

# **ANNEX II. SPECIFIC RULES ON MIBGAS DERIVATIVES SPOT**

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## 1. GENERAL PRINCIPLES

### 1.1 Purpose and scope

MIBGAS Derivatives Spot is the segment of the Organized Gas Market operated by MIBGAS Derivatives, in which natural gas title transfer products are traded at virtual points on transport networks and Spanish AVB, as well as liquefied natural gas products at the TVB, with a time horizon of up to the last day of the month following that of the arrangement of the Trade., according to the specifications set out in this Annex.

In accordance with the Article 11 of the Order ETU/1977/2016, of 23 December, establishing the tolls and tariffs associated with third-party access to gas facilities and the payment of regulated activities for 2017, these products shall be traded on the Market Platform of MIBGAS S.A.

The processes of settlement, management of guarantees, invoicing, collections and payments, as well as the delivery of notifications to the corresponding Technical Managers, shall be undertaken by MIBGAS Derivatives, as is described in this Annex

### 1.2 Concepts and definitions

- Consolidation Account: Account where the entries affecting receipts and payments and the Operating Limit will be added.
- Registration Account: Account where the economic results corresponding to the Agent's Trading Portfolios in this segment will be recorded.
- Banking day: A banking day is any operative day for the banking entity responsible for making the collections and payments of the market.
- GTS: Technical Manager of the Spanish Gas System.
- Operating Limit: Value associated with the Consolidation Account of the MIBGAS Derivatives Agents, that at any given moment presents the amount of guarantees available, as yet unused, for responding to new commitments that the Agent may acquire on the MIBGAS Derivatives Spot market.

## 2. AGENTS

### 2.1 Requirements for acquiring the status of Agent at MIBGAS Derivatives Spot

To acquire the Agent status in MIBGAS Derivatives Spot, candidates are to meet the following requirements:

- a) Be registered as an Agent in the Organised Gas Market operated by MIBGAS S.A., which means they will have already acquired the status of Accredited Party in the Spanish or Portuguese gas systems, or in both of them. Agents that have acquired the status of Accredited Party exclusively in the Spanish or Portuguese systems may only trade products with delivery in the Spanish or Portuguese system, respectively.
- b) Have already provided the initial guarantee in the MIBGAS Derivatives Spot Assignment Account.

- c) Have expressly adhered to these Rules through the subscription of the corresponding Adhesion Contract to MIBGAS Derivatives, selecting at least the segment of MIBGAS Derivatives Spot.
- d) Submit the documents required by MIBGAS Derivatives
- e) Have paid the registration fee specified in the Rule “Fees on registration and trading in MIBGAS Derivatives”

MIBGAS Derivatives reserves the right to reject or cancel any register application already accepted, in case of considering that the user does not meet with the sufficient levels of liquidity and solvency to guarantee its operation in MIBGAS Derivatives Spot, without any right to compensation in favour of the user.

### 3. PRODUCTS

In MIBGAS Derivatives Spot physical products with delivery in TVB and AVB can be traded the days of delivery of the product and cleared by MIBGAS Derivatives at a fixed price, which corresponds to the price of the Transaction.

The detail of these products can be found in the “Products Specifications” Annex.

#### 3.1 List of products in the Trading Platform

The products shall be listed in the Trading Platform 4 days before its delivery.

As an exception, on certain gas Days we may extend the days during which it will be listed. With enough advance notice, the Market Operator will publish the affected products and the days during which it will be listed.

#### 3.2 Valuation of the order

The purchase orders shall be valued as the product of the quantity offered by the price of the order in absolute value, and by the number of days of the delivery period, plus any applicable taxes and duties.

The resulting value shall be rounded up to the nearest two decimal places.

The sales orders will be value as zero.

#### 3.3 Start of trading

An Instruction shall be issued to notify the start date for the trading of new products.

## 4. SPECIFIC OPERATING CHARACTERISTICS OF THE MIBGAS DERIVATIVES SPOT SEGMENT

### 4.1 MIBGAS Derivatives Spot Trading Session

MIBGAS Derivatives Spot Trading Session is defined as a Trading Session that is held every day throughout the year, according to the following timetable:

Start	End	Status
0:00	10:00	UPC
10:00	11:00	AUC
11:00	11:05	MAT
11:05	18:00	CON
18:00	0:00	FIN

### 4.2 Posting orders for future sessions

At any moment, but weekends, orders may be sent for futures Trading Sessions for all the products listed in the Trading Platform. These orders will be stored until the beginning of the opening auction of the Trading session they were sent to.

