



## **SEEPEX Exchange Rules**

**16/02/2016**

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### Market Rules

The Market Rules were initially published by the following Notices:

Number	Date	Contents
2015-01	14/08/2015	SEEPEx Exchange Rules
2015-02	14/08/2015	SEEPEx Operational Rules
2015-03	14/08/2015	SEEPEx Code of conduct
2015-04	14/08/2015	SEEPEx Trading Agreement
2015-05	14/08/2015	Definitions

Subsequent amendments regarding SEEPEx AD were published by the following [Notices](#):

Number	Date	Contents
DAM-2016-01	16/02/2016	SEEPEx DAY AHEAD Precision on the operational Rules regarding the market operations.

### Parameter Notices

Number	Date	Contents

# EXCHANGE RULES

## TITLE 1 GENERAL PRINCIPLES OF ORGANIZATION AND BODIES

### Preamble

The purpose of SEEPEX is to establish a Serbian market for electronic standardized spot power trading and to create reliable price reference via transparent trading and clearing mechanisms. At the moment, SEEPEX operates spot market in Serbia with the idea to offer the surrounding market areas to join and form a regional power exchange and to take part to the Integrated European Market by coupling its spot markets with neighbouring power exchanges. SEEPEX AD possess a license to operate an organized power market in the Republic of Serbia.

The roles, duties and powers of SEEPEX AD, its Market Segments and products as well as its Exchange Bodies are detailed in these Exchange Rules.

### Chapter 1 SEEPEX Market Organisation and its Market Segments

#### Article 1.1 Line of Business

SEEPEX is a fully electronic Exchange offering spot trading in Power by closed auction with expiry day-ahead for the Market Area "Serbia".

#### Article 1.2 SEEPEX AD

SEEPEX is operated by SEEPEX AD, a Serbian company. SEEPEX AD is in charge of operating SEEPEX Exchange and entering into the relevant agreements with the Exchange Members for admission purposes. It ensures the proper functioning of the Exchange. SEEPEX AD may subcontract part of its operational tasks regarding the operation of the SEEPEX Market. The name of its sub-

contractor, as well as the subcontracted operations will be communicated by SEEPEX AD to its Exchange Members via a Market Notice. Notwithstanding, SEEPEX AD shall remain liable in any cases towards the Exchange Member for the operation of the SEEPEX Market, regardless whether the performance of a task has been subcontracted or not.

#### Article 1.3 SEEPEX Exchange Bodies

The SEEPEX Exchange has the following exchange bodies

- the Organized Market Committee;
- the Market Surveillance Office.

The Organized Market Committee and the Market Surveillance Office are two independent bodies that have been put in place in order to ensure state of the art governance rules.

The Organized Market Committee is a body elected from the Exchange Members which decides on the Market Rules and on general decisions related to the Exchange.

The Market Surveillance Office monitors as an independent body on a daily basis the SEEPEX market and its Exchange Members.

#### Article 1.4 Exchange Members

Exchange Members are admitted by SEEPEX AD and submit orders to enter, upon execution, into contracts to sell or buy a commodity or related to power.

#### Article 1.5 Clearing House

European Commodity Clearing AG has been designated by SEEPEX AD as the Clearing House of the Exchange. As the Clearing House it acts as the Central Counterparty for Payment and Delivery of the contracts traded or registered at the Exchange. The rules and proceedings of ECC are stated in the ECC Clearing Conditions in its current version.

Clearing Houses are credit institutions that handle the clearing of Contracts traded on SEEPEX, in accordance with the specific procedures for each type of Product. In a given Market Segment, the Clearing House operates

under the terms of an agreement signed with the Clearing Members designated by the Exchange Members.

#### **Article 1.6 Market Rules**

The Market Rules of SEEPEX consist inter alia of the following parts:

- the Trading Agreement,
- the Exchange Rules,
- the Code of Conduct,
- the Operational Rules.

These Market Rules govern the organization of SEEPEX.

#### **Article 1.7 Operation of the Exchange**

SEEPEX AD is the company operating the SEEPEX Exchange. In this capacity, SEEPEX AD:

- signs Trading Agreements with Applicants whereby they become Trading Members,
- defines the requirements and procedures for trading,
- matches buy and sell orders for the Contracts in accordance with the Exchange Rules,
- where appropriate, transmits information about Transactions to a Clearing House for clearing,
- makes all decisions necessary for the integrity and orderly operation of the market, in particular by monitoring Exchange Members' compliance with the Market Rules of SEEPEX.

The Transmission System Operator (TSO) for a given Market Area provides the actual Delivery of the Contracts traded on SEEPEX.

#### **Article 1.8 Official Language / Announcements**

The official language of SEEPEX AD is English.

Unless provided otherwise, announcements by any of the Exchange bodies of SEEPEX AD shall be transmitted electronically. SEEPEX AD shall determine the electronic medium.

## **Chapter 2 Legal and Regulatory Framework**

### **Section 1 Market Rules of the Exchange**

#### **Article 1.9 Market Rules**

When operating on SEEPEX:

Exchange Members shall observe the Market Rules applying to them at all times.

#### **Article 1.10 Trading Agreement**

The Trading Agreement is signed between SEEPEX AD and the Exchange Member. By signing the Exchange Member agrees to respect the Market Rules of SEEPEX at all times. The Market Rules define:

- the terms on which the Exchange Member will carry on its trading business with SEEPEX AD,
- the Market Segments that the Exchange Member wants to become admitted to;
- the type of Exchange membership chosen,
- Information and information sharing rights,
- the services provided by SEEPEX AD that are not defined in the Exchange Rules or in the Operational Rules,

The Trading Agreement follows a standard agreement published by SEEPEX AD.

