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▶ **ECC Clearing Circular 11/2016 | 2016-02-29**

Update on ECC Clearing and Settlement Services for APX markets (including Belpex)

Summary

ECC will start providing clearing and settlement services for the APX markets, including Belpex, on **31 March 2016**.

Following the announcement in ECC Clearing Circular 38/2015, ECC here provides additional information on the transition plan, limit solutions, membership and simulation.

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Clearing Launch Date

ECC will offer clearing and settlement services for all APX Group exchanges (APX Power NL, Belpex and APX Commodities UK) from 31 March 2016 (“Clearing Launch Date”). On 18 March 2016 we will send an additional Clearing Circular confirming the Clearing Launch Date and giving further detailed information.

The clearing migration forms the first step in the integration of the APX and EPEX SPOT businesses and is only related to the clearing and settlement services. Further information about changes on the exchange side will be provided by EPEX SPOT and APX Group at a later stage.

Transition Plan

Transition Plan for Clearing Services

ECC and APX have agreed on a transition plan that will minimise the downtime for the Trading Participants on the Clearing Launch Date, enabling parties to be active on the markets for as long as possible. The respective migration plan is designed to minimise the operational impact on the existing APX Trading Participants.

Given the differences in market design of the affected markets, the transition plan is different for each one. Trading Participants will become counterparty to both ECC and APX Clearing/APX Commodities for the period of the transition. On the day of transition, collateral will have to be posted to both ECC and APX. Further details on the release of collateral held by APX will be communicated by APX and Belpex separately. Therefore we advise active parties to align their respective collateral requirements with both APX and their Clearing Member.

Exchange	Market	Delivery Accounts APX	Delivery Accounts ECC
APX NL	Day-Ahead Auction Market	8712423023369	4260088790057
	Continuous Intraday Market		
Belpex	Day-Ahead Auction Market	22XBELPEX-----N	22XBELPEX-----N
	Strategic Reserves Market		
	Continuous Intraday Market		
APX UK	Day-Ahead Auction Market	APXCOMM	ECCLUX
	Half-Hour Day-Ahead Auction		
	Spot Continuous Markets		

As part of the Transition, APX and Belpex will introduce a new version of the trading platform EuroLight®. This technical step will be taken during a maintenance window on the Clearing Launch Date. The start and duration of the maintenance window will be communicated by APX and Belpex separately.

Due to regulatory requirements in Belgium, the delivery of local Belgian trades concluded at Belpex will be performed by Belpex itself, rather than ECC Lux.

Therefore, the delivery chain will be set up as follows:



For the other marks, the standard delivery chain via ECC Lux will apply.

Transition Plan for APX Power

Market	Transition Plan	Actions required
Day-Ahead Auction Market	<p>The last Day-Ahead Auction cleared by APX Clearing will be the Day Ahead Auction on the day before the Clearing Launch Date (30 March 2016 for delivery on 31 March 2016).</p> <p>From trading date 31 March 2016 onwards, ECC will clear all transactions resulting from the Day-Ahead Auction. The first delivery day cleared by ECC will be 1 April 2016.</p>	<p>We advise you to check your nomination system in order to implement the necessary changes of the delivery accounts.</p>
Continuous Intraday Market	<p>The last transactions cleared by APX Clearing will be those for delivery before the end of day on 30 March 2016. Intraday trading for the first hours of 31 March 2016 will not be possible, in order to avoid the change of delivery accounts in the middle of the day. Please be advised that ECC intends to introduce the SST process (Single Sided Transactions) according to the Dutch Market Rules by Q2/2016.</p> <p>All intraday market transactions made after re-opening and the updating of Eurolight® on the Clearing Launch Date will be cleared by ECC.</p>	<p>We advise to check your nomination system to implement the necessary changes of the delivery accounts.</p> <p>Due to the trading pause for the first hours on the Clearing Launch Date, we advise you to review your trading activities planned for that day.</p> <p>Should you wish to continue trading in the Elbas Trading System, we advise you to discuss this requirement with your Clearing Member.</p>

Transition Plan for Belpex

Market	Transition Plan	Actions required
Day-Ahead Auction Market	<p>The last Day-Ahead Auction cleared by APX Clearing and Belpex will be the Day Ahead Auction on the day before the Clearing Launch Date (30 March 2016 for delivery on 31 March 2016).</p> <p>From trading date 31 March 2016 onwards, ECC will clear all transactions resulting from the Day-Ahead Auction. The first delivery day cleared by ECC will be 1 April 2016.</p>	No action required.
Strategic Reserves Market	The Clearing Launch Date falls into a period without an active Strategic Reserves Market.	No action required.
Continuous Intraday Market	<p>Apart from the maintenance window resulting from the introduction of the new trading platform, there will be no further pause in trading, other than for the dedicated maintenance window.</p> <p>All transactions made after the re-opening of the intraday market on the Clearing Launch Date will be cleared by ECC.</p> <p>Intraday Trades performed on the Clearing Launch Date will be nominated to Elia ex post on the day following the Clearing Launch Date. Following this, ECC will introduce an hourly nomination regime.</p>	If you would like to switch to hourly nomination, we advise you to check your nomination system and change from ex post nomination to hourly nomination.