### 4.3 Additional order validations

#### 4.3.1 Operating Limit

Additionally to the validations specified in MIBGAS Derivatives Rules, in the segment of MIBGAS Derivatives Spot it will also be verified that the order value does not exceed the Agent Operating Limit at the beginning of the trading.

In the Trading Platform it will be shown the updated Operating Limit value, identifying the already quantity used, as well as the available quantity to be used in new orders.

### 4.4 Notifications to the Technical Managers

#### 4.4.1 General principles

After the matching, MIBGAS Derivatives will send the proper notifications of the Trade matched with delivery on the gas system under its responsibility, except if there is an error or an incidence.

The Agents will have available in the Trading Platform all the information related to the notifications of the trades that MIBGAS Derivatives has communicated to the Technical Managers.

#### 4.4.2 Minimum content of notifications

Each Trade Notification will include, at least, the following relevant information:

1. Notification date.
2. EIC Code.
3. Delivery day.
4. Delivery location, as it is specified in the traded product.
5. Delivery time of the notification (daily or Within-day).
6. Assigned energy, calculated as the sum of the quantities of energy of all the purchased and sale Trades of the Agent with the delivery on that day, and delivery location. Considering that sales have a negative sign and purchases have a positive sign.
7. Sale, if the assigned energy referred to in point 7, has a negative sign, or
8. Purchase, if the assigned energy referred to in point 7 has a positive sign.

#### 4.4.3 Validations

In each submission of Notification, for each day, type of product (Daily or Within-day) and place of delivery, the sum of the quantity of energy sold shall be equal to the sum of the quantity of energy purchased.

On the Gas day on which the Notification is made, all Agents for which Notifications are sent with a delivery date on a given Gas day have been accredited and are authorized, totally or partially, by the Technical Managers for that day.

#### 4.5 Consultations and additional claims

Agents may present claims to the calculation of the Operating Limit within a period of thirty minutes following their disclosure. MIBGAS Derivatives shall respond to the appeal as soon as possible and with all possible diligence.

The Agents may present claims to economic results within a period of three Working days following their disclosure. MIBGAS Derivatives shall analyse the appeal and where necessary, post the economic results with the revised information.

## 5. FINANCIAL CONSEQUENCES OF THE MATCHING

### 5.1 Financial consequences of the matching

MIBGAS Derivatives shall determine the financial consequences for Agents according to the purchase and sales orders that have been matched in each one's Trading Portfolio, by MIBGAS Derivatives Spot segment product, Trading Session and type of trading.

Accordingly, the Market Operator shall make the corresponding entries in each Register Account, with information on the Agent and the Trading Portfolio.



### 5.1.1 Financial consequences of the matching at Auctions

As a result of the purchase and sales orders matched at Auctions, account entries are made for each resulting Trade.

In each Register Account associated to a Trading Portfolio, for each matched sales order, an annotation shall be made of a right to collect (DCS) equal to the following:

$$DCS(cn,p,s,sb) = UNS(cn,p,s,sb) * PM(p,s,sb) * nd$$

In each Register Account associated to a Trading Portfolio, for each matched purchase order, an annotation shall be made of an obligation to pay (OPS) equal to the following:

$$OPS(cn,p,s,sb) = UNS(cn,p,s,sb) * PM(p,s,sb) * nd$$

Where:

cn: Trading Portfolio held by the Agent

nd: Number of days in the delivery period for the product matched at Auction sb

p: Product matched at sb

s: Trading Session

sb: Auction code

UNS(cn,p,s,sb): Number of trading units matched in Portfolio cn, product p, at Auction sb in Trading Session s

PM(p,s,sb): Marginal price of product p, the result of Auction sb, in Trading Session s

### 5.1.2 Financial consequences of the matching in the Continuous Market

As a result of the purchase and sales orders matched in the Continuous Market, account entries are made for each Trade.

