 sec. 7. of the Regulations.
  6. Any collateral submitted by a Clearing House Member shall be registered in the Non-Cash Collateral Register on the respective business day, provided that the condition referred to in sec. 3 has been fulfilled by 2:30 p.m. on such business day. Otherwise, such registration shall be made on the next business day following that day.
  7. In extraordinary cases, justified by the security of clearings, the Clearing House's Management Board may decide to refrain from accepting any further non-cash collateral and request the Clearing House Member to supplement the funds in cash within a defined time limit.

## § 29

1. While submitting non-cash collateral, a Clearing House Member acting at the same time on its own account and on the clients' account, as a representative of an Exchange Member, is required to:
  - a) specify the purpose of the lodged collateral (e.g. contribution to the Guarantee Fund, collateral margin, historic margin, Basic Transaction Limit),
  - b) indicate the type of activity for which the collateral is lodged (i.e. activity on its own account, activity on the clients' account, activity as a representative of an Exchange Member),
  - c) specify the clients or represented Exchange Members for whom the collateral is lodged.

2. In the event of any change in the indicated type of activity referred to in sec. 1(b) for which the collateral is lodged, the Clearing House Member is required to send an instruction in the form of a message sent to the e-mail address of the Risk Management Department. If the instruction referred to in the preceding sentence is received by 3 p.m. on a business day, IRGiT shall delete the collateral covered by the instruction from the Non-Cash Collateral Register on the same day, whereas its entry in the Non-Cash Collateral Register as collateral dedicated to the type of activity indicated in the instruction shall be made on the business day following the date of deletion. Any instructions received after 3:00 p.m. or on a non-business day shall be taken care of on the next business day.
3. If the Clearing House Member providing collateral in the form of a bank guarantee fails to declare the purpose of such collateral or declares that the non-cash resources so provided should be allocated to the collateral margin, historic margin and Basic transaction limit, it shall be assumed that the non-cash resources so provided for collateral shall be used in the first place to cover liabilities on account of the collateral margins and in the second place to cover liabilities on account of the historic margin. A surplus of such resources, if any, shall be allocated to the Basic transaction limit.
4. Bank guarantees provided to cover contributions to the Guarantee Fund may not be recognized as collateral for other purposes. The surplus of funds above the required value of contribution to the Guarantee Fund resulting from the provision of a bank guarantee to cover such contribution shall not be accepted as coverage of any other liabilities.

### § 30

1. As non-cash collateral for liabilities on account of collateral margins, the Clearing House accepts only Property Rights to Certificates of Origin for electricity generated using renewable energy sources, as entered in the Certificates of Origin Register in the PMOZE\_A instrument.
2. Property Rights under Certificates of Origin are provided as collateral by a Clearing House Member and entered in the Non-Cash Collateral Register based on:
  - a) an application for locking Property Rights under Certificates of Origin to collateralize liabilities on account of collateral margins, submitted to the Certificate of Origin Register by the Clearing House Member providing such Property Rights under Certificates of Origin as collateral, and

- b) the signing of an agreement between a Clearing House Member and the Clearing House for the transfer of title to secure the Property Rights under Certificates of Origin provided as collateral.
3. These Property Rights under Certificates of Origin provided by a given Clearing House Member shall be classified as collateral after the Clearing House's receipt of information from the Certificate of Origin Register about the type and quantity of the locked Property Rights under Certificates of Origin provided as collateral and under the conditions enumerated in sec. 2 above.
  4. Classified as the collateral referred to in sec. 3 shall be a portion of the market value of the Property Rights under Certificates of Origin calculated in accordance with the following formula:

$$W_i = Lpm_i * Wr_i * (1 - WR_i)$$

where:

$W_i$  – value of collateral provided in the form of Property Rights,

$Lpm_i$  – number of property rights of a given type,

$Wr_i$  – market value of Property Rights under Certificates of Origin traded on the exchange market, determined according to the last index for session transactions,

$WR_i$  – haircut for the respective type of property rights within the range of (0,1), as communicated in messages from IRGiT's Risk Management Department.

5. The value of eligible collateral  $W_i$  is added to other guarantees provided in a non-cash form by the pertinent Clearing House Member.
6. Withdrawal of Property Rights under Certificates of Origin from the Non-Cash Collateral Register by a Clearing House Member shall be released based on an application submitted by the pertinent Clearing House Member to the Certificate of Origin Register with the Clearing House's intermediation and consent, however on condition that the value of the remaining funds classified as collateral is equal to at least, as appropriate, the minimum or required value of such collateral or on condition that such a Clearing House Member has previously supplemented the collateral to, as appropriate, its minimum or required value.
7. Until the withdrawal referred to in sec. 6, the Property Rights under Certificates of Origin the value of which has ceased to be taken into account in determining the value of collateral provided by the relevant Clearing House Member shall remain the object of such collateral and may be used in accordance with the purposes for which such collateral has been established.



1. The object of the collateral provided by Clearing House Members in a non-cash form may be CO2 emission allowances defined as follows:

EUAs – allowances for the atmospheric release of greenhouse gases within the meaning of Directive 2003/87/EC of the European Parliament and of the Council of 13 October 2003 establishing a scheme for greenhouse gas emission allowance trading within the Community and amending Council Directive 96/61/EC, deposited in the Union Registry (within the meaning of Commission Regulation (EU) No 389/2013 of 2 May 2013 establishing a Union Registry pursuant to Directive 2003/87/EC of the European Parliament and of the Council, Decisions No 280/2004/EC and No 406/2009/EC of the European Parliament and of the Council and repealing Commission Regulations (EU) No 920/2010 and No 1193/2011).

2. CO2 emission allowances are provided as collateral by a Clearing House Member and entered in the Non-Cash Collateral Register based on:

- a) an instruction for the Union Registry by the Clearing House Member providing collateral in the form of CO2 emission allowances to transfer such allowances to the account specified by the Clearing House, and
- b) the signing of an agreement between a Clearing House Member and the Clearing House for the transfer of title to secure the CO2 emission allowances provided as collateral.

3. The CO2 emission allowances shall be classified as collateral after all conditions enumerated in sec. 2 have been satisfied and provided that the Clearing House has received the transfer of the CO2 emission allowances subject to the transfer of title on the Clearing House's bank account in the Union Registry.

4. Classified as the collateral referred to in sec. 1 shall be a portion of the market value of the allowances calculated in accordance with the following formula:

$$W_{up} = Cz * I_{up} * F_{ex} * (1 - WR_{EUA})$$

where:

- $W_{up}$  – value of accepted collateral provided in the form of CO2 emission allowances;
- $Cz$  – on the day preceding the valuation of collateral, where first price to be applied is the price of EUA emission allowances quoted on the spot market of the European Energy Exchange or, if such price is unavailable, then the price to be applied is the clearing price of the daily EUA futures contract from the Intercontinental Exchange (if on the date in question none of these prices is

available, the activities described above shall be performed by applying the prices from the day preceding such date);

$Kr_i$  – number of CO2 emission allowances transferred to the Clearing House's bank account in the Union Registry;

$F_{ex}$  – average EUR/PLN exchange rate published by the National Bank of Poland on a given date;

$WR_{EUA}$  – haircut for collateral provided in the form of CO2 emission allowances within the range of (0,1), as communicated in messages from IRGiT's Risk Management Department.

5. The value  $W_{up}$  is added to other guarantees provided in a non-cash form by the pertinent Clearing House Member.
6. CO2 emission allowances are withdrawn from the Non-Cash Collateral Register and released based on a Clearing House Member's request to the Clearing House. The application is accepted on condition that the required collateral margin provided by a given Clearing House Member is covered with other forms of collateral provided by such an entity.
7. Until the release of the CO2 emission allowances the value of which has ceased to be taken into account in determining the value of the collateral provided by the pertinent Clearing House Member, such allowances shall remain the object of collateral and may be used in accordance with the purposes for which such collateral was established.

## § 32

1. In the cases referred to in § 28 sec. 3 and sec. 4, the object of collateral provided by Clearing House Members in a non-cash form and entered in the Non-Cash Collateral Register may be bank guarantees fulfilling the following conditions:
  - a) guarantees may be issued only by a bank accepted by the Clearing House, provided, in particular, that the bank has no equity ties (is not a member of the same corporate group) with either the entity for which a bank guarantee has been issued or the Clearing House Member conducting activity on account of the client or Clearing House Member representing an Exchange Member for whom the bank guarantee has been issued,
  - b) guarantees may be issued only by a bank with its registered office or branch in the territory of the Republic of Poland or outside the territory of the Republic of Poland, provided that it has appropriate arrangements in place with the Settlement Bank or Clearing Bank with regard to interbank communication via the SWIFT system,

- c) guarantees may be issued only by a bank with an appropriate level of credit quality, determined in accordance with the rules described in sec. 2,
- d) the bank guarantee must include the bank's unconditional and irrevocable commitment to make immediate payment, at the Clearing House's first request, of the amount so requested up to the maximum value specified in the guarantee,
- e) the bank guarantee must comply with new bank guarantee form approved by the Clearing House, defined separately for guarantees with first and second liquidity classes as mentioned in sec. 3,
- f) the amount of the cash benefit for which the bank guarantee has been issued (sum guaranteed) may be specified in PLN, and in the case of bank guarantees of the second class of liquidity, as referred to in sec. 3(b), submitted as collateral in the form of a contribution to the collateral margin – also in EUR,
- g) the amount of the cash benefit for which the bank guarantee has been issued must not be lower than PLN 100,000 (one hundred thousand Polish zloty) if the sum guaranteed has been specified in PLN, or EUR 25,000 (twenty-five thousand euro) if the sum guaranteed has been specified in EUR,
- h) the validity term of the bank guarantee recognized as collateral towards the contribution to the Guarantee Fund should be determined in accordance with the provisions of § 33 sec. 3 and 4.
2. An appropriate level of credit quality shall be determined based on the long-term rating awarded by the rating agencies Fitch, Moody's and Standard & Poor's which, in accordance with the table below, is lower than 6.

<b>S&amp;P</b>	<b>Fitch</b>	<b>Moody's</b>	<b>credit quality</b>	<b>risk level assessment</b>
<b>step</b>				
<b>AAA</b>	AAA	Aaa	1	Acceptable
<b>AA+</b>	AA+	Aa1	1	Acceptable
<b>AA</b>	AA	Aa2	2	Acceptable
<b>AA-</b>	AA-	Aa3	2	Acceptable
<b>A+</b>	A+	A1	3	Acceptable
<b>A</b>	A	A2	3	Acceptable
<b>A-</b>	A-	A3	3	Acceptable
<b>BBB+</b>	BBB+	Baa1	4	Acceptable
<b>BBB</b>	BBB	Baa2	4	Acceptable

<b>BBB-</b>	BBB-	Baa3	4	Acceptable
<b>BB+</b>	BB+	Ba1	5	Conditional
<b>BB</b>	BB	Ba2	5	Conditional
<b>BB-</b>	BB-	Ba3	5	Conditional
<b>B+</b>	B+	B1	6	Unacceptable
<b>B</b>	B	B2	6	Unacceptable
<b>B-</b>	B-	B3	6	Unacceptable
<b>CCC+</b>	CCC+	Caa1	6	Unacceptable
<b>CCC</b>	CCC	Caa2	6	Unacceptable
<b>CCC-</b>	CCC-	Caa3	6	Unacceptable
<b>CC</b>	CC	Ca	6	Unacceptable
<b>C</b>	C	Ca	6	Unacceptable
<b>RD</b>	DDD	C	6	Unacceptable

where:

- a) the conditional risk level assessment means that with regard to the banks which have the credit quality level 5, the total value of valid guarantees issued by a given bank for one Clearing House Member cannot exceed PLN 13 million (say: thirteen million Polish zloty);
  - b) where a bank has been assigned ratings from different credit rating agencies, the rating to which the highest credit quality level is attributed shall be assumed;
  - c) where a bank has been assigned no rating, its credit quality level is 6.
3. The term "immediate payment" shall be construed as crediting the bank account specified by the Clearing House:
- a) on the date of submission of such request if the request is made by 9:30 a.m. CET or on the following day if the request is made after 9:30 a.m. CET (first liquidity class guarantee) or
  - b) within 2 business days of submission of such request if the request is made by 9:30 a.m. CET or on within 3 business days if the request is made after 9:30 a.m. CET (second liquidity class guarantee).
4. A Clearing House Member shall be required to provide the Clearing House with up-to-date powers of attorney of persons granting bank guarantees on behalf of the bank and all necessary documents required by the Clearing House in order to conduct the assessment process for the bank issuing the guarantee by the Clearing House. At the

request of a Clearing House Member, the Clearing House shall provide information concerning the potential approval of the bank indicated by such a Member as the issuer of the bank guarantee to be submitted as collateral.