In the event of a conflict between the Trading Agreement and the other sets of rules (Exchange Rules, Operational Rules and Code of Conduct), the other set of rules shall take precedence.

The Trading Agreement cannot be assigned or transferred in any way, whether free of charge or for consideration, without the prior written consent of SEEPEX.

#### **Article 1.11 Exchange Rules**

The Exchange Rules set forth the terms on which SEEPEX AD carries out its duties and on which Exchange Members trade in the market.

#### **Article 1.12 Code of Conduct**

The Code of Conduct sets forth the rules of conduct and market behaviour which must be respected at all times by the Exchange Members.

#### **Article 1.13 Operational Rules**

The Operational Rules set forth the General Service Conditions, Contracts details and Trading Parameters, the Price List and the Technical Access Rules.

#### **Article 1.14 Changes to the Market Rules of the Exchange**

SEEPEX AD may modify the Market Rules: changes to the SEEPEX Exchange Rules and any subsequent amendment as well as to the SEEPEX Code of Conduct need to be submitted to the Organized Market Committee,

which shall decide on these changes according to Section 2, Chapter 3 of the present Title.

The Market Rules are binding for the bodies of the Exchange as specified under Chapter 3 of this Title, for the companies and traders licensed to trade on the Exchange.

**Article 1.15 Date of Effectiveness of Changes to the Market Rules of the Exchange**

Changes to the Market Rules become effective on the day of their publication unless a different time is provided for.

If an Exchange Member does not accept changes to the Market Rules, it may terminate with immediate effect its admission or its participation to the Exchange within the next ten (10) calendar days following the date of publication.

**Article 1.16 Official Market Notices**

SEEPEX AD notifies Exchange Members of changes to:

- these Exchange Rules and any subsequent amendments;
  - the Appendix to the Exchange Rules, which develop the provisions of the Exchange Rules and which are an integral part thereof;
  - the Code of Conduct and any subsequent amendments;
  - the Operational Rules and any subsequent amendments;
- by way of Market Notices.

The above elements are also communicated to Applicants in the context of their authorisation.

**Section 2 Status of Market Rules of the Exchange**

**Article 1.17 Contractual relations**

Relations between SEEPEX AD and Exchange Members are governed by contracts. By signing the Trading Agreement, Exchange Members undertake to comply with the current Market Rules applicable to them.

The Trading Agreement can only be changed by way of signed amendments by the Parties.

If an Exchange Member fails to fulfil an obligation resulting directly or indirectly from the Exchange Market Rules, SEEPEX AD is entitled to suspend its Membership or terminate the Trading Agreement according to the conditions set forth in the present Rules ("*Rules of procedure*").

**Article 1.18 Exchange Members' Rights and Obligations**

The services provided to Exchange Members by SEEPEX AD as well as Exchange Members' rights and obligations on SEEPEX are set forth in the Market Rules of SEEPEX AD.

**Chapter 3 Exchanges Bodies**

**Section 1 Operating Company**

**Article 1.19 SEEPEX AD**

SEEPEX is operated by SEEPEX AD Serbian company. SEEPEX is in charge of operating the organized power spot market ("Exchange").

In case of urgency, SEEPEX AD may issue any appropriate orders or measure to ensure the orderly conduct of Exchange Trading and the settlement of Exchange Transactions. These decisions are binding for all Exchange Members.

**Section 2 Organized Market Committee**

**Article 1.20 Composition of the Organized Market Committee**

The composition of the Organized Market Committee reflects the diversity of economic and corporate profiles among the different categories of Exchange Members.

The Organized Market Committee comprises at least five (5) members which can only be representatives of Exchange Members, with the exception of experts designated in their personal capacity ("other parties").

The members of the Organized Market Committee are elected for a three-year period. The election rules relating to the composition of the Organized Market Committee shall be determined in an Annex to these Exchange Rules. The first Organized Market Committee shall be nominated by SEEPEX AD Board.

The Organized Market Committee meets if it deems appropriate, but at least once every quarter.

SEEPEX AD and a quorum of three members shall have the right to require an Organized Market Committee meeting.

**Article 1.21 Duties and Powers of the Organized Market Committee**

The Organized Market Committee has the following powers:

- deciding on changes to the Market Rules upon proposal by SEEPEX AD subject to the paragraphs below ;
- giving approval on the introduction of new Trading Systems;
- giving approval on the SEEPEX AD decision to introduce new Contracts or Market Areas;
- asking the SEEPEX AD to report on market environment and activity, projects, changes to markets and products and market surveillance activities (on an anonymous basis).

The Organized Market Committee cannot take decisions which would have unreasonable economic or strategic consequences on SEEPEX.

#### **Article 1.22 Chairperson of the Organized Market Committee; Deputy Chairperson**

In its first meeting following an election, the Organized Market Committee shall elect a chairperson and up to two deputies from among its members by means of a secret ballot.

If nothing to the contrary is explicitly stipulated, the consecutive order of the deputyship shall be based on the majority of votes for the respective deputy.

The chairperson shall preside over the proceedings of the Organized Market Committee, or if he is unable to do so, one of the deputies. In case the chairperson and all the deputies are prevented from attending the proceedings, the member of the Organized Market Committee eldest in age shall serve as chairperson.