Transition Plan for APX Commodities

Market	Transition Plan	Actions required
Day-Ahead Auction Market	<p>The last Day-Ahead Auction cleared by APX Clearing will be the Day-Ahead Auction on the day before the Clearing Launch Date (30 March 2016 for delivery on 31 March 2016).</p> <p>From trading date 31 March 2016 onwards, ECC will clear all transactions resulting from the Day-Ahead Auction. The first delivery day cleared by ECC will be 1 April 2016.</p>	Finalise Authorisation of Single Notification for ECC via Elexon BSCP71/01 form

Market	Transition Plan	Actions required
Half-Hour Day-Ahead Auction	<p>The last Half-Hour Day-Ahead Auction cleared by APX Clearing will be the Half-Hour Day-Ahead Auction on the day before the Clearing Launch Date (30 March 2016 for delivery on 31 March 2016).</p> <p>From trading date 31 March 2016 onwards, ECC will clear all transactions resulting from the Half-Hour Day-Ahead Auction. The first delivery day cleared by ECC will be 1 April 2016.</p>	Finalise Authorisation of Single Notification for ECC via Elexon BSCP71/01 form
Spot Continuous Markets	<p>Apart from the maintenance window resulting from the introduction of the new trading platform, there will be no further pause in trading, other than for the dedicated maintenance window.</p> <p>All transactions made after the re-opening of the intraday market on the Clearing Launch Date will be cleared by ECC.</p> <p>However, to prevent having multiple counterparties for two days, continuous trading for delivery on 1 April 2016 will be restricted for the period until the Eurolight® migration.</p>	Finalise Authorisation of Single Notification for ECC via Elexon BSCP71/01 form
3PNS	The Third Party Notification Service in the UK offered by APX will be changed neither contractually nor operationally.	No action required.

Transition Plan for Collateral and Margining for all markets

ECC will calculate the Initial Margin Spot Market (IMSM) requirement per member, based on historical exposures including APX markets, on 30 March 2016. The margin will be called on 31 March 2016 at 8.00 CET in the standard settlement cycle. The calculation results can be found in the CC050 Daily Margin report (margin class IMSM).

The Current Exposure Spot Market (CESM) will be calculated from the start of 31 March 2016, once the migration to ECC's settlement system is complete. The calculation results will intraday be disseminated via Enhanced Risk Solution (ERS) and can be found End of Day in the CC050 Daily Margin report (margin class CESM) and will only include ECC cleared trades.

Upon a member's request, ECC will provide preliminary margin values based on existing trading data history.

Trading Limits

Available Limits in Eurolight®

Clearing Members may start to set limits from 9 March 2016. For details, please refer to ECC Clearing Circular 06/2016. The following limits will be made available in Eurolight:

Exchange	Market	Trading Limit	Technical Name
APX NL	Day-Ahead Auction Market	Combined Financial Limit in EUR	APX_BELPEX_EUR
	Continuous Intraday Market		
BELPEX	Day-Ahead Auction Market		
	Strategic Reserves Market*		
	Continuous Intraday Market		
APX UK	Day-Ahead Auction Market		
	Half-Hour Day-Ahead Auction		
	Spot Continuous Market		

* Orders which have been replicated technically from the Market Coupling process are not checked against the trading limit again, as these are already included in the Trading Limit Consumption

Access to the ELBAS trading system will be granted to Trading Participants on the agreement of their Clearing Member. Trading Participants need to send a request to ECC using the TP_APXNL_01a/b form; ECC will then ask for the Clearing Member's approval.

Maintenance Process for Limits

Clearing Members will be able to maintain limits within the ECC Member Area; setting up, updating or removing trading limits from the trading systems. Synchronisation of limits is planned several times during the trading day to allow for necessary intraday adjustments.

Admitted users will be able to maintain limits from 9 March 2016 onwards and the first synchronisation will take place before the first trading day. Clearing Members can then check the synchronisation status prior to the first trading day.

Provision of Reports

Trade and Payment Reports will be created for all markets and all products. Delivery Reports will be provided for BE and NL only and not for UK market.