5. If, during the term of the bank guarantee accepted as collateral, the bank that has issued the guarantee ceases to satisfy the conditions for approval by the Clearing House, a Clearing House Member, at the Clearing House request, shall be required to submit promptly, no later than within 14 business days, other collateral accepted by the Clearing House.

### § 33

1. In order to provide collateral in the form of a bank guarantee, a Clearing House Member shall be required to specify the collateral title and to provide a draft of the bank guarantee document to the Clearing House.
2. The final approval of a bank guarantee as collateral provided in non-cash form requires the approval by IRGIT and entry in the Non-Cash Collateral Register, subject to provisions of sec. 3.
3. Bank guarantees provided on account of payment into the Guarantee Fund shall be recognized as a non-cash collateral as of the date of the first update referred to in § 45a of the Regulations following the date of acceptance of the bank guarantee under the rules specified in sec. 2 above, provided that the term of validity of the bank guarantee has been determined in accordance with the following rules:
  - a) the bank guarantee shall be valid at least from the date of its recognition as non-cash collateral, and
  - b) the bank guarantee shall be valid at least until the 7th business day of the calendar month following the date of recognition of the bank guarantee as non-cash collateral, subject to the provisions of sec. 4.
4. The condition specified in sec. 3 may be fulfilled by the submission, by the Clearing House Member, of more than one bank guarantee for payment to the guarantee fund, as long as the term of validity of all submitted bank guarantees covers all business days within the period specified in accordance with the rules set forth in sec. 3. In the situation described in the preceding sentence, the value of bank guarantees recognized as non-cash collateral for payment to the guarantee fund under the respective update is determined as the lowest of the values of the submitted bank guarantees.
5. In the event of a change in the content of a bank guarantee recognized by the Clearing House, the provisions of sec. 1 and 2 shall apply respectively, subject to a reduction in the bank guarantee amount paid into the Guarantee Fund between successive updates

of the Guarantee Fund being allowed only up to the amount recognized as payment into the Guarantee Fund.

6. Withdrawal of a bank guarantee recognized as contributed non-cash collateral before the end of its validity term requires consent given by the Clearing House. A bank guarantee provided on account of payment to the Guarantee Fund will be returned no earlier than on the 4th business day following the date of the Guarantee Fund contribution update as referred to in § 45a of the Regulations, based on a request of a Clearing House Member made to IRGiT not later than on the last business day of the month preceding the update and provided that the Clearing House Member has made the payment in cash to the Guarantee Fund.
7. The Clearing House Member which has provided the collateral in the form of a bank guarantee on some other account than payment to the Guarantee Fund, in order to continue to use that form of making contributions, shall be required, not later than 3 business days before the expiration of the term of the guarantee or, if the last day of the term of the guarantee falls on a non-business day, 3 business days before the last business day preceding such day, to submit a new bank guarantee the term of which shall begin no later than one day after the last day of the term of the existing bank guarantee or an annex to the existing bank guarantee extending its term. If this condition is not fulfilled 2 business days before the end of the term of the existing guarantee or if the last day of the warranty coverage falls on a non-business day, 2 business days before the last business day preceding such day, the Clearing House shall be entitled to remove such a guarantee from the Non-Cash Collateral Register.
8. If such a new bank guarantee document or an annex to the existing guarantee referred to in sec. 7 is issued for a lower amount than the amount of the bank guarantee whose term is nearing, the Clearing House shall be entitled to enter such a lower amount in the Non-Cash Collateral Register from the second-to-last day of the term of the existing guarantee.

#### § 33a

1. If the respective Clearing House Member has submitted bank guarantees as collateral the sum guaranteed of which is denominated in EUR (hereinafter referred to as "bank guarantees in EUR"), the Clearing House, on each business day following the date of its recognition, shall determine the recognized value of such collateral, converted into Polish zloty, in accordance with the following formula:

$$W_{gbe} = N_{gbe} \times F_{ex} \times (1 - WR_{gbe})$$

Where:

$W_{gbe}$  – value of collateral submitted in bank guarantees in EUR converted into PLN;

$N_{gbe,n}$  – aggregate nominal amount of bank guarantees in EUR;

$F_{ex}$  – average EUR/PLN exchange rate published by the National Bank of Poland on the respective business day;

$WR_{gbe,n}$  – haircut for collateral provided in the form of bank guarantees in EUR within the range of (0,1), as communicated in messages from IRGiT's Risk Management Department.

2. The value of recognized collateral  $W_{gbe}$  referred to in sec. 1 shall be added to the collateral provided in a non-cash form by the Clearing House Member.

#### § 34

1. The object of collateral provided by Clearing House Members in a non-cash form and entered in the Non-Cash Collateral Register may be the sureties referred to in § 28 sec. 3 with the following conditions taken into account:

a) the surety may be granted by:

- 1) a client of the Clearing House Member conducting activity on such client's account or by the Exchange Member who is represented by such Clearing House Member;

- 2) a company, which is the parent company within the meaning of Article 4 item 3 of the Competition and Consumer Protection Act of 16 February 2007 (consolidated text: Journal of Laws 2021 Item 275) of the Clearing House Member, to whom such surety is extended, and holding a credit rating as defined Article 3(1)(a) of the Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, with the credit quality step no higher than 4 based on the table mentioned in § 32 sec. 2. In the event that the Clearing House becomes aware of a change of the rating of the company extending the surety, as a result of which it no longer meets the criterion mentioned above, the Clearing House will have the right to remove the collateral immediately from the Non-Cash Collateral Register;

b) the surety must be collateralized by the guarantor in one of the following forms:

- 1) in the case of the surety referred to in sec. 1(a) item 1):

- i) agreement for a transfer of title to Property Rights under Certificates of Origin as security where the value of collateral is determined in accordance with the rules set forth in § 30 sec. 4 and 5, or

ii) agreement for a transfer of title to CO2 emission allowances as security where the value of collateral is determined in accordance with the rules set forth in § 31 sec. 4 and 5, or

iii) bank guarantee issued by a bank accepted by the Clearing House.

2) in the case of the surety referred to in sec. 1(a) item 2):

i) bank guarantee issued by a bank accepted by the Clearing House, or

ii) statement of submitting to enforcement submitted in the form of a notary deed following the procedure under Article 777 § 1 item 5 of the Act of 17 November 1964 – Code of Civil Procedure (consolidated text: Journal of Laws of 2020, item 1575, as amended).

c) the surety shall be granted as an unconditional surety payable at first request;

d) the surety shall be granted in accordance with the rules specified in the draft agreement determined and approved by the Clearing House.

2. The client of a Clearing House Member and the Exchange Member referred to in sec. 1 letter a) shall submit such surety to the Clearing House via the Clearing House Member.

3. Sureties provided by a client of a Clearing House Member and by a represented Exchange Member may be used only to cover liabilities on account of the collateral margins for Transactions cleared by such a Clearing House Member for the client or represented Exchange Member, respectively.

#### § 34a

1. The object of the collateral provided by Clearing House Members in non-cash form and entered in the Non-Cash Collateral Register may be the EUR currency, provided that the collateral has been previously approved by the Clearing House.

2. IRGiT shall open, at the request of a Clearing House Member, a separate account in EUR, dedicated to collateral in EUR, to be contributed by the respective entity. The form of application for opening an account for collateral in EUR is available on IRGiT's website. Banking costs related to the maintenance of the account referred to in the preceding sentence shall be covered by the Clearing House Member. In the event of the absence of funds on the bank account necessary for its maintenance, IRGiT may take steps to close the account immediately.



3. The banking costs referred to in sec. 2 shall be covered by the Clearing House Member on the terms specified in the table of fees by the bank keeping the account dedicated to collateral in EUR. A hyperlink to the table of fees is available on IRGiT's website.
4. The bank account referred to in sec. 2 shall bear interest in accordance with the table of interest rates on funds in bank accounts published by the bank keeping the account. A hyperlink to the table of interest rates is available on IRGiT's website.
5. A Clearing House Member may, at any time, have only one account referred to in sec. 2.
6. Each payment in EUR to cover non-cash collateral shall be made through a transfer of an amount in EUR to the dedicated account specified by IRGiT, as referred to in sec. 2, provided that IRGiT has been informed in advance by persons authorized by the respective Clearing House Member about the planned transfer, by an electronic message sent to the following e-mail address: [dzr@irgit.pl](mailto:dzr@irgit.pl).
7. The minimum value of collateral that may be submitted in EUR is EUR 100,000 (one hundred thousand euro).
8. Recognized towards the object of collateral referred to in sec. 1 by way of an entry in the Non-Cash Collateral Register shall be part of the value of the funds in EUR contributed by the respective Clearing House Member converted into PLN, as determined on each business day in accordance with the following formula:

$$W_{eur} = L_{eur} * F_{ex} * (1 - WR_{eur})$$

where:

- $W_{eur}$  – value of the amount in EUR converted into PLN,
- $L_{eur}$  – amount of cash contributed in EUR,
- $F_{ex}$  – average EUR/PLN exchange rate published by the National Bank of Poland on the respective business day;
- $WR_{eur}$  – haircut for collateral provided in the form of cash in EUR within the range of (0,1), as communicated in messages from IRGiT's Risk Management Department

9. The value of eligible collateral  $W_{eur}$  shall be added to other guarantees provided in non-cash form by the pertinent Clearing House Member.
10. The withdrawal of funds in EUR by a Clearing House Member from the Non-Cash Collateral Register and the definition of a transfer shall take place in consideration of sec. 11, on the basis of a declaration made by such Clearing House Member, provided, however, that the value of the remaining funds recognized as collateral is equal to at

least, as appropriate, the minimum or required value of such collateral or on condition that such Clearing House Member has previously supplemented the collateral to, as the case may be, its minimum or required value. The declaration referred to in the preceding sentence shall be deemed submitted when it is received by IRGiT by e-mail at the following e-mail address: [dzr@irgit.pl](mailto:dzr@irgit.pl), by persons authorized by the respective Clearing House Member.

11. Funds in EUR may be withdrawn from the Non-Cash Collateral Register only up to the minimum value referred to in sec. 7, subject to the provisions of sec. 13.
12. The whole amount of funds in EUR may be withdrawn from the Non-Cash Collateral Register only simultaneously with the closing of the account referred to in sec. 15.
13. Two business days before the date of such withdrawal and definition of the transfer referred to in sec. 10, the funds in EUR forming the subject matter of such declaration shall not be taken into account in determining the level of collateral margin coverage by the respective Clearing House Member. IRGiT may refuse to transfer a specific value in EUR if the collateral margins required from the Clearing House Member on the date of withdrawal and definition of the transfer are not covered.
14. Until the withdrawal referred to in sec. 10, the funds in EUR the value of which has ceased to be taken into account in determining the value of collateral provided by the respective Clearing House Member shall remain the object of such collateral and may be used in accordance with the purposes for which such collateral has been established.
15. The account referred to in sec. 2 may be closed by IRGiT at the request of the Clearing House Member, provided that the funds on the account cover all liabilities resulting from banking costs related to its operation. In the event of the absence of sufficient funds on the account, IRGiT shall request the Clearing House Member to replenish such funds promptly. Failure to replenish such funds by the Clearing House Member shall mean the inability to close the account and shall not exclude the possibility of additional costs, as described in sec. 2. The form of application for closing the account for collateral in EUR is available on IRGiT's website.