#### **Article 1.23 Quorum and Resolutions of the Organized Market Committee**

The Organized Market Committee shall have a quorum when more than one half of its members are in attendance, either in person, or effectively represented by another member as the result of the correct submission of the notification of proceedings.

Resolutions shall be passed by a simple majority of the valid votes cast. In case of a tie vote, the chairperson of the meeting shall cast the deciding vote. If the chairperson abstain from voting the motion shall be deemed rejected.

If unable to attend, a member of the Organized Market Committee may allow another member to submit his written vote.

Resolutions can also be passed in writing, by telex, telephone or facsimile. A motion shall be deemed to have been passed if more than one half of the members of the Organized Market Committee have responded within a stipulated period and if the majority of the Organized Market Committee has agreed upon the motion. Each member of the Organized Market Committee shall be able to ask that the decision be made by vote after oral debate. The chairperson shall comply with such a request, for which a detailed reason must be given, by calling a meeting without undue delay.

At the request of one quarter of the members votes shall be taken by secret ballot.

The content and outcome of the meetings and of the decision making process shall be recorded in writing and signed by the chairperson of the meeting. With regard to votes cast in writing, by telex, facsimile or by telephone as stipulated in paragraph (4), the minutes and the outcome of the decision making process can also be signed by the managing director of the Exchange. The Regulations of the Organized Market Committee shall specify details with respect to the preparation of minutes and the adoption of resolutions.

#### **Article 1.24 Organized Market Committee Committees**

The Organized Market Committee is allowed to establish committees in order to prepare its resolutions.

#### **Article 1.25 Confidentiality Obligation of the Organized Market Committee Members**

The members of the Organized Market Committee must treat all information they get in the course of their duties as Organized Market Committee Members as confidential except if such information is part of an announcement of the Organized Market Committee or otherwise public available.

### **Section 3 Market Surveillance**

#### **Article 1.26 Market Surveillance Office**

SEEPEX AD has established and operates a Market Surveillance Office as an independent exchange body.

#### **Article 1.27 Staff of the Market Surveillance Office**

SEEPEX AD appoints the persons in charge of the Market Surveillance Office. The Organized Market Committee shall approve the designation of these persons.

#### **Article 1.28 Independency of the Market Surveillance staff**

To the extent legally possible the staff members of the Market Surveillance Office are independent in their decisions and how they organise and perform their duties. In particular, they may reject orders from SEEPEX AD in their own discretion if such orders interfere with their tasks as Markets Surveillance Office.

SEEPEX AD may instruct the Market Surveillance Office to conduct investigations within the scope of its duties.

#### **Article 1.29 Duties and Responsibilities of the Market Surveillance Office**

Market Surveillance Office has to monitor the orderly trading on the exchange and the orderly settlement of exchange transactions and to check that Exchange Members behave in accordance with the Market Rules of SEEPEX AD.

The Market Surveillance Office shall systematically and completely record and evaluate data regarding exchange trading and the settlement of exchange transactions and shall conduct any necessary investigations. Besides, the Market Surveillance Office shall record all Cross Trades and shall establish on a case by case basis if such transaction could be deemed to be constitutive of exchange prices manipulation.

If the Market Surveillance Office establishes facts justifying the conclusion that violations of exchange Market Rules or applicable law provisions or orders are occurring or that other irregularities exist which may impair the orderly conduct of exchange trading or the settlement of exchange transactions, it shall promptly notify the SEEPEX AD.

The Market Surveillance Office shall exercise the duties and powers assigned to it only in furtherance of the public interest.

In the event that Market Surveillance Office suspects a breach in the rules or any other incident with an impact on exchange trading, the Market Surveillance Office must immediately inform the SEEPEX AD. This is particularly relevant regarding possible

disruptions in the correct determination of prices.

#### **Article 1.30 Authority of Market Surveillance Office**

For the fulfilment of its tasks, the Market Surveillance Office can conduct special investigations.

The Market Surveillance Office may, if necessary, request from Exchange Members:

- the disclosure of information and documents;
- the disclosure of the economic beneficiary of an transaction, especially in case of a Cross Trade. In this latter case, the Market Surveillance Office shall inform SEEPEX AD if such transaction shall be deemed as non-compliant with the Market Rules. The Market Surveillance Office shall particularly draw the attention of SEEPEX AD on the repetitive conclusion of Cross Trades by the same Exchange Member. The Market Surveillance Office shall also inform SEEPEX AD without delay and such Exchange Member could be excluded from trading on SEEPEX by a decision of SEEPEX AD taken at its sole discretion.

The Market Surveillance Office may also carry out inspections.

The Market Surveillance Office is not authorised to enact sanctions. It only informs the institutions responsible for sanctioning, e.g. SEEPEX AD.

#### **Article 1.31 Reporting to the Organized Market Committee and to the Management of the Exchange**

The Market Surveillance Office of SEEPEX AD reports to SEEPEX AD and at the Organized Market Committee meetings.

The Market Surveillance Office may transmit data with respect to the execution of Transactions to SEEPEX AD.

#### **Article 1.32 Information Sharing with Supervisory Authorities and other Market Surveillance Offices**

SEEPEX AD fully cooperates with the regulatory authorities of the Republic of Serbia, with the aim of insuring harmonised, efficient and regulated trading across Europe.

The Market Surveillance Office may transmit data with respect to the execution of



Transactions to the authorities which are responsible for monitoring power trading and receive data from them, to the extent that this is necessary to ensure the orderly conduct of trading and the settlement of exchange transactions.