Market		Trade Report	Payment Report	Delivery Report
APX NL	Day-Ahead Auction Market	✓	✓	✓
	Continuous Intraday Market	✓	✓	✓
BELPEX	Day-Ahead Auction Market	✓	✓	✓

Market		Trade Report	Payment Report	Delivery Report
	Strategic Reserves Market*	✓	✓	✓
	Continuous Intraday Market	✓	✓	✓
APX UK	Day-Ahead Auction Market	✓	✓	X
	Half-Hour Day-Ahead Auction	✓	✓	X
	Spot Continuous Market	✓	✓	X

Fees and Invoicing

ECC issues invoices for commodity amounts and clearing fees. The current ECC price list is available on ECC's website.

Regarding physically delivered products, the invoice contains all purchased and sold commodities as well as the related clearing fees for spot market and intraday transactions executed in Central European (Summer) Time (CET/CEST). The invoice is based on the delivery day of the concerned transactions (delivery month). Details of the Value Added Tax (VAT) are mentioned in section 1 of the ECC price list. The Value Added Tax and the fees are calculated on the basis of the individual trades. This can result in rounding differences in invoicing.

ECC AG and its subsidiary ECC Luxembourg S.á.r.l. invoice any payment amount which results from the physical delivery of commodities and other supplies in the form of credit notes/self-bill invoices (according Art. 224 Directive 2006/112/EC) in name and on behalf of the participants ("self-billing procedure").

Clearing fees will be debited on the 10th business day of the following month, via the participant's clearing bank account.

Participants will receive the original invoice in the form of the Invoice Report Summary (IRS) electronically via e-mail or ftp server up until the 3rd business day of the following month. In addition to the Invoice Report Summary (IRS) the participants will receive the Invoice Report Detail (IRD) further detailing the invoiced deliveries per delivery day in an electronic format (PDF). To be able to receive the invoice documents, a respective report subscription is necessary via the ECC Member Area.

Special set up for Clearing Fees of Belpex

As a result of the special contractual delivery chain in Belgium and subject to approval by the authorities, invoices for commodity amounts and clearing fees will be settled via ECC's infrastructure, though on behalf and in the name of Belpex. The trading fees will be invoiced separately.

Regarding physically delivered products, the invoice contains all purchased and sold commodities as well as the related clearing fees for spot market and intraday transactions. The invoice is based on the delivery day of the concerned transactions (delivery month). Details of the Value Added Tax (VAT) are mentioned in section 1 of the ECC price list. VAT and the fees are calculated on the basis of the individual trades. This can result in rounding differences in invoicing.

Clearing fees will be debited by ECC on behalf of Belpex on the 10th business day of the following month, via the participant's clearing bank account.

Participants will receive the original invoice in the form of the Invoice Report Summary (IRS) electronically via e-mail or ftp server up until the 3rd business day of the following month. In addition to the Invoice Report Summary (IRS) the participants will receive the Invoice Report Detail (IRD) further detailing the invoiced deliveries per delivery day in an electronic format (PDF). To be able to receive the invoice documents, a respective report subscription is necessary via the ECC Member Area. This will be done initially by ECC in the frame of the on-boarding process (application form T10). Additional subscriptions can be made afterwards also. For further information please see ECC's Clearing Circulars no. 42/2015 and 01/2016.

Change of invoice number format for Clearing Fees of Belpex

The invoice number format will be as follows:

Invoice number format	ABCEX_B160001
ABCEX	ECC Member ID
B	issuing company = Belpex
16	current year of issuing = 2016
00001	consecutive number

ECC Membership

The ECC membership will be set up in the clearing systems according to ECC's Clearing Circular 38/2015.

Further reading

For further detailed information please refer to the following documents:

Clearing Circular 38/2015 – Information Current Status APX Migration

This [Circular](#) provides information about the product set-up at ECC as well as physical delivery, answers questions on margining and membership and gives an update on the project schedule and the provision of sample data for testing purposes.

Clearing Circular 42/2015 – Change of ECC Invoicing Procedure

This [Circular](#) contains information concerning the change to the ECC invoicing procedure, beginning in spring 2016. ECC will change its invoice dispatching process regarding transaction-based fees.

Clearing Circular 06/2016 – Introduction of Self-Service Limit Maintenance

This [Circular](#) contains information regarding the Self-Service functionality, the introduction approach and the applicable fees for the Self-Service Limit Maintenance service piloted by the APX markets.

SMSS Report Specification

This [document](#) contains detailed information about the structure and content of ECC generated reports:

ECC Risk Management Service Manual Member Area Guide

Additional information on the limit functionality and the maintenance process is available within [ECC's Risk Management Services Manual](#). For further information concerning the Member Area, please refer to [ECC Member Area User Guide](#).

ECC Clearing Conditions and ECC Price List

Additional information about ECC's rules can be found in the [ECC Clearing Conditions](#). For detailed information on applicable fees, please refer to the [ECC Price List](#).