#### § 34b

1. The Clearing House accepts, as non-cash collateral securing liabilities on account of collateral margins, a statement of submitting to enforcement made by a Clearing House Member in the form of a notary deed following the procedure under Article 777 § 1 item 5 of the Act of 17 November 1964 – Code of Civil Procedure (consolidated text: Journal of Laws of 2020, item 1575, as amended) in accordance with the form defined by IRGiT from time to time.

2. The statement on submitting to enforcement may be deemed to be non-cash collateral only if the Clearing House Member making such statement has a credit rating as defined Article 3(1)(a) of the Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, with the credit quality step no higher than 4 based on the table mentioned in § 32 sec. 2. In the event that the Clearing House becomes aware of a change of the rating of the Clearing House Member, as a result of which it no longer meets the criterion mentioned above, the Clearing House will have the right to remove the collateral immediately from the Non-Cash Collateral Register;
3. In order to provide collateral in the form of a statement on submitting to enforcement, a Clearing House Member shall be required to provide the Clearing House with documents confirming the awarded credit rating.
4. The final approval of a statement of submitting to enforcement as collateral provided in non-cash form requires approval by IRGiT and entry in the Non-Cash Collateral Register.

### **Non-cash collateral concentration limit**

#### § 35

1. The recognized total value of collateral provided in the form of Property Rights under Certificates of Origin and CO2 emission allowances must not be higher than 65% of the value of the required collateral margins of a given Clearing House Member, subject to the provisions of sec. 5.
2. The recognized total value of collateral provided in the form of bank guarantees meeting the condition referred to in § 32 sec. 3(a) (first liquidity class guarantees), subject to the provisions of sec. 5., must not be higher than
  - a) 90% of the value of the required collateral margins of a given Clearing House Member,
  - b) 50% of the Basic Transaction Limit of a given Clearing House Member,
  - c) 50% of the required historic margin of a given Clearing House Member,
  - d) 60% of the required payment to the guarantee fund by a given Clearing House Member.
3. The recognized total value of collateral provided in the form of bank guarantees meeting the condition referred to in § 32 sec. 3(b) (second liquidity class guarantees) and collateral in EUR, subject to the provisions of sec. 5, must not be higher than:
  - a) 70% of the required collateral margins of a given Clearing House Member,
  - b) 0% of the Basic Transaction Limit of a given Clearing House Member,

- c) 0% of the required historic margin of a given Clearing House Member,
  - d) 0% of the required payment to the guarantee fund by a given Clearing House Member.
4. Subject to the provisions of sec. 5, the recognized value of surety granted by third parties, secured by:
- a) Property Rights under Certificates of Origin and CO2 emission allowances, must not be higher than 65% of the value of the collateral margins secured by such surety;
  - b) bank guarantees – must not be higher than:
    - 1) 90% of the required collateral margins guaranteed by the surety in the case of the surety referred to in § 34 sec. 1(a) item 1),
    - 2) 50% of of the required collateral margins guaranteed by the surety in the case of the surety referred to in § 34 sec. 1(a) item 2),
  - c) statement of submitting to enforcement following the procedure under Article 777 § 1 item 5 of the Act of 17 November 1964 – Code of Civil Procedure (consolidated text: Journal of Laws of 2020, item 1575, as amended) – must not be higher than 50% of the required collateral margins guaranteed by the surety.
5. If a Clearing House Member, with a view to covering its liabilities on account of collateral margins, lodges non-cash collateral in more than one of the forms referred to in § 28 sec. 3, the recognized value of each such collateral shall be determined in the following order:
- a) statement of submitting to enforcement following the procedure under Article 777 § 1 item 5 of the Act of 17 November 1964 – Code of Civil Procedure (consolidated text: Journal of Laws of 2020, item 1575, as amended), including those lodged as collateral for the surety referred to in § 34,
  - b) Property Rights to Certificates of Origin and CO2 emission allowances, including those lodged as collateral for the surety referred to in § 34 and the EUR currency,
  - c) bank guarantees of the second liquidity class, including those lodged as collateral for the surety referred to in § 34,
  - d) bank guarantees of the first liquidity class, including those lodged as collateral for the surety referred to in § 34,
- where:
- i. the value of non-cash collateral recognized earlier in accordance with the order specified above shall reduce the maximum possible value of recognition of any non-cash collateral recognized subsequently,

- ii. the order in which the Clearing House Member lodges non-cash collateral shall not affect the aforescribed order of recognition of its value. In the event the Clearing House Member lodges non-cash collateral in another form, the recognized value of non-cash collateral lodged previously by such entity shall be determined again in accordance with the aforescribed order of recognition of the value of each such collateral.
6. In the case of Clearing House Members conducting activity both on their own account and activity other than that conducted on their own account, the recognized value of non-cash collateral shall be determined separately for these types of activity, and in the case of activity other than conducted on own account, the recognized value of non-cash collateral shall be calculated separately for each client or represented Exchange Member, subject to the rules referred to in sec. 2-5.
7. The value of non-cash collateral lodged as collateral margin in each of the forms referred to in § 28 sec. 3 shall be calculated in accordance with the principles defined in sec. 1-6 above, based on the following formula:

$$WUZ_i = \min(WZ_i; DZ * PU_i - WUZ_{<n_i}; DZ - WUZ_{<n_i})$$

where:

- $WUZ_i$  – value of collateral in the form of  $i$  recognized as collateral margin,
- $WZ_i$  – value of collateral in the form of  $i$  lodged as collateral margin,
- $DZ$  – required value of the collateral margin,
- $PU_i$  – percentage value specified in sec. 1-4 for each form of collateral  $i$  and meaning that the recognized value of collateral in the form of  $i$  may not be greater than  $PU_i$  of the value of the required collateral margin,
- $WUZ_{<n_i}$  – (where  $n_i$  is the indicator of the order of recognition of collateral in the form of  $i$ ) value of non-cash collateral recognized as collateral margin that has been recognized earlier in accordance with the order specified in sec. 5,

and, if the Clearing House Member lodges non-cash collateral simultaneously in the form of Property Rights to Certificates of Origin and CO2 emission allowances, including those lodged as collateral for the surety referred to in § 34, then the value of recognized non-cash collateral for these groups of collateral forms shall be determined on an aggregate basis.

8. The recognized value of collateral in the form of a statement of submitting to enforcement following the procedure under Article 777 § 1 item 5 of the Act of 17 November 1964 – Code of Civil Procedure (consolidated text: Journal of Laws of 2020,

item 1575, as amended) – must not be higher than 50% of the required collateral margins of a given Clearing House Member.

9. Considering clearing security, the Clearing House Management Board may decide to set other maximum values for recognized particular forms of non-cash collateral for the given Clearing House Member or for the Clearing House.

## § 36

1. In respect of collateral provided in the form of:

- a) Property Rights to Certificates of Origin,
- b) CO2 Emission Allowances,
- c) the EUR currency and bank guarantees in EUR,

the Clearing House shall apply concentration limits at the level of the pertinent Clearing House Member and a concentration limit at the Clearing House level.

2. The concentration limit at a Clearing House Member level is the maximum volume of Property Rights from Certificates of Origin or CO2 emission allowances and the maximum nominal value in EUR and bank guarantees in EUR that may be provided by the respective Clearing House Member, taking into account the collateral provided both in connection with the activity conducted on its own account and not its own account.
3. The concentration limit at the Clearing House level is the maximum volume of the Property Rights under Certificates of Origin or CO2 emission allowances and the maximum nominal value in EUR and bank guarantees in EUR that may be provided in total to IRGiT.
4. The values of concentration limits of Property Rights under Certificates of Origin and CO2 emission allowances are presented, subject to sec. 7, in the following table:

<b>Type of collateral</b>	<b>Limit type</b>	<b>Concentration limit</b>
CO2 emission allowances – EUA	Limit at the Clearing House level	50,000,000 EUA
CO2 emission allowances – EUA	Limit on the Clearing House Member level	15,000,000 EUA
Property Rights under Certificates of Origin – PMOZE_A	Limit at the Clearing House level	3,000,000 MWh
Property Rights under Certificates of Origin – PMOZE_A	Limit on the Clearing House Member level	240,000 MWh

5. The Clearing House sets one shared concentration limit of the respective type for the EUR currency and bank guarantees in EUR. The value of the limits is specified in the following table:

<b>Type of collateral</b>	<b>Limit type</b>	<b>Concentration limit</b>
the EUR currency and bank guarantees in EUR	Limit at the Clearing House Level	EUR 600,000,000
the EUR currency and bank guarantees in EUR	Limit for the Clearing House Member	EUR 150,000,000

6. If, as a result of providing collateral in a specified non-cash form, the given concentration limit referred to in sec. 4 or sec. 5 is exceeded, the Clearing House shall accept the collateral only up to the amount of the concentration limit.
7. For the entities that have or belong to a group with an investment rating with credit quality step not higher than 4, in accordance with the table referred to in § 32 sec. 2, the concentration limits referred to in sec. 4 shall not apply. The volume of Property Rights under Certificates of Origin and CO2 emission allowances contributed by the above entities as non-cash collateral is not taken into account when determining concentration limits at the Clearing House level.

## **Guarantee Fund**

### § 37

1. The Clearing House, acting pursuant to § 41 of the Regulations, organizes the Guarantee Fund with a view to securing Transactions involving the delivery of electricity or gas, executed in the following markets:
  - a) Day-Ahead and Intraday Market,
  - b) Gas Day-Ahead and Intraday Market,
  - c) Forward Market.
2. The minimum value of a contribution to the Guarantee Fund shall be PLN 10,000 or, for entities admitted to operate on the FIM/RTP with Physical Delivery, PLN 30,000.
3. The first contribution to the Guarantee Fund shall be equal to three times the minimum contribution value referred to in sec. 2.
4. A Clearing House Member shall make the first contribution to the Guarantee Fund no later than two days prior to the date specified by the Exchange as the date on which such a Clearing House Member or a relevant entity represented by such a Clearing House Member as a Clearing Member commences its activity on the markets referred to in sec. 1.

