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► **ECC Clearing Circular 02/2016 | 2016-01-18**

Market Launch of SEEPEX

**Summary**

SEEPEX AD and ECC AG have jointly decided to launch the market of the Serbian power exchange on **17 February 2016** subject to final regulatory readiness.

In this context we would like to provide you with information regarding the product setup in ECC's clearing systems, details about the clearing processes and preconditions for participation.

**Related documents available on ECC's website:**

- ECC Clearing Specification
- ECC Price List
- ECC Report Specification
- ECC Risk Management Services
- NCM agreement (NCM02/02a)
- TP forms SEEPEX (01a, 01b)

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## Product Setup

SEEPEX initially offers hourly spot contracts in power for Day-Ahead auction trading. The following product is set up within ECC's clearing & settlement system (SMSS):

ECC Product Group	Name
SEEPEX_ST_POWER_EMS	Serbian Power Day-Ahead EMS

Detailed information on the product setup is provided in the [ECC Clearing Specification](#), which is available for download on the [ECC website](#).

## Clearing process

### Financial Settlement

All transactions will be imported into ECC's clearing & settlement system (SMSS) using the existing ECC member ID (e.g. ABCEX).

In addition to any other spot transactions on power and natural gas, the values of the transactions concluded are netted out into one net payment per trading participant or Clearing Member at the accounting cut at 16:00 (CET) (payment group EUR\_1600) on every ECC business day. In this process, all new transactions which have been concluded since the last booking cut will be considered, as it is currently the case for other products. All transactions concluded before the ECC booking cut will be financially settled on the next ECC business day. The exact delivery and payment date is provided in the ECC reports on spot market transactions. Detailed information on the product set-up within the reports is provided by the report specifications, which are available for downloading on [ECC's website](#).

### Physical Settlement

Physical Settlement of all transactions concluded at SEEPEX will be provided by ECC's Luxembourg-based subsidiary - European Commodity Clearing Luxembourg S.à.r.l - to the Serbian transmission system operator Elektromreža Srbije (EMS). Nominated delivery positions are summarized in the SMSS Delivery Report Summary.

For nominations ECC will use the EIC code of SEEPEX for a transition period. The EIC code is as follows:

SEEPEX - EIC Code	Market Area / TSO (EIC Area Code)	Nomination Method
34X-00381-2015-E	Serbian Market Area / EMS - ELEKTROMREŽA SRBIJE (EIC 10YCS-SERBIATSOV)	Priority rule for ECC

## Fees

Clearing Fees are charged according to the ECC Price List. The Clearing Fee for SEEPEX spot contracts has been set to 0,02 €/MWh.

## Margining

Exposures will be included in the time series of exposures used for daily calculation of the Spot Initial Margin (IMSM) and will also be included in the Current Exposure Spot Market (CESM). They will be netted with exposures from all other spot market transactions providing full cross-margining effects across all cleared spot venues of ECC. The margin requirement is listed in the Eurex Report CC050 and will be contained in the margin classes “IMSM” and “CESM”.

## Limit Functionalities

With the launch of the Clearing Service for SEEPEX, ECC introduces a new Financial Trading Limit for SEEPEX Day-Ahead Auction Trading. The Limit functionality is described in ECC Clearing Circular 29/2015 and 44/2015. The new financial Trading Limits will be included in the [ECC Risk Management Services](#) document to be found on [ECC's website](#).

Clearing Members already signed up for the ECC's Trading Limit Services will receive the limit template containing SEEPEX automatically via email. Clearing Members, who have not already signed up are re-requested to provide named contacts for managing the trading limits by using ECC setup form T11. The form can be found on ECC's website under: [http://www.ecc.de/ecc-en/access-to-ecc/admission-forms/technical\\_forms](http://www.ecc.de/ecc-en/access-to-ecc/admission-forms/technical_forms).

To have Trading Limits set up for the market launch, Clearing Members should send them to ECC until 16 February 2016.

## Preconditions for Participation

The ECC clearing licence for Clearing Members already covers the clearing of the new SEEPEX power spot contracts.

Participation in trading requires an application for recognition as a trading participant in SEEPEX power spot contracts (TP\_SEEPEX\_01a, TP\_SEEPEX\_01b) and, if necessary, a current NCM agreement (NCM02) including the “SEEPEX” market or “All Markets”. SEEPEX Trading Participants who have not been registered with ECC so far have to complete the admission process as a Non-Clearing Member including the ECC KYC process.

The corresponding forms are available for downloading on the [ECC website](#).