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▶ **ECC Clearing Circular 07/2016 | 2016-02-09**

Introduction of HUPX Intraday Market

**Summary**

ECC will offer clearing services for Hungarian Intraday Power products traded at Hungarian Power Exchange Zrt. (HUPX) at the end of Q1/2016. The exact go-live date will be communicated soon.

In this Clearing Circular, we would like to provide information regarding the new products, the settlement processes and the preconditions for participation.

News

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## Product Setup

The intraday products offered for trading at HUPX will be set up as follows in the ECC clearing and settlement system SMSS:

ECC Product Group	Name
HUPX_IT_POWER_MVR	HUPX Power Intraday

The ECC product group will be used for invoicing from the ECC clearing and settlement system SMSS. Detailed information on the product setup is provided in the ECC Clearing Specification, which is available for download on [ECC's website](#).

## Settlement Process

### Financial Settlement

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

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

### Physical Settlement

Physical Settlement of all power transactions concluded at HUPX will be provided by ECC's Luxembourg-based subsidiary – European Commodity Clearing Luxembourg S.à.r.l. Nominated delivery positions are summarized in the SMSS Delivery Report Summary and also traceable in the Online View of the ECC Member Area.

ECC will use the following EIC code for nominations:

EIC Code	Market Area
15X-HUPX-ID----A	MAVIR/Hungarian market area

## Margining

Exposures from transactions in HUPX Power Intraday contracts will be included in the time series of exposures used for daily calculation of the Initial Margin Spot Market (IMSM) and will also be included in the Current Exposure Spot Market (CESM). The exposures 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 corresponding margin classes “IMSM” and “CESM”.

## Limit Functionalities

With the launch of the HUPX Intraday Market, ECC together with HUPX offers Financial Trading Limits to allow Clearing Members to manage the financial exposure of their Non-Clearing Members for HUPX Intraday Trading. The limit solution for the HUPX Intraday Market is identical to the limit solution for EPEX Continuous Trading in the Trading System. Detailed information is provided within the [ECC Risk Management Services](#) document, which is available for downloading on [ECC's website](#).

Clearing Members are requested to submit trading limits for their Non-Clearing Members in free format via email to [limits@ecc.de](mailto:limits@ecc.de). The initial limits shall be provided upfront. Creation, modification and deletion of limits requires access authorization with ECC application form T11, which is available for downloading on [ECC's website](#). Already authorized persons are automatically set up to manage limits for HUPX Intraday Market.

## Preconditions for Participation

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

Trading participants who are already admitted for trading HUPX Power Day-ahead contracts have to confirm their request for participation in trading the new HUPX Power Intraday contracts via a standardized email to [membership@hupx.hu](mailto:membership@hupx.hu) which will be forwarded by HUPX to ECC as well. To receive the email template please contact HUPX membership.

Generally participation in trading requires an application for recognition as a trading participant in HUPX Power Spot contracts (TP\_HUPX\_01a/TP\_HUPX\_01b) and, if required, a current NCM agreement (NCM02) including the “HUPX Hungarian Power Exchange” market or “All Markets”. HUPX 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 [ECC's website](#).