5. The required contribution by a Clearing House Member to the Guarantee Fund shall be calculated by dividing the total value of contributions to the Guarantee Fund, determined in accordance with sec. 6, pro rata to the average value of the absolute uncovered loss risks referred to in sec. 9, determined for individual Clearing House Members participating in the fund during the most recent month. As a result of such pro rata division, the multiplier value  $m_{FGGIR}$  shall be obtained and subsequently published in an Announcement of the Director of the Risk Management Department.
6. The total value of contributions to the Guarantee Fund shall be calculated as the first largest value during the most recent 60 days which is the greater of the two values determined for each of these days:
  - a) the first largest value of the relative uncovered risk determined for the respective Clearing House Member or Power Group, as determined on the respective day in accordance with sec. 7, or
  - b) the sum of the second and third largest values of the relative uncovered risk determined on the respective day in accordance with sec. 7, determined for the respective Clearing House Member or Power Group.
7. The value of the relative uncovered loss risk shall be calculated as a stress test loss, determined in accordance with sec. 12, minus the value of the variation margin calculated for Transactions executed by the given Clearing House Member and covered by the Guarantee Fund, plus the value of the collateral margin calculated by taking into account all the Transactions executed by such that Clearing House Member and covered by the Guarantee Fund.
8. For the purposes of the calculation referred to in sec. 6, for each Power Group, the value of the relative uncovered loss risk shall be calculated at the respective group level.
9. The value of the absolute uncovered risk shall be determined independently for each Clearing House Member as a stress test loss, determined in accordance with sec. 12, minus the value of the initial margin for Transactions executed by the respective Clearing House Member and covered by the guarantee fund.
10. For each Clearing House Member conducting activity both on its own account and activity other than activity conducted on own account, the value of the relative uncovered risk referred to in sec. 7 and the value of the absolute uncovered risk referred to in sec. 9 shall be determined as the sum of the relative or absolute uncovered risks arising from each of these activities, as the case may be.
11. In the case of Clearing House Members who are members of Power Groups, the value of the absolute uncovered risk referred to in sec. 9 shall be calculated for the respective



Clearing House Member without taking into account the impact of the netting of initial margins.

12. For each Clearing House Member and for each Power Group, the value of the stress test loss shall be calculated as the value obtained when Positions are closed, as the case may be, for the respective Clearing House Member and the respective Power Group, in the event the worst-case stress test scenario materializes.

13. Contributions to the Guarantee Fund shall be made in Polish zloty (PLN), subject to the provisions of sec. 14, to IRGiT's bank account kept by Deutsche Bank Polska S.A. no.:

69 1880 0009 0000 0013 0091 0004

or by contributing bank guarantees in Polish zloty (PLN), in accordance with the provisions of § 33.

14. The IRGiT Management Board, in response to an application submitted by the Brokerage House or the Commodity Brokerage House, may approve payment of a contribution to the Guarantee Fund to the bank account of the entity concerned kept by the Clearing Bank. The terms and conditions for such approval shall be set forth in a resolution of the Clearing House Management Board.

15. In the event a membership agreement is amended in such manner that the respective entity terminates its activity as a Clearing House Member in respect of all the markets referred to in sec. 1, then the contribution to the Guarantee Fund shall be refunded to such an entity at its request, no later than on the due date of the next update of a contribution to the fund, after a given House member meets all liabilities resulted from its membership in the House

16. Such a refund shall be made to the bank account indicated in the application referred to in sec. 15 or, in the absence of such an indication, to the Clearing Bank Account of such an entity kept by the Clearing Bank.

## **CHAPTER II**

### **RULES OF CONDUCT IN THE EVENT OF AN INFRINGEMENT**

#### **§ 38**

1. If an Infringement has been identified for a given Clearing House Member, the Clearing House may take the actions specified in § 54 of the Regulations.

2. Detailed information on the actions taken by IRGiT and the rules of conduct in the event of occurrence of a premise for declaring an Infringement are laid down in the Rules of

Conduct in the Event of Infringement adopted by the IRGiT Management Board by way of resolution.

3. In order to secure financial settlements following from Transaction clearings the Clearing House, pursuant to §53 sec. 2 and §54 sec. 1 of the Regulations, may settle the liabilities and receivables of the Clearing House Member by debiting or crediting the transaction margin subaccounts in the Settlement Bank assigned to the given Clearing House Member.
4. The taking of the decision referred to in sec. 3 above does not preclude the Clearing House's possibility of charging the Clearing House Member's clearing bank account in the Clearing Bank in order to cover its current or future liabilities arising from the Transactions whose clearing is the responsibility of such Clearing House Member.
5. The Clearing House informs the Clearing House Member about the necessity to utilize their receivables according to the rules specified in sec. 3 above.

### **CHAPTER III**

#### **REGISTRATION OF OPERATIONS RELATED TO TRADING IN COMMODITIES**

##### § 39

1. The Clearing House maintains separate Trading Accounts for each Clearing House Member.
2. If a Clearing House Member pursues an activity on clients' account or discharges the function of a representative of an Exchange Member, the Clearing House shall maintain separate Trading Accounts dedicated to each of such clients or Exchange Members represented by such Clearing House Member for such a Clearing House Member, subject to the provisions of sec. 4-6.
3. For Transactions concluded on IDM, DAM, EFM/RTPE, and PRM, the Clearing House creates a collective Trading Account and an assigned Clearing Account.
4. If Positions arising from the Transactions concluded on IDM, DAM, and EFM/RTPE are registered on the Trading Account, a Scheduling Unit assigned to such a Trading Account is configured in the Clearing System.
5. For Transactions concluded on IDMg, DAMg, and GFM/RTPG, the Clearing House creates a separate collective Trading Account for each Gas delivery point and an assigned common Clearing Account.

6. If Positions arising from the Transactions concluded on IDMg, DAMg, and GFM/RTPG are registered on the Trading Account, a Shipper Code assigned to such a Trading Account is configured in the Clearing System.

§ 40

1. For the Trading Accounts serving the purpose of registering Positions arising from the Transactions referred to in § 39 sec. 4 and 6, the Clearing House creates Physical Delivery Accounts assigned to such accounts, under which a Scheduling Unit or a Shipper Code, respectively, is configured.
2. If a Clearing House Member pursues a simultaneous activity on markets where the object of delivery is electricity and Gas, the Clearing House creates two separate Physical Delivery Accounts serving the purpose of such activities.
3. Where a Clearing House Member does not have its own Scheduling Unit or a Shipper Code, it may use a Scheduling Unit or a Shipper Code owned by another entity with which it has entered into a relevant agreement on sharing a Scheduling Units or a Shipper Code.
4. There may be more than one Scheduling Unit configured under one Physical Delivery Account provided that all Scheduling Units configured under a given Physical Delivery Account are owned by one entity.
5. One Shipper Code may be configured under one Physical Delivery Account. Where a company owns several Shipper Codes, the Clearing House creates a separate Physical Delivery Account for each of the codes in the Clearing System.
6. For Transactions concluded on IDMg, DAMg and GFM/RTPG, the Clearing House creates a separate Physical Delivery Account for each Gas delivery point and assigns it to separate Trading Accounts referred to in § 39 sec. 5.
7. One physical delivery account may be assigned to more than one Trading Account.
8. In a situation resulting in a Clearing House Member, its client or represented Exchange Member being unable to effect a physical delivery of electricity or Gas by using a Scheduling Unit or a Shipper Code assigned to their Trading Account, the Clearing House Member is obligated to indicate another Scheduling Unit or Shipper Code, respectively, for which a physical delivery of electricity or Gas may be effected.
9. For each Trading Account, the Clearing House creates a Clearing Account assigned to it, used to record liabilities and receivables resulting from the daily clearing of a Clearing

Member's Transactions and liabilities on account of the calculated collateral margins resulting from its open Positions.

10. For each Clearing House Member, the Clearing House maintains a Settlement Account, with the reservation that if a Clearing Member simultaneously pursues activity on its own account and activity not on its own account, the Clearing House maintains two separate Settlement Accounts for these types of activity. Linked to a Settlement Account is the Clearing Account of a Clearing House Member acting on its own account or all Clearing Accounts dedicated to its clients or represented Exchange Members.
11. A Settlement Account is used to register the value of liabilities and receivables of a Clearing Member, based on which the Clearing House prepares payment orders forwarded to the Clearing Bank for financial settlement of Transactions cleared by the Clearing House. A Settlement Account is linked to the appropriate Clearing Bank Account of the Clearing House Member in the Clearing Bank through which that Member pays its liabilities towards the Clearing House.
12. For each Clearing House Member, the Clearing House maintains a Collateral Pledged Account, with the reservation that if a Clearing Member simultaneously pursues an activity on its own account and activity not on its own account, the Clearing House maintains two Collateral Pledged Accounts for these types of activity.
13. A Collateral Pledged Account serves the purpose of registering the total value of collateral contributed by a Clearing House Member in cash as well as in other forms of non-cash collateral recognized by the Clearing House and entered in the Non-Cash Collateral Register.

## **CHAPTER IV**

### **BREAKDOWN OF FORWARD CONTRACT POSITIONS FROM FIM/RTP FOR TRADING IN GAS**

#### § 41

##### 1. Breakdown of Positions from annual contracts into quarterly contracts:

One day before performing an annual contract, in the current clearing process, the Clearing House breaks down the Positions – registered by the Clearing House – from the annual contract with the closest delivery period into an analogous number of Positions in four closest contracts with a quarterly delivery period, thus combining the Positions from the annual contract subject to breakdown with the Positions – registered earlier by the Clearing House – in quarterly contracts with corresponding delivery periods with the annual contract subject to breakdown.

##### 2. Breakdown of Positions from seasonal contracts into quarterly contracts:

One day before performing a seasonal contract, in the current clearing process, the Clearing House breaks down the Positions – registered by the Clearing House – from the seasonal contract with the closest delivery period into an analogous number of Positions in two closest contracts with a quarterly delivery period, thus combining the Positions from the seasonal contract subject to breakdown with the Positions – registered earlier by the Clearing House – in quarterly contracts with corresponding delivery periods with the seasonal contract subject to breakdown.

##### 3. Breakdown of Positions from quarterly contracts into monthly contracts:

One day before performing a quarterly contract, in the current clearing process, the Clearing House breaks down the Positions – registered by the Clearing House – from the quarterly contract with the closest delivery period into an analogous number of Positions in three closest contracts with a monthly delivery period, thus combining the Positions from the quarterly contract subject to breakdown with the Positions – registered earlier by the Clearing House – in monthly contracts with corresponding delivery periods with the quarterly contract subject to breakdown.

## **CHAPTER V**

### **METHOD AND PROCEDURE FOR THE CLEARING OF TRANSACTIONS**

#### **General provisions**

##### § 42

1. The clearing of Transactions executed in markets operated by TGE does not involve the Clearing House entering into the rights or obligations of the parties to such Transactions. In the clearing process, the Clearing House becomes a party to the clearings for the purposes of financial handling of the executed Transactions.
2. Calculation and settlement of VAT and excise tax is carried out according to prevailing regulations.
3. The Clearing House provides the self-billing service Clearing House Members under the agreement referred to in § 4 sec. 11. The general rules concerning the self-billing service provided by the Clearing House, including the rules of liability of IRGiT and the Clearing House Members are laid down in the Rules for the provision of the self-billing service by IRGiT S.A. In the event that the Clearing House is unable to provide the self-billing service, the Clearing House Members are obligated to issue invoices in accordance with the Invoicing Schedule constituting Appendix 2 to these Detailed Clearing and Settlement Rules. In special cases, mainly in holiday periods, the Clearing House may introduce changes to the Invoicing Schedule. Changes to the schedule are sent to the Clearing House Members by electronic mail with appropriate notice.
4. Transactions concluded on the exchange are cleared by the Clearing House in Polish zloty, subject to sec. 5.
5. In the case Transactions concluded on IDM, where instruments are quoted in Euro, the value of the concluded transactions, for the purpose of the clearing and settlement process, are translated based on the average Euro exchange rate published by the National Bank of Poland for the date preceding the Delivery Day. If the Delivery Day is a statutory holiday or the first business day following a non-business day, the value of the concluded Transactions is converted based on the average Euro exchange rate published by the National Bank of Poland on the last business day preceding the statutory holiday.

#### § 43

1. A Clearing House Member has at least one Clearing Account in the Clearing System where the clearing of Transactions executed on DAM, IDM, DAMg, IDMg, PRM, and FIM/RTP is effected taking into account § 39 sec. 3 and 5. In the case of conducting activity on clients' account or as a representative of an Exchange Member, a Clearing House Member has separate Clearing Accounts for each client or represented Exchange Members.
2. In the clearing process, each Clearing House Member receivables and liabilities resulting from Transactions executed on DAM, IDM, DAMg, IDMg, PRM, and FIM/RTP are set off against each other, subject to the provisions of sec. 3.
3. If a Clearing House Member pursues an activity simultaneously on its own account and activity not on its own account, the Clearing House shall clear Transactions separately for these types of activity. The Clearing House does not set off Clearing House Member receivables and liabilities resulting from an activity conducted by such a Member on its own account and resulting from an activity conducted by such a Member on clients' account or represented Exchange Members.

