



CENTRÁLNÍ DEPOZITÁŘ
CENNÝCH PAPÍRŮ

Changes of Clearing and Settlement

CSD Prague
Ondřej Dusílek

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cee stock exchange group

Key points



- All PXE members' positions will be transferred to ECC during one day (transfer day) according to multi-lateral agreement (Deed of Novation)
- ECC will be clearinghouse for all PXE trades according to ECC Clearing rules – all procedures and services provided by CSD Prague to PXE and clearing members will terminate
- ECC will be a central counterparty for all futures (delivery included)
- Energy Clearing Counterparty (EnCC) remains as a central counterparty for spot trades (OTE day-ahead market), but a payment agent will be ECC

Change of structure and procedures



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current model

- Futures - Trayport
- Spot - PXE Monitor

- Futures and Spot - CSD Prague via clearing banks

- CZ market – PXE (CCP)
- SK and HU – CCC and EnCC

- PXE/CSD Prague reports via PXE Monitor or web services

- All fees by PXE
- Delivery by CCP, EnCC and CCC

new model

- Futures - Trayport
- Spot - PXE Monitor/New web application

- Futures and Spot – ECC via clearing members

- CZ market – PXE (ECC Lux)
- SK and HU market – ECC Lux

- ECC/EUREX reports and clearing members reports

- trading - PXE, clearing- ECC
- Delivery of futures by ECC
- Delivery of spot by EnCC

Trading

Clearing

Scheduling

Reporting

Invoicing



Trading

No changes regarding futures and spot trading

- Futures (CZ, SK and HU - financial and physical)
 - trading via Trayport as today
 - matched orders are confirmed from ECC (status „cleared“)
 - limits are set up by ECC clearing members
 - reporting to ČNB as today

Spot market (OTE day-ahead)

- trading via PXE Monitor or via web application in future
- clearing via ECC, but EnCC remains counterparty (invoicing)
- clearing members can set up spot limit
- financial futures fulfillment (market orders) will carry on

Clearing and reporting

- All products (futures and spot) and all fees (membership, trading, clearing etc.) will be cleared by European Commodity Clearing AG (ECC) in accordance with ECC clearing rules
- Clearing and settlement reports will be provided by ECC (and ECC clearing members)
- All current reports via PXE Monitor (40192 Preadvice cash info, 40193 Payments, 40196 Holdings, real-time information about trades, margin requirements or limits) will not be available any more (a few weeks/months after a transfer day will be available historical reports)

Scheduling and invoicing

- European Commodity Clearing Luxembourg S.à.r.l.n (ECC Lux) will replace current counterparties (EnCC, CCC and CCP) regarding delivery of physical futures and will be member of all TSOs (OTE, OKTE, MAVIR)
- Scheduling to OTE is provided by PXE (counterparties will be ECC Lux and PXE member)
- Scheduling to OKTE/MAVIR is registered by both counterparties – ECC Lux and PXE member
- Delivery of electricity (physical futures) will be invoiced by ECC Lux, (spot market by EnCC as today)
- PXE fees (membership, trading etc.) are invoiced by PXE and ECC fees (clearing, scheduling etc.) are invoiced by ECC

Impacts for participants

- Necessary to be a non-clearing/clearing member of ECC (non-clearing member has to sign an agreement with clearing member of ECC) – some participants will have to change a GCM (clearing bank)
- Different central counterparty = different VAT regime (invoicing) and different counterparty in TSOs (different EIC code in OKTE/MAVIR)
- New clearing rules, margining and limits – ECC Rules
- New reporting – PXE Monitor reports will be replaced by ECC/EUREX reports
- New PXE membership agreement – between PXE and trading members
- Transfer agreement (Deed of novation) – between all parties (PXE, ECC, participants, clearing members)

Transfer of open positions

- Deed of novation should be signed by all parties at least one month before the transfer date (the agreement should be available during February)
- We expect that the last day before the transfer will not be a trading day (only accounting day)
- All margin contributions will be returned by CSD Prague to current clearing banks according to clearing rules (other solution has to be agreed by CSD Prague and clearing member individually)
- All bank guarantees will be return to banks



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Questions and contact

Thank you for your attention

Ondřej Dusílek

dusilek@pse.cz

+420 221 832 804



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