Such data may only be transmitted to such authorities if they and the persons commissioned by them are bound by an obligation of confidentiality. It must be pointed out to these authorities that they may only use the information for that purpose for which it was provided.

The Market Surveillance Office will inform the SEEPEX AD of what data it has exchanged with authorities in other countries.

## TITLE 2 ADMISSION

### Chapter 1 Exchange Members

#### 2.1. Exchange Member

An Exchange Member is a legal entity that signs a Trading Agreement or an equivalent agreement with SEEPEX AD and is thereby authorised to trade or intervene directly in the market.

Prerequisite to become an Exchange Member is that Applicants are granted a license by the AERS which authorises them to participate in the organised power market and holds a valid balance responsibility agreement with the relevant TSO.

TSO and DSOs from the Republic of Serbia, as defined in the Article 109 Paragraph 1 Bullet 34 and Article 136 Paragraph 1 Bullet 21 of the Energy Law (Official Gazette of the Republic of Serbia n: 145/14) are eligible to participate in the organized power market without obtaining any additional license.

#### 2.2. Exchange Trading

Trading at SEEPEX shall only be carried out or brokered by an approved Exchange Member.

#### 2.3. Trading Member

Trading Members are entities with the permission to participate in trading on SEEPEX with respect to the Contracts that may be traded on the Exchange.

Trading Members can commercially engage in the business of:

- purchasing and selling for their own account (own transactions), or
- purchasing and selling in their own name for the account of a third party (customer transactions), or
- acting as intermediaries for contracts to buy and sell (brokerage operations).

### Chapter 2 Admission of Exchange Members

#### 2.4. General Admission Requirements for Exchange Participants

An Applicant is authorised to become an Exchange Member and hence to participate in trading on SEEPEX, if the Applicant:

- has satisfied SEEPEX AD with the reliability, good standing and economic capacity of its company;
- has satisfied the commitments arising from the vigilance obligations applied by SEEPEX AD in order to secure the fair and orderly operation of the market;
- has secured all relevant authorization for Trading in power;
- has secured orderly settlement of Transaction;
- has appointed Exchange traders and
- Is equipped with the necessary technical connection for trading on the systems of SEEPEX.

#### 2.5. Admission on SEEPEX

SEEPEX AD makes decisions concerning Exchange Members, in compliance with the Market Rules.

Application for admission on SEEPEX may be filed for one or more Segments. SEEPEX can refuse an incomplete application.

When authorising new Exchange Members, SEEPEX AD carries out a documentary verification to ensure that all membership requirements have been met.

Once all membership requirements have been met, SEEPEX AD signs the Trading Agreement and sends an admission letter to the new Exchange Member.

Upon receipt of the Admission Letter, the new Exchange Member is entitled to enter Orders and to trade at the Exchange.

The admission of this new member will be published on the SEEPEX website.

If SEEPEX AD decides not to admit an Applicant, it shall give reasons for its decision.

#### 2.6. Required Information for Admission

Membership applications must include the following elements:

- a signed Trading Agreement;
- an identification form (which includes information identifying the company or main contacts);
- a copy of the relevant license which grants the capacity to sell and buy electricity in the Republic of Serbia
- the following supporting documents:
  - Commercial registry extract (including powers of attorney);

- Specimen of signature of the authorised persons;
- A copy of the last annual report, drafted in accordance with the Applicant's national legislation;
- The current articles of association
- Technical forms.

SEEPEX AD can request any additional information that is necessary within reason to take into consideration the special characteristics of the Applicant.

The Applicant guarantees the validity of such information and substantiates it, where appropriate, by providing copies of the original documents.

These documents shall be sent to SEEPEX AD and may be in English or Serbian.

### **2.7. Authorised Representatives**

Exchange Members shall appoint at least one authorised representative, chosen from among the employees under their authority or acting on its behalf, who will be SEEPEX AD's contact for the administrative formalities undertaken in compliance with the Exchange Rules.

They may also appoint:

- a front office representative;
- a back office representative;
- a delivery representative;
- an invoicing/payment representative.

Only authorised representatives are entitled to ask SEEPEX AD to make changes in the areas that concern them.

### **2.8. Capacity to Buy and Sell Electricity**

Only Legal entities that are not barred by applicable law from buying and selling electrical power can become Exchange Members.

As a result, the Applicant must obtain all state approvals, permissions, licenses and admissions or similar agreements that are required for trading on SEEPEX, at the respective Market Area and the analogous handling of the concluded business.

SEEPEX AD may request from the Applicant additional documents or information at any time and within a certain time limit. In this respect it may, after a due assessment of the circumstances, either itself or through an agent, conduct an examination of the applicant at the applicant's expense and require the applicant to submit such statements and documents as it may deem appropriate.

Applications can be partially or fully suspended as long as no evidence of the lawfulness of the admission and the trading participation is provided by the applicant.

## Chapter 3 Requirements for the Settlement of Transactions

### 2.9. Requirements for the Settlement of Exchange Transactions

The orderly settlement of Transactions on SEEPEX is deemed to be secured when all of the following requirements are fulfilled:

- The Exchange Member has to take part in clearing on ECC AG in accordance with the respectively valid Clearing Conditions of European Commodity Clearing AG (ECC AG);
- A participant must have sufficient technical facilities at its disposal which guarantee correct trading and settlement by means of telephone/facsimile or via the trading systems of SEEPEX. When using an IT system, it must be ensured that these technical facilities do not impair trading and settlement of transactions. Details of the technical equipment are regulated by the Regulations pertaining to technical facilities;
- The technical facilities shall be kept in good condition by the Exchange Member.
- and it is to ensure that their continuous readiness for operation is guaranteed;
- The participant shall provide the personnel who are required for trading and settlement and take satisfactory organizational precautions.

