

Amendments to IRGiT regulations

Summary

Izba Rozliczeniowa Giełd Towarowych S.A. (Warsaw Commodity Clearing House, "IRGiT") has amended the Detailed Clearing and Settlement Rules of the Exchange Clearing House ("Detailed Clearing and Settlement Rules"), which resulted in particular from the planned coming into force of the Act on special solutions protecting electricity consumers in 2023 in connection with the situation on the electricity market ("Act").

The amendments will come into effect on the date the Act comes into force.

Detailed description of the amendments

1. Amendments concerning non-cash collateral contributed in the form of statements of submitting to enforcement and surety agreements secured by statements of submitting to enforcement

The amendments are due to the planned entry into force of the Act. The amendments made to § 35 of the Detailed Clearing and Settlement Rules include an increase from 75% to 90% the parameter for recognizing collateral provided 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, and
- b) a surety extended by a company that is, in respect to the Clearing House Member for which such surety is extended, a parent company, secured with a statement of submitting to enforcement under Article 777 § 1 item 5 of the Act of 17 November 1964 – Code of Civil Procedure.

Additionally an amendment was made to § 34b sec. 2 of the Detailed Clearing and Settlement Rules that took into account the legislative change in the catalog of entities that may provide a statement of submitting to enforcement as non-cash collateral. The previous criterion of performing the obligation referred to in Article 49a sec. 1 of the Energy Law Act was replaced by the condition that, as at 27 September 2022, the entity should be obliged to perform the obligation referred to in Article 49a of the Energy Law Act of 10 April 1997 in the wording in effect on 28 September 2022.



Due to the amendments introduced by the Act as described above, the forms of Clearing House Member's statement of submitting to enforcement under art. 777 § 1 item 5) of the Code of Civil Procedure and the forms of parent company's surety agreements were also updated, however the documents already submitted by Clearing House Members in accordance with the previous official form will continue to be accepted by IRGiT.

2. Amendment to the rules for removing surety agreements secured with a bank guarantee from the Non-Cash Collateral Register

In § 34 of the Detailed Clearing and Settlement Rules, certain amendments were made that updated the rules for removing surety agreements secured with a bank guarantee from the Non-Cash Collateral Register. In order to optimize the process of possible collection under such guarantees, an amendment was introduced, by the power of which IRGiT may remove collateral from the Non-Cash Collateral Register 5 business days before the term of the guarantee ends, provided that:

- 1) IRGiT has not submitted a demand for payment under the guarantee securing the surety agreement before that date, and
- 2) the Clearing House Member has not provided a new bank guarantee in accordance with the rules set forth in that regulation.

You are welcome to contact us with any questions that you may have.

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