In each Register Account associated to a Trading Portfolio, for each matched sales order, an annotation shall be made of a right to collect (DCC) equal to the following:

$$DCC(i,cn,p,s) = UNC(i,cn,p,s) * PT(i,cn,p,s) * nd$$

In each Register Account associated to a Trading Portfolio, for each matched purchase order, an annotation shall be made of an obligation to pay (OPC) equal to the following:

$$OPC(i,cn,p,s) = UNC(i,cn,p,s) * PT(i,cn,p,s) * nd$$

Where:

i: Trade code on the Continuous Market

cn: Trading Portfolio held by the Agent

nd: Number of days in the delivery period for the product matched in Trade i

p: Product traded

s: Trading Session

UNC(i,cn,p,s): Number of trading units matched in Trade i, in Trading Portfolio cn, for product p in Trading Session s

PT(i,cn,p,s): Price of Trade i, in Trading Portfolio cn, for product p in Trading Session s

## 5.2 Firmness of the financial consequences of the matching

The financial consequences of the matching for an Agent shall be considered provisional for the following reasons:

- The existence of claims pending regarding the development of a Trading Session.
- The period is open for presenting claims to the economic results.
- The existence of claims pending resolution as regards the economic results.

The economic results shall be considered definitive unless there is concurrence of any one of the contingencies specified in the preceding paragraphs.

## 5.3 Disclosure of the economic results

MIBGAS Derivatives shall provide each Agent, on each trading day, the account entries corresponding to the financial outcomes of their Trades, upholding the anonymity of market trading, regarding both matching and settlement and its duties of confidentiality as laid down in these Rules. Likewise, it shall provide each Agent with aggregate information on the sum of annotations on its Trades by day of delivery, and the aggregate information on the sum of annotations on its Trades by day of trading.

For the purpose of publication of the annotations, it is established that payment obligations shall have a negative sign and collection rights shall have a positive sign. Likewise, the trading units matched in the purchase orders shall have a positive sign and those matched in sales orders shall have a negative sign. Aggregate values may be displayed with no sign provided that the item to which they correspond is indicated.

# 6. INVOICING, COLLECTION AND PAYMENTS AND GUARANTEES IN MIBGAS DERIVATIVES SPOT

## 6.1 General principles

The services for the processes of invoice, collection and payments and guarantees resulting from MIBGAS Derivatives Spot Trades will be provided by MIBGAS Derivatives, that will act as the selling counterparty to all buyers and as a buyer counterparty to all sellers, in accordance with this Annex.

## 6.2 Invoicing

### 6.2.1 Preliminary considerations

In matters referring to the Rule “Invoicing, collection and payments and guarantee in MIBGAS Derivatives Spot”, the parties with purchase Trades who have lost their Agent status in the market for one of the reasons established in these Rules shall be included within the term Agent without loss of generality.

### 6.2.2 Agents to be invoiced

Every vendor Agent shall appear as the supplier on the invoice for their sales to MIBGAS Derivatives, which shall be the recipient. Every acquiring Agent shall be the recipient of the invoice for their purchases for which MIBGAS Derivatives shall be the supplier.

Agents may therefore be both the suppliers and recipients of invoices over the same invoicing period.

### 6.2.3 Issuing an invoice

In general, the sales Trades undertaken on MIBGAS Derivatives Spot shall be documented by MIBGAS Derivatives in the form of invoices issued by that entity in the name and to the account of the vendor Agent (“Sale invoice”).

The data for identifying the recipient of the operation shall be those corresponding to MIBGAS Derivatives. The data for identifying the supplier of the operation shall be those corresponding to the vendor Agent.

In general, MIBGAS Derivatives shall issue an invoice for purchase Trades to each acquiring Agent, in which the data for identifying the supplier shall be those corresponding to MIBGAS Derivatives and the data for identifying the recipient of the invoice shall be those corresponding to the acquiring Agent (“purchase invoice”).

### 6.2.4 Invoicing period

The invoicing shall be performed on the first Working day in the week for all the Gas days in the preceding week from Monday to Sunday.

### 6.2.5 Items to be included on the invoice

The invoice shall include, besides the data identifying the seller and purchaser, as specified under the point “Issuing an invoice”, the following items:

- Series of invoice for each sales invoice of a vendor Agent and correlative numbering.
- Series of invoice for each sales invoice of MIBGAS Derivatives for its sales to an acquiring Agent, with correlative numbering.
- Date of issue.

- Due date. This shall be the payment date if the invoice is issued to an acquiring Agent, or the collection date if the invoice is issued to a vendor Agent, pursuant to the provisions of the point “Collections and payments” in this Annex.
- In the case of an invoice issued to an acquiring Agent, the following parameters are to be provided in the header on the Agent’s invoice, referring to the domicile of the economic activity or the fixed establishment to which the energy is delivered, when involving a taxable dealer whose main activity is reselling, as per Directive 2006/112/EC, or the parameters on the establishment located in the territory in which the energy is consumed in the case of other taxable persons: the Agent’s registered address, the specific person to whose attention the invoice is issued, tax number (referred to in Spain as código de identificación fiscal - CIF), address, postcode, city, province/state, and country.
- In the case of an invoice issued by a vendor Agent, the same parameters are to be included in the header of the invoice as specified for the invoice as purchaser.

