

Market Correction Mechanism

Dear Trading Participants and Clearing Members,

From now onwards EEX AG and ECC AG have simplified the access to EEX OTF Natural Gas Derivatives for all Trading Participants as follows:

- Subject to the approval by the respective Clearing Member, Trading Participants that are admitted at EEX Regulated Market for trading EEX Natural Gas Derivatives will – by default – be additionally set up technically for the corresponding products in the EEX OTF Natural Gas Market.
- Exchange Trader Accounts currently admitted to trading in EEX Natural Gas Derivatives at EEX Regulated Market will be granted access to all corresponding OTF products according to the respective EEX OTF Natural Gas Derivatives member admission.
- Trading Participants currently in the process of being admitted at EEX Regulated Market for EEX Natural Gas Derivatives will be given the choice of also adding the EEX OTF Natural Gas Derivatives.
- The same will apply for the corresponding EEX OTF Natural Gas Derivatives for CZ VTP and PVB, which will be available for trading as of 8 May 2023. Further details on the new products can be found below.

Contact

European Commodity Clearing AG
Clearing & Settlement
Phone: +49 341 24680-444
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- The process described above does not require the signing of additional forms. Acceptance of the EEX OTF Terms and Conditions occurs upon entering of the first order regarding an OTF product in the T7 trading system.
- Membership in the EEX OTF is already included in the respective membership fee for the EEX Regulated Market.

Transaction Size Limits

Please be aware that already defined Exception Transaction Size Limits (ETSLs) for EEX OTF Natural Gas Derivatives will remain unchanged. Trading Participants/Exchange Traders newly set up for EEX OTF Natural Gas Derivatives (as described above) will be set up with the respective Standard Transaction Size Limits. All trading participants with T7 GUI administrators have the possibility to define ETSLs or to disable certain products by setting ETSLs with value "0".

Trading participants without own administrators please contact their EEX Key Account Manager via sales@eex.com.

Opt-Out Possibility

Please let us know in case the EEX OTF Natural Gas Derivatives shall not be added to your membership by sending an e-mail to membership@eex.com by 7 March 2023.

Clearing Member Approval

As a precondition for admission at the EEX OTF as described above, the respective Clearing Member must declare its consent to ECC by 31 March 2023. This is centrally coordinated by ECC. Please liaise with your Clearing Member directly in case of any questions.

Admission Confirmation

Once processed in the system each affected Trading Participant will receive the admission approval by e-mail.

Close-out / Settlement

All EEX OTF Natural Gas Derivatives with delivery periods as of 1 April 2023 that comprise mandatory physical delivery (“must be physically settled”) will be changed to EEX OTF Natural Gas Derivatives with optional physical settlement (can be physically settled according to MiFiD definition). This also applies to the future EEX OTF Natural Gas Derivatives for the market areas CZ VTP and PVB.

Optional physical settlement means that a position in an EEX OTF Natural Gas Derivative may be closed by a counter transaction prior to the beginning of delivery period. Positions held beyond that point in time will be physically delivered in accordance with ECC standard processes. For Trading Participants without the capability of physical delivery, the obligations from the Close-out Agreement will also cover the EEX OTF Natural Gas Derivatives.

Please note that EEX OTF Natural Gas Derivatives with optional physical settlement are subject to transparency and reporting requirements under MiFID II, MiFIR, EMIR, MAR and REMIT. The relevant MiFID/MiFIR Data Services Agreement, EMIR Data Services Agreement and REMIT Data Service Agreement cover both EEX Regulated Market and EEX OTF. In relation to clients that have these agreements in place the respective services will automatically be extended to these products.

Additional OTF products for CZ VTP and PVB

The additional EEX OTF Natural Gas Derivatives will be set up as follows in the ECC clearing system:

Product	Name	SMSS Product Group
HEBM	EEX PVB Natural Gas Month OTF Future	EEX_FT_NATGAS_PVB_OTF Delivery Product Group: EEX_FE_NATGAS_PVB
HEBQ	EEX PVB Natural Gas Quarter OTF Future	
HEBS	EEX PVB Natural Gas Season OTF Future	
HEBY	EEX PVB Natural Gas Year OTF Future	
H1BM	EEX CZ VTP Natural Gas Month OTF Future	EEX_FT_NATGAS_OTF_OTF Delivery Product Group: EEX_FE_NATGAS_OTF
H1BQ	EEX CZ VTP Natural Gas Quarter OTF Future	
H1BS	EEX CZ VTP Natural Gas Season OTF Future	
H1BY	EEX CZ VTP Natural Gas Year OTF Future	

Detailed information on the product setup will be provided in the EEX OTF Contract Specifications and in the ECC Contract Detail File shortly.

The transactions will be imported into the derivative clearing system C7 of ECC and integrated into the standard clearing processes for EEX OTF Natural Gas Derivatives. Transactions are included in the regular data streams and reports. In addition, transactions can be retrieved via the ECC Member Area on the next ECC business day after 9:30 am CE(S)T. The transactions are processed in the ECC settlement system SMSS for invoicing purposes using the product groups mentioned above.

Corresponding Natural Gas Futures listed on the EEX Regulated Market and on the EEX OTF have the same risk profile as defined by ECC Risk Management standards. They are in the same combined commodity. Consequently, positions with identical delivery profile and expiry date are considered on a netted basis across the EEX Regulated Market and the EEX OTF for the purposes of initial margin calculation. Initial margin requirements for outright positions in EEX OTF contracts and the corresponding Regulated Market contracts are identical.

Clearing Members and Non-Clearing Members may request compression of positions stemming from contracts in the EEX Regulated Market and corresponding contracts in the EEX OTF (i.e. same market area and delivery period) in according to the compression function implemented by ECC. Further details may be found in Clearing Circular 06/2023 of 2 February 2023.

Please do not hesitate to contact us if you have any further questions.

Yours sincerely,

Contact:

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www.ecc.de