The above requirements are deemed to be fulfilled when:

- The Exchange Member has concluded a Clearing Agreement with ECC for the market applied for. Provided that the Exchange Member/ intends to become a Non-Clearing Member for transactions for the respective market in terms of the Clearing Conditions of ECC (Non-Clearing Member), such participant shall conclude a respective agreement with a Clearing Member and provide any security required by the Clearing Conditions or by the respective agreement;
- Further SEEPEX AD shall have a confirmation from ECC for each traded Contract that the Exchange Member is approved by ECC as a Trading Participant in this Contract. The approval as a Trading Participant requires, in particular, the necessary declarations

and evidence of the capability for physical settlement of Transactions.

## Chapter 4 Requirements for Technical Access

### 2.10. Requirements for Technical Access

The technical requirements of the connection to SEEPEX trading systems are met, if the Exchange participant/ is equipped with IT-facilities, which comply with the requirements in accordance with the Market Rules of SEEPEX concerning technical equipment. SEEPEX AD is permitted to check on the compliance of these Regulations on-site.

Upon application of an Exchange Member or by an applicant for Exchange admission, SEEPEX AD may permit the installation of front-end systems in the offices of the Exchange Member/ outside the country in which the Exchange Member for admission to trade has its registered office, provided that the application of and compliance with the provisions of the Exchange rules of SEEPEX and any supplemental provisions thereto are also ensured in the country in which the additional offices are situated.

If SEEPEX permits an Exchange Member to use order routing systems in accordance with the Operational Rules, such Exchange Member shall be responsible for ensuring that the order routing facility is used properly, for the designated purpose and in accordance with the provisions of the Rules and Regulations. This also applies to any orders, which are entered into the SEEPEX trading systems via order routing by third parties who are not admitted to the Exchange. Should the Exchange Member fails to comply with these requirements, SEEPEX shall restrict or revoke the permission to use an order routing system.

### 2.11. Trading Accounts

SEEPEX AD assigns the Exchange Member one Trading Account together with a username and password, for each Trading System.

The Exchange Member can ask SEEPEX AD to create additional Trading Accounts or to delete existing Trading Accounts.

## Chapter 5 Admission of Exchange Traders

### 2.12. Admission of Exchange Traders

Persons entitled to trade on SEEPEX (Exchange Trader) shall be admitted by SEEPEX AD only if they are reliable and have the necessary professional qualifications.

### 2.13. Trader Identification

Exchange Members operate on SEEPEX through one or more Exchange Traders placed under their authority or acting on their behalf. Members shall notify SEEPEX AD of any change to the list of authorised Exchange Traders.

Exchange Traders are identified on SEEPEX AD and are the only people authorised to place, modify or cancel Orders.

Orders are deemed to be entered by an Exchange Member under its sole responsibility. Members cannot decline responsibility for the actions of a person acting under their authority or on their behalf, regardless of whether such person has been identified as an Exchange Trader. Similarly, Members cannot decline responsibility for the actions of an Exchange Trader declared to SEEPEX AD, regardless of whether such trader is acting under the Member's authority or on its behalf, until such time as the Member requests the suspension of such Exchange Trader.

### 2.14. Skills

Exchange Members ensure the Exchange Traders they have designated have all necessary skills. Exchange Traders shall read all the documents issued by SEEPEX AD concerning in particular:

- the SEEPEX market's structure and environment,
- contract specifications,
- use of Trading Systems,
- netting mechanisms,
- delivery procedures,
- the risks inherent in the products traded.

Exchange Traders must be professionally qualified to trade on SEEPEX. Evidence of the required specialized knowledge is supplied by passing an examination (the "Trader's Examination") leading to the qualification as an Exchange Trader on SEEPEX.

Exchange Traders can be admitted to act on behalf of several Exchange Members after

having been expressly authorised by SEEPEX AD.

The Exchange Trader authorised to trade for several Exchange Members or for several companies belonging to the same group shall comply with the Code of Conduct, in particular shall not promote the interests of an Exchange Member instead of another (conflict of interests, collusive behaviour), not disclose any confidential information and not influence exchange prices.

All Exchange Traders which were previously authorized on EPEX SPOT shall not have to pass the Traders' Examination.

## Chapter 6 Rules for Procedure

### 2.15. Duration of Membership

Membership of SEEPEX AD lasts for the same period as the Trading Agreement.

### 2.16. Communication of Information

After the granting of admission to trading or to participating on SEEPEX,AD Exchange Members shall still be required to notify SEEPEX AD without delay of any changes of a factual or legal nature which could lead to the conditions for admission no longer being met, in particular:

1. Changes to its legal situation, such as:
  - changes in terms of compliance with one of the membership requirements,
  - termination of, suspension of, or changes to the Clearing Agreement,
  - changes to the information communicated with or documents appended to the membership application such as, but not limited to, change of legal form, change of article of association or change of company's name.
2. Changes to the Exchange Member's/ technical or organisational situation, insofar as such changes have an impact on access to SEEPEX.
3. Changes to the legal or regulatory framework or to judicial practice that affect the Exchange Member's capacity and its compliance with the membership requirements and these Exchange Rules.