The invoice shall include the value of the economic results of the Agent’s purchase or sales Trades depending on the invoice involved, referring to products with delivery on the Gas days falling within the invoicing period. The value of the economic results shall be calculated by MIBGAS Derivatives according to these Rules. The aggregate values per invoicing period specified on each Agent’s invoice, together with all applicable taxes and duties, shall be calculated on the day after the end of the invoicing period.

The invoice issued by the vendor Agent shall specify the amount to be collected for the sales Trades on deliveries according to the Rules on this Annex. The acquiring Agent’s invoice shall specify the amount to be paid for the purchase Trades that have been undertaken according to the Rules on this Annex. Likewise, all mandatory duties and taxes in accordance with the regulation are to be included.

#### **6.2.6 Agent invoicing data**

An essential requirement for registering as an Agent involves providing all the necessary data to enable MIBGAS Derivatives to invoice the Agent. Any recording or modification of these data has to be requested through the Platform for Registrations and Consultations, which shall be accepted by MIBGAS Derivatives if the application is correct.

Any changes made to these data that affect the invoicing shall not have any effect on those dates for which an invoice has already been issued.

#### **6.2.7 Electronic invoicing**

Invoices shall be issued electronically using MIBGAS Derivatives advanced electronic signature based on a recognised certificate created by a secure signature generating device.

Invoices issued electronically may be downloaded via the Platform for Registrations and Consultations, which in turn ensures confidentiality.

An electronic invoice shall be issued in XML format, following the structured format of the Facturae electronic invoice model, version 3.2 or higher, with an electronic signature that complies with the

specifications of XML Advanced Electronic Signatures (XAdES). In addition, the content of the invoice will be issued in a readily readable format.

Once the invoice has been received, Agents may use the signature verification mechanism to check the following:

- The authenticity of the invoices' origin, in other words, that they have been issued by MIBGAS Derivatives.
- The integrity of their content, in other words, they have not been modified.
- That MIBGAS Derivatives signature creation certificate has not been revoked.

In order to uphold the obligation to keep the invoice, MIBGAS Derivatives database shall store the electronic invoicing files, which shall be permanently available to the Agent.

### **6.2.8 Rectifying invoices**

In the event of an error in an invoice, according to the contingencies provided for in applicable legislation, MIBGAS Derivatives shall issue a rectifying invoice, specifying the correction of the data in the case of any amendment made to amounts and/or energies, which shall state the differences with the previous ones.

### **6.2.9 MIBGAS Derivatives' tax obligations regarding invoicing**

MIBGAS Derivatives will provide a detail in its annual statement of operations with third parties, according to the terms provided for Royal Decree 1065/2007, of 27 July 2007, approving the General Regulation of the actions and procedures of tax management and inspection and of development of the common rules of the procedures of application in tax matters, on the operations undertaken by sellers and purchasers that have been documented as per the provisions of the point "Issuing an invoice", specifying for each seller and for each purchaser the total amount of the operations undertaken during the period covered by the statement, in which purchases shall be the sale of energy attributable to each vendor and sales shall be the purchases of energy attributable to each acquirer.

In addition, MIBGAS Derivatives will proceed to settle for Value Added Tax, the Special Fuel Tax and whatsoever other taxes and duties applied in the invoices, according to the terms laid down by law, as a taxable entity and taxpayer for those taxes.

### **6.2.10 Obligations of the parties regarding invoicing**

For the purposes of invoicing, the Agents expressly acknowledge and declare they are fully aware of all their tax obligations regarding the activities for which the MIBGAS Derivatives is to issue an invoice in their name, in the case of sales, or is to place an invoice at their disposal, in the case of purchases. In particular, and for illustrative purposes only, observance shall be made of the regulations on Value Added Tax and the Special Fuel Tax, without prejudice to any other duties or taxes that may be applicable. Under no circumstances and in no way may the MIBGAS Derivatives be held responsible by the Agents for any breach of the tax regulations that may be of application to them at any given moment.

The Agents shall provide the MIBGAS Derivatives with whatsoever information as necessary that is required of them for the proper operation of the invoicing system.

### **6.3 Collections and payments**

#### **6.3.1 Preliminary considerations**

On the same date of issue of the invoice, MIBGAS Derivatives will issue a credit or debit note based on the invoices and any other items that may be of application.