#### § 44

1. The PRM, IDMg, DAM, DAMg, and FIM/RTP clearing process starts at 3:30 p.m., after the Clearing House receives the data of all Transactions entered into on the exchange on a given Trading Day and confirmation of the finality of such data from the Exchange.
2. The IDM clearing process starts at 1:00 p.m., after the Clearing House receives the data of all Transactions entered into on the exchange between 1:00 p.m. on Day N-1 and 1:00 p.m. on Day N and confirmation of the finality of such data from the Exchange.
3. After the Transaction Data referred to in sec. 1 and sec. 2 are confirmed by the Exchange, they become irrevocable for the Exchange and third parties.
4. After the completion of the clearing process of all markets on Day N (until 6:30 p.m. on business days or until 5:30 p.m. on non-business days), the Clearing House provides in the Clearing System the updated documents referred to in § 35 sec. 1 of the Regulations in the form of a Clearing Report. In extraordinary circumstances, the times of provision of a Clearing Report may change.

#### § 45

1. A Clearing House Member is obligated to provide the Clearing House with the Clearing Bank Account in the Clearing Bank, subject to § 5 sec. 3. If a Clearing House Member pursues an activity simultaneously on its own account and activity other than activity conducted on own account, the Clearing House Member is obligated to provide the Clearing House with two separate Clearing Bank Accounts dedicated to these types of activity.
2. A Clearing House Member is obligated to grant to the Clearing Bank a power of attorney to submit instructions of transfer of monies from the Member's Clearing Bank Account to the Technical Bank Account in a given Clearing Bank in the amount specified by the Clearing House in the Clearing Report.

### **Rules for determining the amount of receivables and liabilities under Transactions executed on DAM**

#### § 46

1. On each Trading Day after registering the Positions from the Transactions whose clearing is the responsibility of the given Clearing Member, the Clearing House, on individual Clearing Accounts of the Clearing Member and its clients or represented Exchange Members, respectively, carries out current clearing of session Transactions entered into on DAM on the Trading Day.
2. The sum of clearings on individual Clearing Accounts (to be cleared by a given Clearing Member) is determined as the difference of the value of the sell Transactions and the buy Transactions entered into on DAM on the Trading Day plus the VAT amount as required by the applicable law.
3. For Foreign Entities, unless prevailing provisions of law stipulate otherwise, the clearing balance is not increased by VAT.
4. The value of Transactions entered into on IDM is calculated as the product of the Transaction volume, the lot size of the instrument counted in MWh, and the Transaction price expressed as PLN/MWh.

### **Rules for determining the amount of receivables and liabilities under Transactions executed on IDM**



## § 47

1. On each Day N after registering the Positions from the Transactions whose clearing is the responsibility of the given Clearing Member, the Clearing House, on individual Clearing Accounts of the Clearing Member and its clients or represented Exchange Members, respectively, carries out clearing of Transactions entered into on IDM between 1:00 p.m. on Day N-1 and 1:00 p.m. on Day N.
2. In the case of block contract Transactions concluded on IDM, the separate individual hours of that contract are subject to clearing.
3. The sum of clearings on individual Clearing Accounts (to be cleared by a given Clearing Member) is determined as the difference of the value of the sell Transactions and the buy Transactions entered into on IDM between 1:00 p.m. on Day N-1 and 1:00 p.m. on Day N plus the VAT amount as required by the applicable law.
4. For Foreign Entities, unless prevailing provisions of law stipulate otherwise, the clearing balance is not increased by VAT.
5. The value of Transactions entered into on IDM is calculated as the product of the Transaction volume, the lot size of the instrument counted in MWh, and the Transaction price expressed as PLN/MWh.

### **Rules for determining the amount of receivables and liabilities under Transactions entered into on FIM/RTP**

## § 48

1. On each business day, Day N, the Clearing House, on individual Clearing Accounts of a Clearing Member and its clients or represented Exchange Members, respectively, carries out current clearing of session Transactions and OTC Transactions for which it received a clearing instruction, whose delivery will take place on Day N+1. On the first business day following a non-business day, the Clearing House carries out clearing of session Transactions which were not cleared on Day N+1.
2. The sum of clearing balances on individual Clearing Accounts (to be cleared by a given Clearing Member) is determined as the difference of the value of the electricity or Gas delivered on Day N+1 resulting from the sell Transactions and the buy Transactions entered into on FIM/RTP plus the VAT amount and excise tax accrued in accordance with prevailing regulations.

3. For Foreign Entities, unless prevailing provisions of law stipulate otherwise, the clearing balance is not increased by VAT but, if required by provisions of law, is increased by excise tax.
4. The value of Transactions entered into on FIM/RTP (the object of which is electricity or Gas) is calculated as the product of the Transaction volume, the lot size of the instrument counted in MWh, and the Transaction price expressed as PLN/MWh.

Rules for determining the amount of receivables and liabilities under Transactions entered into on PRM.

#### § 49

1. On each Transaction day after registering the Positions from the Transactions whose clearing is the responsibility of the given Clearing Member, the Clearing House, on individual Clearing Accounts of the Clearing Member and its clients or represented Exchange Members, respectively, carries out current clearing of session Transactions entered into on PRM on the Trading Day and OTC Transactions for which it received a clearing instruction.
2. The sum of clearing balances on individual Clearing Accounts (to be cleared by a given Clearing Member) is determined as the difference of the value of the sell Transactions and the buy Transactions entered into on PRM on the Trading Day or OTC Transactions for which it received a clearing instruction plus the VAT amount as required by the applicable law.
3. For Foreign Entities, unless prevailing provisions of law stipulate otherwise, the clearing balance is not increased by VAT.
4. The value of Transactions entered into on PRM is calculated as:
  - a) The product of the Transaction volume counted in kWh and the Transaction price expressed as PLN/MWh divided by 1,000, for the Property Rights to Certificates of Origin within the meaning of the Energy Law,
  - b) The product of the Transaction volume counted in TOE and the Transaction price expressed as PLN/TOE divided by 1,000, for the Property Rights to Certificates of Origin from energy efficiency certificates within the meaning of the Energy Efficiency Act.

## **Rules for determining the amount of receivables and liabilities under Transactions entered into on DAMg and IDMg**

### § 50

1. On each Trading Day after registering the Positions from the Transactions whose clearing is the responsibility of the given Clearing Member, the Clearing House, on individual Clearing Accounts of the Clearing Member and its clients or represented Exchange Members, respectively, carries out current clearing of session Transactions entered into on DAMg and IDMg on the Trading Day.
2. The sum of clearings on individual Clearing Accounts (to be cleared by a given Clearing Member) is determined as the difference of the value of the sell Transactions and the buy Transactions entered into on DAMg and IDMg on the Trading Day plus the VAT amount and the excise tax accrued in accordance with prevailing regulations.
3. For Foreign Entities, unless prevailing provisions of law stipulate otherwise, the clearing balance is not increased by VAT but, if required by provisions of law, is increased by excise tax.
4. The value of Transactions entered into on DAMg and IDMg is calculated as the product of the Transaction volume, the lot size of the instrument counted in MWh, and the Transaction price expressed as PLN/MWh.

## **CHAPTER VI**

### **METHOD AND PROCEDURE OF THE SETTLEMENT OF TRANSACTIONS**

#### § 51

1. The function of the Settlement Bank for cash settlements of Transactions and updating of collateral margins is discharged by Deutsche Bank Polska S.A.
2. The Clearing House carries out cash settlement of Transactions and update of collateral margins for all Clearing Members which are parties to Transactions entered into on DAM, IDM, IDMg, DAMg, PRM, and FIM/RTP through the Settlement Bank and all Clearing Banks.
3. To ensure the secure and efficient conduct of cash settlements of Transactions and updating of collateral margins, the Clearing House cooperates with the Settlement Bank and all Clearing Banks in accordance with the Schedule.
4. Cash settlement of Transactions with a Foreign Clearing House may be carried out outside the Settlement Bank. In such a case, the Foreign Clearing House is obligated to

settle its liabilities through payment of monies directly to the account specified by IRGiT before carrying out the cash settlement by the Clearing House within the time-limit defined by a resolution of the IRGiT Management Board.

5. Liabilities or receivables of a Foreign Clearing House can be increased or decreased by payments following from Transactions entered into on the exchange, which will be executed outside the Domestic System.

### **Rules for exchange of information between the Clearing House, the Settlement Bank and the Clearing Bank.**

#### § 52

1. On each business day, the Clearing House prepares data for cash settlement and update of the collateral margins, carried out through the Settlement Bank in cooperation with all Clearing Banks. The data have the form of Payments Confirmation Reports.
2. Payments Confirmation Reports comprise payments of all Clearing Members resulting from update of collateral margins for the CFIM/RTT and payment balances calculated as a sum of Transaction clearing balances from DAM, IDM, DAMg, IDMg, PRM, and FIM/RTP within the framework of the given activity. Payments Confirmation Reports are sent to individual Payer Banks of Clearing House Members and form the basis for the settlement executed by the Clearing House through the Settlement Bank and the Clearing Bank.

#### § 53

1. Payments Confirmation Reports prepared on Day N being a business day include liabilities and receivables of individual Clearing House Members resulting from:
  - a) update, on Day N, of collateral margins for forward contracts executed on FIM/RTP;
  - b) Transactions executed on PRM, IDMg with delivery on Day N;
  - c) Transactions executed on DAM, DAMg, and FIM/RTP with delivery on Day N+1;
  - d) Transactions executed on IDM with delivery on Day N-1.
2. Where the business Day N is the first business day following a non-business day, the Payments Confirmation Report includes liabilities and receivables of individual Clearing House Members resulting from:
  - a) Transactions executed on IDMg with delivery on each non-business day preceding a business Day N;

- b) Transactions executed on DAM, DAMg, and FIM/RTP with delivery on Day N+1 with respect to each non-business day preceding a business Day N;
  - c) Transactions executed on IDM with delivery on each non-business day preceding Day N-1 and the last business day directly preceding non-business days.
3. Payments Confirmation Reports may be extended by the Clearing House to include any and all Clearing Member liabilities or receivables towards the Clearing House or the Exchange resulting from their membership in the Clearing House or the Exchange, including those resulting from the receivables referred to in sec. 1 and 2 above, in the situation defined in §38 sec. 3 and 4.
  4. Payments Confirmation Reports are sent to individual Clearing Banks on Days N by 5:30 p.m. Payments Confirmation Reports are sent on the first business day following such non-business day and contain a compensated balance of payments calculated on the non-business days and the next business day following them.
  5. If the Exchange recalculates the Clearing Price described in the "Detailed rules for trading and clearing of electricity on the Day-Ahead Market", the Payments Confirmation Reports may be sent to the Clearing Bank after 5:30 p.m. In such a case, the Clearing House informs Clearing Members, the Settlement Bank and the Clearing Bank thereof.
  6. Payments Confirmation Reports for individual Clearing Banks constitute confirmation of the information contained in the Clearing Report.
  7. On the first business day following the date of sending of the Payments Confirmation Reports to individual Clearing Banks, they shall carry out their operations in accordance with the Schedule and instructions contained in the order batches effected in cooperation with the Settlement Bank.