Exchange Members shall notify upon SEEPEX AD request and without delay, all documents related to the above mentioned changes.

**2.17. Resignation, Withdrawal and Revocations of Exchange Admission**

An Exchange Member or an Exchange Trader can resign partially from admission upon written notice to SEEPEX AD. The full resignation will be made by termination of the Trading Agreement.

SEEPEX AD is entitled to withdraw the admission of an Exchange Member or Exchange Trader in full or partially should one of the admission requirements not exist upon the granting of the admission.

SEEPEX AD is entitled to revoke the admission of an Exchange Member in full or partially if one of these requirements ceases to be satisfied at a later date, or if the Exchange Member fails to lodge the securities determined for such Exchange participation or fails to make the daily clearing payments or other deliveries or payments and settle other charges in good times as stipulated in the Market Rules of SEEPEX or the respective ECC Clearing Conditions within the prescribed period. The same applies for repeated serious breaches of the Market Rules of SEEPEX. Moreover, ECC as the Clearing House or a Clearing Member of ECC may also submit an application for an instruction regarding the revocation of admission.

The termination of the admission of an Exchange Member of SEEPEX results in the termination of the admission of the Exchange Traders who are acting on behalf of this Exchange Member.

**2.18. Consequences of Resignation, Withdrawal and Revocation of the Exchange Admission**

If an Exchange Member resigns its admission to trading in full or partially or such admission is withdrawn or revoked by SEEPEX AD, the Exchange Member shall be obliged to fulfil the obligations resulting from the trades executed in its name at the time of termination even if this involves acts taken after the termination date. In particular the terminated Exchange Member shall be obliged to pay the outstanding and due amounts, to deliver energy, to properly close its access to the trading systems of SEEPEX and to cooperate with SEEPEX and ECC to transfer its customers, if any, to another Exchange Member.

The Exchange Member shall cancel all Orders and Quotes in the Trading System concerned.

If the Exchange Member fails to meet these requirements within the prescribed period, SEEPEX AD has the right to cancel the Orders and Quotes and to close the portfolio. The Trading Agreement shall be terminated only after the fulfilment of the requirements provided for in this paragraph and of all obligations owed to ECC or the relevant Clearing Member.

The termination of the admission of an Exchange Member of SEEPEX results in the termination of the admission of the Exchange Traders who are acting on behalf of this Exchange Member.

**2.19. Suspension or termination of Admission**

SEEPEX AD can suspend the Trading Agreement if the Exchange Member does not comply with the Exchange Rules. In this case, it shall give explanations for its decision.

On the strong suspicion that one of the conditions for admission has not been fulfilled, or has subsequently ceased to be fulfilled, SEEPEX AD may order the suspension or termination of the Exchange Member or Exchange Trader in full or partially. The suspension or termination of the admission of an Exchange Member may also be ordered for so long as the Exchange Member is in default with the payment of due fees.

SEEPEX AD can also suspend or terminate the admission of an Exchange Member, should the Exchange Member contravene with the Exchange Rules or fails to lodge the margins or make the daily clearing payments or effect other deliveries or payments and settle other charges in good time as stipulated in these Market Rules or the current Clearing Conditions.

The same applies in case of material violations of the Rules and Regulations of SEEPEX. Moreover, ECC AG as the Clearing House or a Clearing Member of ECC AG can also submit an application regarding the order for a suspension or termination of admission if the Exchange Member defaults or does not fulfil its obligations towards ECC or its Clearing Member. In such a case, SEEPEX will suspend or terminate the Exchange Member from trading upon the request of ECC.

**2.20. Consequences of Suspension from Trading**

During the period of the suspension of the admission of an Exchange Member, the right to take part in trading on SEEPEX shall also be

suspended for its Exchange Traders. The Exchange Trader concerned must cancel all Orders and quotes and is not permitted to enter any new Orders.

If an Exchange Member is excluded from trading in single or all Contracts, the Exchange Member must cancel all its Orders and quotes within the respective products and must not enter new Orders and quotes within the trading systems of SEEPEX.

In case the Exchange Member has not cancelled its Orders or entered new ones, then SEEPEX AD shall be entitled, either by itself or on request of ECC, to cancel the Orders on behalf this Exchange Member.

SEEPEX AD shall not be held responsible towards the Exchange Members of all consequences following suspension effected on ECC's instructions.

When an Exchange Member is suspended, SEEPEX AD informs the other Exchange

Members thereof by updating the list of Exchange Members on its website.

**2.21. Exclusion from Trading**

If an Exchange Member is not in possession of Balance Responsible Agreement with a balance area Responsible, and if therefore an admission requirement with ECC is missing, the Exchange Member can be suspended from Trading for the period of the non-fulfilment of the admission requirement.

**2.22. Consequences of Exclusion from Trading of Clearing Members**

If a Clearing Member of ECC is excluded from trading under the provisions of this paragraph, Non-Clearing Members affiliated with it may only be excluded from trading until they are able to engage in trading on SEEPEX through another Clearing Member. The right to revoke their admission remains unaffected.

## TITLE 3 CODE OF CONDUCT AND AUDITS

### Article 3.1 Behavioural Rules

Exchange Members shall observe the Code of Conduct at all time when doing business in the market.

### Article 3.2 Principles

When SEEPEX AD considers that an Exchange Member's situation or actions are no longer consistent with its undertakings or that they are detrimental to the orderly operation of the market, it will order such Exchange Member to remedy the matter immediately.