The Agents with a debt position are to make the corresponding payments within the timeframes stipulated in this Annex. Moreover, the Agents with a credit position are to receive the collections corresponding to them within the timeframes which are determined by this Annex.

The Agents' payments and collections will be aggregated in their MIBGAS Derivatives Consolidation Account.

#### **6.3.2 Definition of parameters**

The following parameters are defined below for payments and collections from Agents::

N: Day of disclosure of the collections and payments to be made. It shall coincide with the invoice's date of issue.

P: Payment day, it shall coincide with the second day that is a Working day and Banking day after day N. In those weeks that contain, from Monday to Friday, three non-working and non-banking days, the payment day shall be the Working day and Banking day after day N

C: Collection day, it may coincide with the P day, or, in the event that the total amount of payments is not available on time, it shall coincide with the Banking day after day P.

Unless they are holidays, day N shall fall on a Monday, day P on a Wednesday, and day C may be the same Wednesday or on Thursday.

#### **6.3.3 Characteristics of credit or debit notes**

##### **6.3.3.1 Disclosure of debit and credit notes**

On day N, MIBGAS Derivatives will disclose to each MIBGAS Derivatives Spot Agent, through the Platform for Registration and Consultation, the credit or debit notes, which will specify they net amount to be paid or collected.

The credit or debit note shall include the following:

1. The invoices of the Agents during the invoicing period. The invoices issued by MIBGAS Derivatives in Agent's name for its sales, and those issued by MIBGAS Derivatives to the Agent for its purchases will be included.
2. Those invoices that have been modified due to the resolution of incidents, or for any other reason provided for in the MIBGAS Derivatives, such as the fact that the Working day prior to disclosure belongs to the invoicing period.

3. All those corrections that may arise during the normal arrangement of collections and payments, such as penalties, default interest or overpayments, corrections for movements in cash balances that MIBGAS Derivatives Agents may have paid, or any other cash movement that may need to be included in this note.
4. When a MIBGAS Derivatives Agent has defaulted on the payment of a past invoicing period, and that payment has been covered in part by collection rights in future invoicing periods, once that invoicing period has arrived the payment of the collection rights, in the amount as required, shall not be made to the Agent, but instead used to pay MIBGAS Derivatives Agents that are creditors in the invoicing period in which the default occurred, raised by the default interest. This circumstance shall be documented in the credit notes of MIBGAS Derivatives Agents affected, regarding both the default debt and the creditors.
5. The withholdings that it would be necessary to make to a MIBGAS Derivatives Agent, in accordance with these Rules, including those entailed from the application of the Rule “Requirements for sale trades”.
6. Any other known cause at the moment of disclosure of the credit or debit note for the MIBGAS Derivatives Agent has a restricted right to the collection of all or part of the collection rights.

Moreover, the credit or debit note may include the detail of the payment of the bank commission referred to in the Rule “Other concepts”.

MIBGAS Derivatives shall disclose to the Agents their debit or credit note, which is to feature, as appropriate, the following:

- Name of the MIBGAS Derivatives Agent.
- Name of the Consolidation Account.
- Due date, which shall be day P if it is a debit, and day C if it is a credit.
- Payment date and deadline.
- The MIBGAS Derivatives account into which the payment has to be made, as appropriate.
- The Agent account into which the payment has to be made, as appropriate.

Furthermore, it shall contain a detail of each invoice of each Agent included, specifically:

- Reference to the invoice issued.
- Result of that invoice.

Likewise, it will be specified the total amount to be paid or collected resulting from the sum of all the items included on the note.

### 6.3.3.2 New disclosure of credit and debit notes

In certain circumstances, which are specified forthwith, and upon prior notification to the Agents, MIBGAS Derivatives shall disclose a second version of the debit or credit note after day N. These circumstances are, amongst others, the following:

- If on the day of payment there is a situation of default that leads to the pro-rata payment of creditors, as provided for in the point “System of non-payments and default interest” in this Annex, new credit notes shall be disclosed for each creditor Agent, which shall detail the pro-rata payment of the amount outstanding, and new notes shall subsequently be disclosed to consider the balance of the debt plus interest.

- ▶ Whatsoever other cause known at the time of disclosure of the debit or credit note whereby the Agent have restricted rights on all or part of the collection rights.

#### **6.3.4 Account specified by the MIBGAS Derivatives for collections and payments**

MIBGAS Derivatives shall specify a cash account in a domestic bank or financial institution for the purposes laid down in this Annex.