#### § 54

1. The exchange of information between the Settlement Bank and the Clearing Bank is based on the following SWIFT Messages:
  - a) SWIFT MT101 – sent by the Settlement Bank, comprising all payment orders to be carried out by the Clearing Bank;
  - b) SWIFT MT942 – sent by the Clearing Bank, comprising information about all operations carried out on the Technical Bank Account before its generation;

c) SWIFT MT940 – sent by the Clearing Bank, comprising information about all operations carried out on the Technical Bank Account.

2. The Clearing Bank executes the payment instructions received from the Settlement Bank in the form of SWIFT MT101 Messages. The instructions are consistent with the Payments Confirmation Reports.

#### § 55

1. The Clearing Bank has the right to preclude execution of a payment order debiting the Clearing Bank Account of a selected Clearing House Member on the principles and in the manner specified in an agreement between the Clearing Bank and IRGiT.
2. The payment reservation for cash settlement of the Transactions concluded on the exchange, as referred to in § 59 sec. 1(a), may take place only if the additional liquidity collateral referred to in § 59 sec. 3 is insufficient to cover the Clearing Member liabilities.
3. The payment reservation for updating of the collateral margins referred to in § 59 sec. 1(c) may take place if the Clearing House Member has failed to ensure a sufficient amount of cash in its Clearing Bank Account.
4. In the event any payments are reserved by the Clearing House, the value of the transfer between the Technical Bank Account and the Clearing Bank Account in the Payments Confirmation Report sent by the Clearing House to the Clearing Bank pursuant to § 53 sec. 4 and the actual amount of the instruction sent by the Settlement Bank by way of a SWIFT MT 101 Message may be different. In such a case, the Clearing House sends a correction of the Payments Confirmation Report to the Clearing Bank which precluded the payment.
5. In the case of a payment reservation for a cash settlement of the exchange Transactions referred to in sec. 2 above, the Clearing House uses the cash collected by a Clearing Member on the Transaction Margin Bank Account in the first place. In the event that the cash of the Clearing Member deposited in the Transaction Margin Account is divided into the Basic Transaction Limit, Exchange Member Representative Transaction Limit as well as the Transaction Limit dedicated to the IDM, the Clearing House shall first cover liabilities of the Clearing with the cash making up the Basic Transaction Limit, at the same time decreasing the payment reservation. In the event that amount limiting direct payments is higher than the amount of the Basic Transaction Limit, the Clearing House subsequently utilizes the cash making up the Exchange Member Representative Transaction Limits of Exchange Members represented by such Clearing House Member, decreasing first the Exchange Member Representative Basic Transaction Limit and then the Exchange Member Representative Transaction Limit dedicated to the IDM, followed

by the Transaction Limit dedicated to the IDM of such Clearing House Member to cover the amount of the limiting direct payments. If the amount of limiting direct payments is higher than the total utilized for the Transaction margin of cash deposited by the Clearing Member on the Transaction Margin Bank Account, the Clearing House shall cover the missing amount of limiting direct payments with cash of the given Clearing House Member making up the Delivery Margin and the Historic Margin.

6. Where the cash being delivery margin and historic margin referred to in § 10 and § 11 is used for covering the reserved payment order referred to in § 55 sec. 2, the Clearing Member is obligated to supplement the value of the delivery margin and the historic margin so as to reach the required level by 4:00 p.m. on the reservation day. Failure to make the Replacement Payment or not possibility to cover it by reducing the Basic Transaction Limit, Exchange Member Representative Transaction Limit and/or the Transaction Limit dedicated to the IDM of a given Clearing Member, may constitute a premise for the Clearing House to declare an Infringement and take the actions referred to in § 54 of the Regulations.
7. If, subject to § 5 sec. 5, all cash on the Transaction Margin Sub-Account is insufficient to cover the reserved payment order of a given Clearing House Member, IRGiT uses the cash collected on the Collateral Margin Sub-Account of a given Clearing Member for settlement.
8. If, subject to § 5 sec. 5, both the cash on the Transaction Margin Sub-Account and the cash on the Collateral Margin Sub-Account is insufficient to cover the reserved payment order of a given Clearing House Member, the Clearing House uses own funds referred to in § 45o of the Regulations for settlement.
9. Next, the Clearing House requests the Clearing House Member to reimburse the used cash referred to in sec. 8 and to supplement the collateral margins, delivery margin, historic margin, as well as to make the minimum contribution to transaction margins so as to reach the required values. In addition, when the funds referred to in sec. 8 have been utilized, the Clearing House Member shall refund the amount of accrued interest or banking fees arising on that account.
10. In the event of a payment restriction for cash settlement of the Exchange Transactions referred to in sec. 2 above or occurrence of a payment restriction for update of collateral margins referred to in sec. 3 above, the Clearing House may immediately utilize all non-cash collateral provided by such Clearing House Member towards collateralizing the transaction margin and collateral margin.
11. Failure to reimburse by the Clearing Member the used cash referred to in sec. 8 and failure to supplement the collateral margins, delivery margin, historic margin, as well

as to make the minimum contribution to transaction margins so as to reach the required values may constitute a premise for declaring an Infringement within the meaning of the Regulations.

#### § 56

1. After executing each batch of payment orders referred to in § 59 sec. 1, each Clearing Bank sends the SWIFT MT 942 Message for the Technical Bank Account in accordance with the Schedule.
2. After completing the settlement process, the Clearing Bank sends the SWIFT MT 940 Message for the Technical Bank Account in accordance with the Schedule.
3. The Clearing Bank which submitted a written undertaking to send SWIFT MT 942 and MT 940 Messages from the Clearing Bank Account of the brokerage house or the commodity brokerage house carries out the operations in accordance with the Schedule.

Services for Clearing Members as part of cash settlement

#### § 57

1. The following bank accounts are dedicated to providing financial services to a Clearing Member:
  - a) Transaction Margin Sub-Account in the Settlement Bank;
  - b) Clearing Bank Account in the Clearing Bank;
  - c) Collateral Margin Sub-Account in the Settlement Bank if a given Clearing House Member is admitted to operate on FIM/RTP.
2. The Clearing House Member's bank account credited or debited in accordance with the clearing of Transactions and in accordance with the updating of the required collateral margins for FIM/RTP is the Clearing Bank Account in the Clearing Bank, subject to § 5 sec. 3.
3. There are monies constituting a delivery margin, a historic margin, and cash constituting the basis for setting the Transaction Limits of Clearing Members on Transaction Margin Sub-Accounts, subject to § 5 sec. 5. Payments to the Transaction Margin Sub-Account are made by a Clearing Member.
4. There is cash constituting coverage for collateral margins for FIM/RTP required from Clearing Members on Collateral Margin Sub-Accounts, subject to § 5 sec. 5. Payments



to and from the collateral margin sub-account are made automatically by the Clearing House.

5. To carry out the settlement of Clearing Members in the Clearing Bank, IRGiT has a Technical Bank Account in each Clearing Bank and a Clearing Bank Account in the Settlement Bank.

#### § 58

1. If in connection with Transaction clearings and update of collateral margins the Clearing House's Clearing Member has:
  - a) Net liabilities, then the Clearing Bank Account is debited and the Technical Bank Account is credited;
  - b) Net receivables, then the Technical Bank Account is debited and the Clearing Bank Account is credited.
2. Interbank transfers are executed as netted liabilities and receivables of all Clearing House Members in the Clearing Bank through the Clearing House's settlement bank account in the Settlement Bank.

#### § 59

1. Payment instructions consistent with Payments Confirmation Reports are sent by the Clearing Bank for execution broken down into four batches of orders:
  - a) Payment order batch no. 1 – pertaining to settlement of Transactions entered into on the exchange, comprising transfer orders debiting the Clearing Bank Accounts in the Clearing Bank for the Clearing House Members holding a liabilities balance;
  - b) Payment order batch no. 2 – pertaining to settlement of Transactions entered into on the exchange, comprising transfer orders crediting the Clearing Bank Accounts in the Clearing Bank for the Clearing House Members holding a receivables balance, and interbank transfer orders through the Settlement Bank Account in the Settlement Bank;
  - c) Payment order batch no. 3 – pertaining to update of collateral margins for FIM/RTP, comprising transfer orders debiting the Clearing Bank Accounts in the Clearing Bank for the Clearing House Members holding a liabilities balance and debiting Collateral Margin Sub-Accounts for the Clearing House Members holding a receivables balance;

- d) Payment order batch no. 4 – pertaining to update of collateral margins for FIM/RTP, comprising transfer orders crediting the Clearing Bank Accounts in the Clearing Bank for the Clearing House Members holding a receivables balance and crediting the Collateral Margin Sub-Accounts for the Clearing House Members with a liabilities balance and order interbank transfers via the Clearing House's settlement bank account in the Settlement Bank.
2. IRGiT sends the payment instructions referred to in sec. 1 for execution in accordance with the Schedule.
  3. Clearing House Members, in cooperation with their selected Clearing Banks, are required to maintain and secure appropriate financial liquidity on their Clearing Bank Accounts in a manner enabling the execution of the payment orders referred to in sec. 1, in accordance with the Schedule. Failure to comply with the Clearing House Member's obligation specified in the first sentence may constitute a premise for the Clearing House to declare an Infringement and take the actions referred to in § 54 of the Regulations.
  4. Cash settlement of a Foreign Clearing House carried out outside the Settlement Bank is executed through collecting the monies paid into the account indicated by IRGiT if the Foreign Clearing House has a liabilities balance, and through payment of monies by the Clearing House to the account indicated by the Foreign Clearing House, if the Foreign Clearing House has a receivables balance.

## **Electricity settlement**

### § 60

1. Transactions in electricity trading cleared by the Clearing House are submitted to eTSO as a balance, broken down into Scheduling Units assigned by the eTSO to Clearing Members and respectively their clients, Exchange Members represented by Clearing House Members and the Exchange.
2. Before sending a submission to eTSO on the Transaction conclusion day (Day T), the Clearing House enables Clearing Members to make changes in the Clearing System consisting in editing a description of a Transaction, splitting Transaction volume, and transferring Transactions between the Trading Accounts created for a given Clearing House Member as regards a given type of the pursued activity, which serve the purpose of registering the Transactions referred to in § 39 sec. 3. The changes referred to above may be made within the following time frames:

- Transactions concluded on IDM with delivery on Day T: no later than 2 hours before the start of the delivery;
  - Transactions concluded on IDM with delivery on Day T + 1: by 10:00 p.m.;
  - Transactions concluded on DAM with delivery on Day T + 1: by 1:50 p.m.;
  - Transactions concluded on DAM with delivery on Day T + 2 and T + 3: by 3:30 p.m.
  - Transactions concluded on EFM/RTPE: by 3:30 p.m.
3. No changes made in schedules with electricity delivery for the next day made after 1:50 p.m. will be included in the submission made to eTSO.
  4. The submission is made for the Scheduling Units belonging to the Exchange. A change of the Scheduling Units for which Transactions will be submitted is made by a resolution of the IRGiT Management Board and is communicated to Clearing Members no later than one week before making the change.
  5. Detailed principles of electricity settlement are defined in the IRiESPe and the relevant Detailed Rules for Trading and Clearing of TGE.

#### Settlement of Property Rights to Certificates of Origin in the Property Rights Market

##### § 61

1. On Day N, after completion of the clearing of the Transactions, the Clearing House hands over a file with the balances of liabilities and receivables of individual Clearing Members expressed in Property Rights to Certificates of Origin to the Certificate of Origin Register.
2. By 1:30 p.m. on the Transaction conclusion day, Clearing Members may make changes in the Clearing System consisting in editing a description of a Transaction and splitting Transaction volume. Changes made by a Clearing Member after 1:30 p.m. might not be included by the Certificate of Origin Register.
3. Execution of Transactions entered into on the PRM takes place through change of the holdings of individual Property Rights to Certificates of Origin on the Trading Accounts of Clearing Members in a relevant register kept by the Exchange:
  - a) certificates of origin register referred to in the Energy Law,
  - b) register of energy efficiency certificates referred to in the Energy Efficiency Act.
4. If a Clearing Member enters into a Transaction on the client's account or on account of a represented Exchange Member, the process of reposting Property Rights to Certificates

of Origin is carried out using the client's or represented Exchange Member's Trading Account in the Certificate of Origin Register.