If the Exchange Member is unable to bring its situation back into line with relevant requirements or if it does not cease the challenged actions within the given time period, then SEEPEX AD can issue a private or public

warning to the Exchange, order the suspension of its activities, or withdraw its membership status.

In an emergency, SEEPEX AD can suspend an Exchange Member's activities with immediate effect.

Suspension or withdrawal of Membership shall automatically entail the elimination of all the Exchange Member's Orders in the Order Book.

In any event, termination of the Trading Agreement, which triggers the loss of Membership status in compliance with this article, shall not prevent SEEPEX AD from seeking compensation for all direct or indirect damage caused by the Exchange Member's behaviour, especially in the event of injury to the image of the market resulting from damage to the integrity or orderly and fair operation of the market.



## **TITLE 4 CONTRACTS, MARKET SEGMENTS AND MARKET AREAS**

### **Chapter 1 Contracts**

#### **Section 1 Contracts description and specifications (principles)**

##### **Article 4.1 Nature of the Contracts**

The Contracts admitted to trading on SEEPEX are commercial contracts on commodities for the physical Delivery (Injection or Withdrawal) of electrical power within the Serbian transmission system.

##### **Article 4.2 Effect of the Contracts**

The execution of an Order in the market entails the firm and irrevocable commitment at a set date and time:

- for the buyer to take Delivery of (Withdraw) and to settle the Underlying at the set Price,
- for the seller to deliver (Inject) and to receive settlement of the Underlying at the set Price.

The delivery obligations are executed by the way of nomination of the purchases or sales to the relevant Transmission System Operator.

#### **Section 2 Rules for listing Contracts**

##### **Article 4.3 Admission of Contracts**

SEEPEX AD makes decisions concerning the admission to trading, suspension and delisting of Contracts, subject to the Organized Market Committee approval. Condition for the admission of a Contract is that the maintenance of orderly trading can be expected.

##### **Article 4.4 Contract Specifications**

SEEPEX AD sets forth the specifications of each Contract in the Operational Rules.

#### **Section 3 Rules for suspending and delisting Contracts**

##### **Article 4.5 Decision not to open Expiries**

Notwithstanding the Operational Rules setting forth Contract specifications, SEEPEX AD can decide not to open one or more Expiries, either temporarily or permanently.

Save in exceptional circumstances, this decision is communicated to Members by Market Notices at least ten (10) calendar days before the date initially scheduled for the opening of the new Expiry.

##### **Article 4.6 Revocation and Suspension of the Product Admission**

SEEPEX AD may revoke the admission of products to trading on SEEPEX or suspend trading on SEEPEX if orderly Exchange trading is jeopardized or if such action appears to be necessary by any other important reason.

SEEPEXAD may also suspend trading entirely, for individual Market Segments or individual Contracts if this is required for technical reasons.

In the case of any revocation of an admission of Products or any suspension from trading on SEEPEX, SEEPEX AD shall inform the Exchange Members without delay. The same applies to any suspension of trading on a Market Segments.

If Trading in certain Contracts on SEEPEX is suspended entirely or in part, no new Orders or quotes may be entered for the suspended Contracts. All existing Orders and quotes will be cancelled. The resumption of Trading in the suspended Products shall commence with a Pre-Trading period. SEEPEX AD may, in the event of a suspension, issue different instructions on a case-by-case basis.

### **Chapter 2 Market Areas**

##### **Article 4.7 SEEPEX Market Area**

Contracts on SEEPEX are concluded for the Serbian Market Area

With the approval of the Organized Market Committee, SEEPEX may decide to add new Market Areas on which Contracts can be traded.

##### **Article 4.8 Trading at SEEPEX Market Area**

When Applicants apply for membership of SEEPEX, they select the Serbian Market Area on which they wish to intervene on their admission forms.

### **Chapter 3 Market Segments**

##### **Article 4.9 SEEPEX Market Segments**

The following Market Segments currently exist on SEEPEX:

- The Day-ahead Market Segment.

Are considered as concluded on the Day-Ahead Market, all transactions which occur on the day before the delivery up until the nomination gate closure time defined by the relevant TSOs of the respective delivery area.

On the Day-Ahead Market Segment the following trading procedures exist:

- For the Serbian Market Area: A Day-Ahead Auction, with delivery on the Serbian transmission system managed by JP EMS.

The Trading Procedures for each of the Market Segments are described in the Operational Rules of SEEPEX.

## TITLE 5 TRADING

### Chapter 1 Principles

#### Article 5.1 Provisions applying to trading on SEEPEX

This Title presents the common provisions that apply to all Contracts traded on SEEPEX Market Segments and to any available trading procedure (Auction)

It:

- describes the general specifications of Orders under these trading procedures,
- explains how these Orders are matched and executed, and
- describes the outcome-processing procedures.

#### Article 5.2 Procedure for Trading on the Day-Ahead Segments

Provisions related to trading on the Day-Ahead Auction Segments are to be found in the Operational Rules of SEEPEX.

### Chapter 2 Rules on Orders

#### Article 5.3 Order Matching

Transactions on SEEPEX are effected by matching supply and demand Orders:

- by auction, after an accumulation period during which Orders entered in the Order Book by Exchange members are accumulated but not executed.