This account shall be held by MIBGAS Derivatives, which shall use it for ordering the charges and payments in said account for Trades on MIBGAS Derivatives Spot and the management of the corresponding guarantees.

#### **6.3.5 Obligations of MIBGAS Derivatives Agents with debit positions**

The MIBGAS Derivatives Agent with debit positions is to pay in the amount outstanding, including any taxes due at any given moment. The costs incurred by the payments shall be payable by the MIBGAS Derivatives Agent.

The deadline for the payment may not extend beyond 10 a.m. on payment date P specified in the point "Collections and Payments". The payment has to be made into the cash account specified by MIBGAS Derivatives.

The Agents accept that all payments made to cover the obligations contracted on MIBGAS Derivatives are of an irrevocable nature.

A debtor shall only be released from its payment obligation when it has paid the full amount into MIBGAS Derivatives account.

Those Agents that order Bank transfers should include in them, for their rapid identification by the bank, the Agent code.

#### **6.3.6 Rights of MIBGAS Derivatives Agents with credit positions**

MIBGAS Derivatives shall issue instructions to the bank or financial institution in which it holds the cash account regarding payments in favour of the Agents with credit positions. MIBGAS Derivatives shall issue the payments to the creditors into the account they have previously specified.

The details of the bank account for collections by the Agent may only be notified and modified by a request made through the Platform for Registrations and Consultations by a person empowered by the Agent, being accepted by MIBGAS Derivatives if the data on the bank account are complete and free of errors. If the Agent so requires, the holder of the account need not be the Agent itself.

The day upon which the credit is to be paid shall be collection day C defined in the point "Collections and Payments" for the Agents with credit positions. In the event that the creditor's bank account is opened with an entity that does not operate within the Single Euro Payments Area (SEPA), the reception of the collection with the value date of the collection day C will not be guaranteed.

The payment against the aforementioned cash account shall be made by the bank on the same day and with the same value date specified in the preceding paragraph. Any expenses originated in the receiving entity of the transfer in the Agent's collections shall be borne by the Agent.



Notwithstanding the above, for the purpose of disposing of the collection rights in the calculation of the Initial Operating Limit, it shall be considered that those collection rights are already collected and are no longer available for their use when it is calculated the amount to be charged, that must be included in the credit note of the corresponding invoice period disclosure on day N.

MIBGAS Derivatives will withhold all or a part of the Agent accredited collections in an invoice period if they were necessary to cover the guarantees requirement. This retained amount will be included in the debit or credit note, and, once they become effective, they will be transferred as cash guarantee from the Agent to their MIBGAS Derivatives Spot Assignment Account.

### 6.3.7 System of non-payments and default interests

In the event of non-payment or of delay in payment, the Agent with debit positions shall be required to pay a penalty of 0.01% of the default amount, with a minimum of € 400, the invoice of the penalty will be issued by MIBGAS Derivatives. In the event of failure to pay the penalty, MIBGAS Derivatives may enforce guarantees or include it in the next debit or credit note.

The due and not paid amounts shall accrue default interest, to be counted from the date on which the payment should have been done and was not verified to the date that the due amount has in fact been paid, as determined forthwith:

If at 11 a.m. on the date of payment MIBGAS Derivatives' bank has not received firm notification of payment with a value date on the day of payment or a previous one, it shall issue a certificate, specifying the holder and the amount outstanding. After receiving this notification, MIBGAS Derivatives shall act in accordance with the following procedure:

- If there is no evidence to show that the payment has been ordered, the MIBGAS Derivatives shall enforce, upon prior notification to the interested party, the guarantee presented, according to the provisions of the point "Default payments".
- When the payment is being covered with future collection rights, these shall be used to offset the amount due and outstanding.
- If MIBGAS Derivatives receive on its account the amount, before the collection day or the proper collection day, MIBGAS Derivatives will order the expected payments.
- If the day that the payment is due and MIBGAS Derivatives has not received the income in its account to satisfied the full owned or the payment has delayed beyond the collection day, MIBGAS Derivatives will reduce pro rata to the amount owed, the collections of the Agents that result in creditors.
- The amount due and outstanding shall accrue default interest, with a minimum of € 400, to be charged to the account of the Agent in default. The total amount due and outstanding shall be the term D that is described in the formula presented below.
- In order to settle the amount payable by the default debtor, if it cannot be offset by the enforcement of the guarantees, MIBGAS Derivatives shall withhold the collections that the debtor has accredited in future settlements up to the amount required for covering the amount due and outstanding plus the default interest.
- MIBGAS Derivatives shall proceed to the corresponding settlement of creditors once the amount due and outstanding has been paid, paying the amount still outstanding plus the corresponding default interest to the creditors. Accordingly, it shall share the amount D on a pro-rata basis among the creditors in that invoicing period.