**Suspension of Transaction clearings. A standard procedure in the event of lack of sufficient quantity of Property Rights to Certificates of Origin on the account of the Certificate of Origin Register Member. A buy Transaction of the missing quantity of Property Rights to Certificates of Origin on TGE as an OTC or PRM session Transaction**

§ 62

1. If the Clearing House has to suspend the clearing of an exchange PRM Transaction due to insufficient quantity of Property Rights to Certificates of Origin of the given Clearing Member in the Certificate of Origin Register, IRGiT immediately communicates with the parties to the Transaction, no later than on the day following the day of conclusion of such a Transaction by 9:00 a.m.
2. If the party to the Transaction is obligated to buy additional Property Rights to Certificates of Origin is a Clearing House Member pursuing an activity not on own account, it executes the Order for the client or represented Exchange Member on whose account it effected the sale.
3. If a party to the Transaction is obligated to buy additional Property Rights to Certificates of Origin is a different Clearing Member than indicated in sec. 2, it executes the Order on its own account.
4. The Clearing House blocks, on its own account in the Settlement Bank, the cash paid by the buying party for the clearing of the Transaction which has been suspended.
5. The cash referred to in item sec. 4 shall be used for the cash settlement of the buy Transaction of the missing quantity of Property Rights to Certificates of Origin. The party obligated to buy additional Property Rights to Certificates of Origin covers the exchange difference during the cash settlement of the Transaction.
6. The party obligated to buy the missing quantity of Property Rights to Certificates of Origin informs the Clearing House on an on-going basis about the actions taken and their results.
7. The missing quantity of Property Rights to Certificates of Origin is supplemented through placing of a buy Order by a Clearing Member and entering into a session Transaction or OTC cleared on TGE. The buying party is obligated to immediately notify the Clearing

House about submission of the Order in the Exchange's IT System and provide it with a written confirmation of the Order.

8. The missing quantity of Property Rights to Certificates of Origin should be supplemented at least during the nearest Trading Day on the exchange. Failure to supplement an appropriate amount of Property Rights to Certificates of Origin may constitute a premise for declaring an Infringement within the meaning of the Regulations.

### **The buy Transaction of the missing Property Rights to Certificates of Origin on PRM as an OTC**

#### § 63

1. The Exchange Management Board, in communication with the Clearing House, may allow to conclude an OTC on a written request of the entity obligated to buy the missing quantity of Property Rights to Certificates of Origin.
2. The OTC is entered into on PRM and cleared by the Clearing House outside the days set in pertinent regulations of the Exchange and Clearing House.

### **Procedure after buying additional Property Rights to Certificates of Origin**

#### § 64

1. After entering into a buy Transaction of additional Property Rights to Certificates of Origin, the Clearing House finally clears the suspended Transaction.
2. The buy Transaction of additional Property Rights to Certificates of Origin is cleared financially and in Property Rights to Certificates of Origin.
3. In the case of a buy Transaction of additional Property Rights to Certificates of Origin as an OTC, the clearing in Property Rights to Certificates of Origin takes place immediately after entering into the Transaction. The financial clearing takes place by the nearest date of cash settlement carried out by the Settlement Bank.
4. After the clearing of the buy Transaction of additional Property Rights to Certificates of Origin, the Transaction whose clearing has been suspended is cleared through financial clearing and entering of the Transaction parameters into the IT system.

5. The financial clearing is carried out using the cash referred to in § 62 sec. 4 and adjusted by exchange rate differences, if any. The Clearing House calculates the adjustment and issues pertinent payment documents.

## **Gas settlement**

### § 65

1. Transactions in Gas trading cleared by the Clearing House are submitted to gTSO as a balance, broken down into Shipper Codes assigned by gTSO to Clearing Members and their clients or represented Exchange Members, respectively.
2. Before sending a submission to gTSO on the Transaction conclusion day, the Clearing House enables Clearing Members to make changes in the Clearing System consisting in editing a description of a Transaction, splitting Transaction volume, and transferring Transactions between the Trading Accounts created for a given Clearing House Member as regards a given type of the pursued activity, which serve the purpose of registering the Transactions referred to in § 39 sec. 5. The changes referred to above may be made within the following time frames:
  - Transactions concluded on IDMg: by 3:30 p.m.;
  - Transactions concluded on DAMg: by 3:30 p.m.;
  - Transactions concluded on GFM/RTPG: by 3:30 p.m.
3. The submission is made by TGE on behalf of Clearing Members and their clients and represented Exchange Members, respectively, through submission of Nominations on the basis of the data obtained from the Clearing House's Clearing System.
4. Detailed principles of Gas delivery are defined in the IRiESPg and the relevant Detailed Rules for Trading and Clearing of TGE.

## **Settlement and clearing of electricity trading Transactions entered into on exchanges and executed outside the Domestic System**

### § 66

1. As part of organization and keeping of the clearing of electricity trading Transactions entered into on the exchange and executed outside the Domestic System, the Clearing House in particular:
  - a) determines the amount of non-cash performances which Clearing Members are obligated to deliver or entitled to obtain for a given inter-system connection (within the meaning of sec. 2 below),
  - b) determines the amount of the cash performances of Clearing Members following from determination of the amount of the performances referred to in item a),
  - c) renders it possible to provide the performances referred to in item b) through preparation of instructions causing crediting or debiting of the bank accounts indicated by Clearing Members or by crediting or debiting of a relevant bank account of the Clearing House,
  - d) to the extent specified in the Regulations, organizes and manages the clearing guarantee system, inter alia, determining the level of Transaction Limits for individual Clearing Members or Foreign Clearing Houses for a given day,
  - e) issues or accepts, on behalf of Clearing Members, relevant accounting documents comprising the cash performances referred to in item b).
2. The deliveries are submitted to the eTSO broken down into Scheduling Units assigned by eTSO to Clearing House Members or to their clients or represented Exchange Members, respectively, taking into account the deliveries executed using inter-system connections. Intersystem connections are understood as transaction capacities which have been made available by the Exchange for commercial purposes, using the connection between the national electricity transmission system and the transmission systems of neighboring countries.
3. The entity responsible for ensuring appropriate transmission capacities in inter-system connections allowing Clearing House Members to deliver the non-cash performances resulting from the Transactions being cleared by the Clearing House is the relevant Exchange. The rules for making the transmission capacities available to Clearing House Members are defined by the Clearing House in an agreement on the clearing of Transactions, concluded with a given exchange.

## **CHAPTER VII**

## **OTHER OPERATIONS**

### **Position transfer**

#### § 67

1. Position transfer involves transfer of entries expressing the Position holdings in exchange commodities from the Trading Account kept for a Clearing Member to another Trading Account kept for the same or different entity, without transfer of the ownership title to the commodities. Such Position transfer takes place through a change of the Trading Account assigned to all Transactions which make up the Position specified for the transfer.
2. A transfer is effected by the Clearing House based on a written request submitted by the Clearing House Member in the accounts of which such Positions are registered, approved by the Clearing House Member which assumes the status of a Clearing Member in respect of such Positions.
3. The request referred to in sec. 2 shall specify the names of the Trading Accounts from which and to which such transfer is to be made and shall include information on the name of the instrument, the quantity of contracts, and the number, type and price of the Transaction.
4. The Clearing House may request a Clearing House Member to provide, within a specified time-limit, appropriate explanations and documents confirming the occurrence of a specific event or to take certain actions justifying the transfer.
5. The Clearing House may carry out the Position transfer, in cases when it is permitted by relevant provisions of law, consisting in moving of entries expressing the holdings of the Positions in exchange commodities from the Trading Account kept for a Clearing Member to the Trading Account kept for another Clearing Member, in connection with purchase of the Positions as a result of a specified legal event, with transfer of the ownership title to the commodities.
6. The transfer referred to in sec. 5 is carried out by the Clearing House on the basis of a written request submitted both by the Clearing House Member which receives the transfer and the Clearing Member from whose account the transfer is carried out. The request shall specify the names of the Trading Accounts from which and to which such transfer is to be made and shall include information on the name of the instrument, the quantity of contracts, and the number, type and price of the Transaction. Additionally, a Clearing Member attaches to the request appropriate documents confirming the



occurrence of a specific event or execution of the activities requested by the Clearing House within the time-limit specified by the Clearing House.

7. A transfer request must be submitted no later than 10 business days prior to the intended transfer date. In justified cases, the Clearing House may permit the submission of a request on a date different than that specified in the previous sentence.
8. Within 5 business days of receipt of a complete transfer request, the Clearing House shall make a decision on making the transfer. The Clearing House may refuse to make the transfer at any time in justified cases, in particular if there is a circumstance justified by clearing security considerations.
9. The execution of the Position transfer is conditional on the Clearing House carrying out appropriate verification tests aimed at ensuring safe and correct transfer, between the trading accounts of the Clearing House Members, of the data pertaining to open Positions subject to transfer.
10. If the Clearing House gives its consent to the Position transfer, such transfer shall be made in the last week of the month, on the date set by the Clearing House, after completion of the clearing process. In justified cases, the Clearing House may set, in a given month, a different date for the Position transfer than the date referred to in the previous sentence.
11. A transfer request may be canceled no later than by 3:00 p.m. two days preceding the scheduled date of the transfer. The withdrawal of a transfer request must be made in writing.
12. If the Clearing House gives consent to the transfer of Positions, the Clearing House Member who assumes the status of a Clearing Member for the transferred Positions shall be required to provide, within the time limit specified by the Clearing House, in the information referred to in sec. 13 an appropriate value of collateral in respect of such Positions subject to the provisions of sec. 14.
13. The information on the amount of the required collateral referred to in sec. 12 and the number of the collateral margin sub-account to which the collateral should be paid, is communicated to the Clearing House Member who adopts the status of the Clearing Member with regard to the transferred Positions on the business day preceding the day of the transfer.
14. The Clearing House Members referred to in sec. 2, in order to ensure appropriate value of the collateral of the transferred Positions, may submit an application for transfer of the cash collateral between the collateral margin sub-accounts dedicated to such Clearing House Members. If the party to the Position transfer is a Clearing House Member who obtained the Management Board's consent referred to § 11 sec. 2 of the

ECH Regulations, the Clearing Bank Account of such Clearing House Member is the account debited or credited on account of the collateral transfer.

15. The collateral transfer is made by the Clearing House on the basis of the application referred to in sec. 14 submitted no later than 10 business days before the planned date of the Position transfer under the condition of ensuring clearing security.