#### Article 5.4 Exchange Hours and Trading Periods

The Exchange hours for the commencement and the end of trading for all products shall be determined by SEEPEX.AD. SEEPEX AD may extend or reduce the Exchange hours as well as the commencement of any of the trading periods to the extent necessary to maintain orderly trading conditions or for reasons relating to the trading systems of SEEPEX.

The Exchange hours for transactions in any available Auction Trading Procedure comprise three consecutive periods:

- Pre-Trading Period
- Trading Session
- Post-Trading Period

The Exchange hours for transactions in continuous trading only comprises the trading session.

#### Article 5.5 Order Origin

An Order is deemed to irrefutably originate from an Exchange Member when the Exchange Member's technical identifier is present in the message containing the Order.

Technical acceptance of instructions issued by an Exchange Member shall be evidenced by acknowledgment of such message, by entry or denial of entry in the Order Book or by a Transaction. An instruction issued by an Exchange Member can be revoked only as defined in the Operational Rules.

#### Article 5.6 Order Description

An Order is an offer to enter into a Contract, the terms and validity of which are set forth herein.

Orders sent to SEEPEX AD shall include at least:

- identification as a Single-Contract Order or a Block Order if applicable
- the Exchange Member's identification;
- the Trading Account in which the Order is recorded;
- the Market Area and TSO,
- the Contract to which the Order relates;
- the Quantity;
- the Price limit;
- whether it is a buy or sell Order
- the type, validity and terms of execution of the Order.

#### Article 5.7 Order Categories

Orders may relate to one Expiry only (Single-Contract Orders) or to one or several Expiries (Block Orders).

#### Article 5.8 Anonymity of the Order Book

The Order Book and Transactions are anonymous.

### Chapter 3 Rules on Matching

#### Article 5.9 Principle of Auction Trading Procedure

The general principles applicable to the execution of orders on SEEPEX are:

- Execution happens according to a method that is transparent and described in the Market Rules and must enforce principles which are public;
- Execution insures a level playing field among the Exchange Members;

- Execution is compliant with the Orders submitted by the Exchange Members;
- Auction results are published in a reasonable delay after closure of the Order Book;
- Before such publication the Clearing House is allowed to reject results for a Clearing Member for credit reasons in which case, after cancellation of exceeding limits orders, the Auction will be re-run;

## **Chapter 4 Miscellaneous Rules**

### **Article 5.10 Fully Electronic Exchange**

SEEPEX is a fully electronic exchange.

Exchange Members transfer Orders and quotes from their respective workstations to SEEPEX trading systems by means of electronic transmission. SEEPEX AD is entitled to permit the usage of other methods of transfer; it will inform the Exchange Members of this method by the most suitable means.

SEEPEX AD is entitled to temporarily interrupt the access to SEEPEX trading systems for one or all of the Exchange Member(s) should this be necessary for technical reasons. SEEPEX AD makes the decision as to the end of the interruption. The Exchange Members concerned must be informed of the interruption of the access to SEEPEX trading systems and the end of the interruption by suitable means.

### **Article 5.11 Technical Malfunctions**

The affected Exchange Members shall inform SEEPEX AD without delay of any malfunction which occur on the technical equipment of the Segments during the business hours.

In case of technical malfunctions, SEEPEX AD or third parties commissioned by it shall be authorized to take any suitable and appropriate measures which are required to safeguard or resume proper trading or settlement. For example, SEEPEX or the third party commissioned by it can exclude individual Exchange Members or all Exchange Members from trading temporarily; they can suspend trading or delete orders by individual or all Trading Members. The measures taken by SEEPEX AD or by the third parties commissioned by it shall be binding for all Exchange Members. Further rules are contained in the Operating Rules of SEEPEX.

SEEPEX AD provides unrestricted technical support only during the business hours. Outside

the business hours the support only comprises measures for remedying technical malfunctions and for damage control. These measures concern in particular remedying of the technical malfunction, the deletion of orders by individual or all Exchange Members, the cancellation of transactions or the complete or partial suspension of trading.

SEEPEX AD shall be authorized to commission third parties to support the Exchange Members. However, the third parties commissioned to that end shall only be granted access to the trading data of the Exchange Members or a right of inspection of such, if it has signed a confidentiality agreement.

### **Article 5.12 Time**

The times referred to in the Exchange Rules correspond to the time on the servers on which the SEEPEX systems run. This is based on official time, and SEEPEX makes every effort to ensure that any difference is less than one minute.

## **TITLE 6 POST TRADE PROCESSING**

### **Section 1 Rules for publication of market data**

#### **Article 6.1 Publication of Transactions and Data Ownership**

SEEPEX AD reserves the right to publish the outcome of Trades. The manner and scope of the publication of prices shall be determined by SEEPEX.AD.

Published market databases belong to SEEPEX, AD which also determines how they are to be published. Members are authorised to use such databases on an internal basis. Any commercial usage of such market database must be carried out pursuant to a specific contract with SEEPEX AD.

### **Section 2 Transmission of trade information to ECC**

#### **Article 6.2 Transmission of Trade Information to ECC**

Once Orders have been matched, SEEPEX AD sends the following information on each Contract/Product to ECC for registration:

- Price,
- Quantity,
- Side,
- Counterparties,
- Portfolios,
- Date and time.

Following registration by ECC, the Payment and Delivery Obligations arising from Transactions are governed by the Clearing Conditions of ECC.

If it is impossible for ECC to register the Transactions, such Transactions shall remain effected between the buy-side and sell-side Exchange Members for who Orders have been matched. In this instance, either one of the counterparties may ask to cancel the Transactions.