The amount D due and outstanding shall be calculated according to the following formula:

$$D = E + \text{Max}[E*i*P/360;400]$$

Where:

D: Amount due and outstanding, including default interest.

E: Amount due and outstanding, excluding default interest.

i: Applicable default interest rate.

P: Period for the settlement of interest, expressed in days

The applicable default interest rate shall be the result of applying the interbank interest rate according to the €STR (Euro Short-term Rate) published daily by the Bank of Spain raised by three percentage points.

Irrespective of the above, the debtor in default on MIBAS Derivatives Spot shall be liable for all losses and damages caused by the delay in payment.

### **6.3.8 Calendar of collections and payments**

On a yearly basis, and once the bank holidays have been announced for Spain as a whole and for the Autonomous Community of Madrid, as well as the Banking days, MIBGAS Derivatives shall present the Agents with a schedule of dates for payments and collections for the following year, which shall run from 1 January to 31 December, considering Working days and Banking days. This calendar shall, likewise, specify the date for the notification of debits and credits for each invoicing period. The MIBGAS Derivatives reserves the right to modify these dates, provided it gives prior notice of at least one month, and for a justified reason in all cases.

### **6.3.9 Other concepts**

MIBGAS Derivatives may pass on to Agents other concepts, such as the bank commission applicable by the financial institution in which the account for market settlements and cash guarantee deposits is deposited. This commission will be charged to the Market Agents in proportion to their contribution to the semester balance of said account. The details of the chargeable commission, as well as any other concept, will be published by Market Instruction.

## **6.4 Guarantees**

### **6.4.1 Preliminary considerations**

Pursuant to the provisions of this Annex, the guarantee to be provided by each Agent shall cover, with no limitation, the obligations it assumes by virtue of its Trades on MIBGAS Derivatives Spot, in a way, that the creditors are guaranteed to collect the full amount entailed of their trades, as well as, other concepts include in the "Items to be included on the invoice" Rule, in the proper day of the settlement period.

The guarantee must be formalized according to the rule "Formalising guarantees" of the Rules of MIBAS Derivatives.

#### **6.4.2 Requirements for sale trades**

Each sale Trade will have a guarantee requirement for the same value of the collection right generated in that Trade, which will be valid, at least, until the Technical Manager authorizes its release according to the applicable regulation.

On a daily basis, in application of articles 24 and 25 of Circular 2/2020 of the CNMC and its regulatory development, the Technical Manager will notify MIBGAS Derivatives of the last date on which each Agent was up-to-date with their obligations to pay surcharges for imbalance and the constitution of guarantees for imbalance. Following said communication, MIBGAS Derivatives will close, for each Agent, all their requirements related to sale Trades with delivery on the aforementioned date and in the previous days. The rest of the requirements will remain valid, so the collection rights which they are associated with will be considered withheld.

In accordance with articles 24 and 25 of Circular 2/2020 of the CNMC, the Technical Manager may request MIBGAS Derivatives to transfer the Agent's collection rights that remain withheld, in order to cover failures of said Agent in its obligations related to surcharges for imbalance, the Rule "Non-compliance with the obligations relating to surcharges for imbalance" being applicable.

#### **6.4.3 Coverage of guarantees**

A guarantee requirement is understood to be the sum of each Agent's responsibilities that are to be covered by guarantees.

The amount of the guarantees that each MIBGAS Derivatives Agent must provide at each moment will be determined by MIBGAS Derivatives according to its required guarantees.

The coverage of the guarantee requirements is the responsibility of MIBGAS Derivatives Agents.

The formalization of the initial guarantee by the Agent will be a precondition to the acquisition of Agent status in the market. Likewise, at the moment you submit an order or make a Trade, a guarantee requirement will be generated in accordance with the Rules "Valuation of the order" and "Requirements for sale trades" that will be recorded in the Agent's Consolidation Account in MIBGAS Derivatives.

The guarantee to be provided by each Agent shall cover, with no limitation, according to the provisions of the MIBGAS Derivatives Rules, the obligations it assumes by virtue of the valid orders accepted and the Trades of the Agents.