### **The Clearing House's actions in the event of congestions of electricity or Gas consumption or deliveries**

#### § 68

1. In case of occurrence of congestions of electricity or Gas consumption or deliveries, Clearing Members, their clients or represented Exchange Members suffering from such congestions are not released from their obligations resulting from holding open Positions on FIM/RTP (for trading in electricity or Gas), on DAM or DAMg, unless the decision to suspend settlements, referred to in sec. 2, is made. If a Clearing Member, its client or represented Exchange Member does not have the possibility of balancing the deliveries using the instruments available on the exchange, then it is subject to the (physical or commercial) balancing service, provided for in the IRiESPe or IRiESPg. In such a case, the provisions of these Detailed Clearing and Settlement Rules apply to clearing and settlement, respectively, of Transactions in electricity or Gas.
2. If the Clearing House becomes aware of introduction or occurrence of congestions of electricity or Gas consumption or deliveries, the Clearing House reserves the right, to the established extent, to suspend the settlements or clearings of Transactions in electricity or Gas for a specified time. After the cause of the decision to introduce the suspension referred to in this item ceases to exist, the IRGiT Management Board makes a decision on resuming the settlements or clearings of the Transactions.
3. In the period of suspension of the settlements or clearings by the Clearing House, referred to in sec. 2, the Clearing House will not carry out:
  - a) settlement of electricity, referred to in § 60, or settlement of Gas, referred to in § 65;
  - b) financial settlement for the Transactions concluded on DAM, IDM, DAMg IDMg or FIM/RTP (if the Transactions pertain to electricity or Gas), the delivery of which corresponds to the suspension period. Additionally, the Clearing House, for the

specified suspension period, will not issue VAT invoices for the Transactions in electricity or Gas trading.

4. The decision referred to in sec. 2 will be taken by means of a resolution of the IRGiT Management Board.

**The Clearing House's actions in the case of suspended provision of transmission services by eTSO or gTSO to a Clearing House Member or in the case of termination of an agreement with a Clearing House Member by the entity providing a Scheduling Unit or a Shipper Code to the Clearing House Member**

§ 69

1. If the Clearing House receives information about suspended provision of transmission services by eTSO or gTSO for Scheduling Units or Shipper Codes used by a Clearing House Member, its client or Exchange Member it represents, or where the Clearing House receives information about termination of an agreement with a Clearing House Member, its client or Exchange Member that such Clearing House Member represents by the entity providing a Scheduling Unit or a Shipper Code, the Clearing House will prevent, starting from the delivery date to a given Clearing House Member, its client or represented Exchange Member, submission of the Positions registered for such Scheduling Units or Shipper Codes.
2. The Clearing House Member which has registered Positions to be executed on Trading Accounts in the Clearing House, under which the Scheduling Units or Shipper Codes for which eTSO or gTSO has suspended provision of transmission services or for which the entity providing a Scheduling Unit or a Shipper Code to the Clearing House Member has terminated the agreement are identified, is obligated, on the Clearing House's demand, to close such Positions by 11:40 a.m. one day before their delivery date at the latest.
3. The situation in which the Clearing House Member referred to in sec. 2 did not close the Position by 11:40 a.m. one day before the delivery date may constitute a premise for declaring an Infringement within the meaning of the Regulations. Consequently the Clearing House may take the actions referred to in the Regulations, in particular take the actions on behalf of the Clearing House Member to close open Positions.
4. A Clearing Member is required to specify, within 2 months of the date of suspension of provision of the services by the Power Transmission System Operator or Gas Transmission System Operator or termination of the agreement by the entity providing the Clearing House Member with the Scheduling Unit or Shipper Code, respectively, another Scheduling Unit or Shipper Code making it possible to settle the electricity or Gas which will be allocated to the Trading Account specified in sec. 2.
5. The Clearing House may deactivate a Trading Account to which the Scheduling Unit or Shipper Code was allocated for which the eTSO or gTSO has suspended provision of transmission services or for which the entity providing a Scheduling Unit or a Shipper

Code to the Clearing House Member has terminated the agreement if the time limit specified in sec. 4 above was not complied with.

**The Clearing House's actions if eTSO or gTSO does not accept Transactions in electricity or Gas for physical execution**

§ 70

1. If eTSO does not accept the submission referred to in § 60 for physical execution, or if gTSO does not accept the submission referred to in § 65 for physical execution, the Clearing House reserves the right to suspend, for a specified time, the settlements or clearings of Transactions in electricity or Gas. The suspension referred to in the sentence above may pertain to all Transactions or some Transactions for which the causes referred to in the first sentence existed, coinciding with the date of delivery of the submissions not accepted for physical execution by eTSO or gTSO. After the cause of the decision to introduce the suspension referred to in this section ceases to exist, the IRGiT Management Board makes a decision on resuming the settlements or clearings of the Transactions.
2. In the period of suspension of the settlements or clearings by the Clearing House, referred to in § 68 sec. 2, the Clearing House will not carry out:
  - a) settlement of electricity, referred to in § 60, or settlement of Gas, referred to in § 65;
  - b) financial settlement for the Transactions concluded on DAM, IDM, DAMg IDMg or FIM/RTP (if the Transactions pertain to electricity or Gas), the delivery of which corresponds to the suspension period. Additionally, the Clearing House, for the specified suspension period, will not issue VAT invoices for the Transactions in electricity or Gas trading.
3. The decision referred to in sec. 1 will be taken by means of a resolution of the IRGiT Management Board.

**Appendix 1 to the Detailed Clearing and Settlement Rules of the Exchange  
Clearing House - Clearing Schedule**

Time	Task	Execution by
Day N		
17:00	Sending SWIFT MT 942 Messages to the Settlement Bank (only for brokerage house and commodity brokerage house accounts which were approved in accordance with the principles specified in § 11 sec. 2 of the Regulations)	Clearing Bank
By 5:30 p.m.	Submission of Payments Confirmation Reports to the Clearing Bank	IRGiT
By 6:00 p.m.	Submission of payment order batch no. 1 for execution	IRGiT
Day N+1		
By 8:30 a.m.	Sending SWIFT MT 940 Messages to the Settlement Bank (only for brokerage house and commodity brokerage house accounts which were approved in accordance with the principles specified in § 11 sec. 2 of the Regulations)	Clearing Bank
By 8:30 a.m.	Posting of the payments from payment order batch no. 1 (internal posting)	Clearing Bank
By 9:00 a.m.	Submission of exclusions of payment orders from batch no. 1	Clearing Bank
By 9:00 a.m.	Sending the SWIFT MT 942 Message from the Clearing House's Technical Bank Account to the Settlement Bank	Clearing Bank
By 10:30 a.m.	Submission of payment order batch no. 2 for execution	IRGiT
10:30-12:00	Posting of the payments and remitting the monies in accordance with payment order batch no. 2	Clearing Bank, Settlement Bank
11:30-12:00	Submission of payment order batch no. 3 for execution	IRGiT
By 12:30 p.m.	Sending the SWIFT MT 942 Message from the Clearing House's Technical Bank Account to the Settlement Bank	Clearing Bank
12:00-13:00	Posting of the payments from payment order batch no. 3 (internal posting)	Clearing Bank, Settlement Bank
By 1:30 p.m.	Submission of exclusions of payment orders from batch no. 3	Clearing Bank
By 1:30 p.m.	Sending the SWIFT MT 942 Message from the Clearing House's Technical Bank Account to the Settlement Bank	Clearing Bank
By 3:00 p.m.	Submission of payment order batch no. 4 for execution	IRGiT
15:00-16:00	Posting of the payments and remitting the monies in accordance with order batch no. 4	Clearing Bank
By 4:30 p.m.	Sending the SWIFT MT 942 Message from the Clearing House's Technical Bank Account to the Settlement Bank	Clearing Bank
Day N+2		
By 8:30 a.m.	Sending the SWIFT MT 940 Message from the Clearing House's Technical Bank Account to the Settlement Bank	Clearing Bank

**Appendix 2 to Detailed Clearing and Settlement Rules of the Exchange Clearing House. - Invoicing Schedule**

1. Schedule for the Intra-Day Market (IDM)

Cleared market	Data included in the transaction invoice		Settlement Bank - payment orders	
	Delivery period	Date of issue invoices	Date of transmitting payment orders to the Settlement Bank	Day of executing payment orders by the Settlement Bank
IDM	Friday	Friday	Monday	Tuesday
IDM	Saturday-Sunday	Monday	Monday	Tuesday
IDM	Monday	Monday	Tuesday	Wednesday
IDM	Tuesday	Tuesday	Wednesday	Thursday
IDM	Wednesday	Wednesday	Thursday	Friday
IDM	Thursday	Thursday	Friday	Monday

2. Schedule for the Intra-Day Market (IDMg)

Cleared market	Data included in the transaction invoice		Settlement Bank - payment orders	
	Delivery period	Date of issue invoices	Date of transmitting payment orders to the Settlement Bank	Day of executing payment orders by the Settlement Bank
IDMg	Friday-Friday	Monday	Friday	Monday
IDMg	Saturday-Monday	Tuesday	Monday	Tuesday
IDMg	Tuesday-Tuesday	Wednesday	Tuesday	Wednesday
IDMg	Wednesday-Wednesday	Thursday	Wednesday	Thursday
IDMg	Thursday-Thursday	Friday	Thursday	Friday

3. Schedule for the Day-Ahead Market (DAM and DAMg)

Cleared market	Data included in the transaction invoice		Settlement Bank - payment orders	
	Delivery period	Date of issue invoices	Date of transmitting payment orders to the Settlement Bank	Day of executing payment orders by the Settlement Bank
DAM/ DAMg	Saturday	Monday	Friday	Monday
DAM/ DAMg	Sunday-Tuesday	Tuesday	Monday	Tuesday
DAM/ DAMg	Wednesday-Wednesday	Wednesday	Tuesday	Wednesday
DAM/ DAMg	Thursday-Thursday	Thursday	Wednesday	Thursday
DAM/ DAMg	Friday-Friday	Friday	Thursday	Friday

4. Schedule for the Forward Market (EFM/RTPE and GFM/RTPG) (jointly referred to as FIM/RTP)

Cleared market	Data included in the transaction invoice		Settlement Bank - payment orders	
	Delivery period	Date of issue invoices	Date of transmitting payment orders to the Settlement Bank	Day of executing payment orders by the Settlement Bank
FIM/RTP	Saturday	Monday	Friday	Monday
FIM/RTP	Sunday-Tuesday	Tuesday	Monday	Tuesday
FIM/RTP	Wednesday-Wednesday	Wednesday	Tuesday	Wednesday
FIM/RTP	Thursday-Thursday	Thursday	Wednesday	Thursday
FIM/RTP	Friday-Friday	Friday	Thursday	Friday

5. Schedule for the Property Rights Market (PRM)

Cleared market	Data included in the transaction invoice		Settlement Bank - payment orders	
	Delivery period	Date of issue invoices	Date of transmitting payment orders to the Settlement Bank	Day of executing payment orders by the Settlement Bank
PRM	Saturday-Monday	Tuesday	Monday	Tuesday
PRM	Tuesday-Tuesday	Wednesday	Tuesday	Wednesday
PRM	Wednesday-Wednesday	Thursday	Wednesday	Thursday
PRM	Thursday-Thursday	Friday	Thursday	Friday



**Appendix 3a to Detailed Clearing and Settlement Rules of the Exchange Clearing House – Form of declaration for the calculation of the Transaction Limit dedicated to the IDM (XBID)**

Code of the Clearing House Member	Name of the Clearing House Member	Code of the Represented Exchange Member***	Type of instruction	Additional payment of to the transaction margin sub-account****	Declared Transaction Limit dedicated to the IDM (XBID) in PLN

\*\*\* *In the case of Clearing House Members conducting activity as a representative of an Exchange Member.*

\*\*\*\* *For an instruction to increase the Transaction Limit dedicated to the IDM (XBID), assuming payment of additional funds, the transfer to the transaction margin sub-account should be credited by 12:00 noon on the date of the increase*

*The Clearing House provides an electronic version of the said form on IRGIT's website. The completed form should be sent to the following addresses: drr@irgit.pl and dzr@irgit.pl.*

**Appendix 3b to Detailed Clearing and Settlement Rules of the Exchange Clearing House – Form of declaration for the calculation of the Transaction Limit dedicated to the Exchange Member Representative**

Code of the Clearing House Member	Name of the Clearing House Member	Code of the Represented Exchange Member	Type of instruction	Declared value (in PLN) of the Transaction Limit dedicated to the Exchange Member Representative