The guarantee presented must also be cover for any taxes and duties that may be required from the Agent, as well as for the interest and penalties that may be required, in accordance with the Rules of MIBGAS Derivatives in the event of non-compliance with payment.

#### 6.4.3.1 Types and calculation of guarantee requirements

At any time, the requirements of guarantees will be the sum of the following concepts:

- An initial guarantee requirement for covering possible default payments and penalties, which shall amount to € 2,000 and has to be maintained at all times while the Agent is registered.
- A credit guarantee requirement that will be formed by the following concepts:
  - i. Aggregate economic results of payment obligations of products with delivery from the first gas day of the current invoicing period forward, for the part affecting said Gas days, plus its taxes rounded up to the nearest two decimal places.
  - ii. Plus the valuation of the valid orders accepted remaining in the Order Book.
  - iii. Minus the aggregate economic results of collection rights for products with delivery from the first gas day of the current invoicing period forward for the part affecting said gas days, plus its taxes rounded down to the nearest two decimal places, for the part that does not exceed the amounts of points i. and ii. Previous.
  - iv. Plus, the guarantee requirements for the value of the collection rights, according to the Rule “Requirements for sale trades”.
  - v. Plus the amount of the outstanding payments in debt of the previous invoicing period. For these purposes, all payments shall be considered to have been made once Daily Trading Session of the day of payments has concluded.
  - vi. Minus the amount of the outstanding payments in credit of the previous invoicing period. For these purposes, the collection rights shall be considered to be available as per the periods laid down in “Rights of MIBGAS Derivatives Agents in credit”
- A supplementary guarantee requirement that Agents are obliged to present in those cases in which MIBGAS Derivatives deems it necessary, either because the risk is higher than the guarantee’s coverage, or for other special circumstances that objectively justify the demand for supplementary guarantees.

Accordingly, MIBGAS Derivatives may request a credit rating agency to assess the risk of the Agent for the purpose of objectively justifying the demand for a supplementary guarantee requirement, with the cost being charged to that Agent.

#### 6.4.4 Enforcing guarantees

MIBGAS Derivatives shall release the guarantees requirements, as long as the Agent to which they are linked to, has fulfilled all the obligations arising from the participation in the market.

#### 6.4.5 Operating Limit

MIBGAS Derivatives shall dispose of the value of the Operating Limit of each Agent updated at all times, it will be considered in the validation of orders presented to the Trading Sessions.

Each day, once the Daily Trading Session is finished, MIBGAS Derivatives will calculate the Initial Operating Limit for each Agent. For that the following values related to the MIBGAS Derivatives Spot Consolidation Account and Assignment Account linked to the Agent, which are in force at the instant which said Initial Operating Limit refers, will be considering:

- a) Guarantees assigned in the MIBGAS Derivatives Spot Assignment Account.
- b) Minus the guarantees required as indicated in the Rule "Types and calculation of guarantees requirements".
- c) Plus accrued collection rights that have not been included in the credit or debit note, with applicable taxes that exceed the payment obligations accrued and not paid and the value of the purchase offers that remain in the Offers Book.

The Operating Limit shall be calculated at any given time by MIBGAS Derivatives as the sum of the following items:

- a) Value of the last Initial Operating Limit.
- b) Minus the payment obligations accrued and not paid by said Agent, which had not been considered in the Initial Operating Limit, with its corresponding taxes, rounded to the higher value with two decimal places closer.
- c) Plus the value of the collection rights accrued and not collected from the Agent, which had not been considered in the Initial Operating Limit, with their corresponding taxes, rounded to the lower value with two decimal places closer.
- d) Minus the requirements for the value of the collection rights, according to the Rule "Requirements for sale trades", which had not been considered in the calculation of the Initial Operating Limit.
- e) Minus the evaluation of the orders that remain in the Order Book of the sessions that are in AUC, MAT, CON or INT mode, which have not been considered in the Initial Operating Limit.
- f) Plus/Minus Increases or reductions in the Initial Operating Limit, which shall include the increases or reductions in guarantees during the Trading Sessions, payments and collections made, as set out in this Annex.

#### 6.4.6 Information on guarantees placed at the disposal of Agents

Agents may access the Market Platform at any time to consult the following information:

- Value of the Operating Limit.
- Detail of their own entries that have been recorded in MIBGAS Derivatives Consolidation Account.
- Detail of the guarantees formalized and assigned in the MIBGAS Derivatives Assignment Account.

### 6.5 Non-compliance regime

Three types of non-compliances are considered:

- Non-compliance with payment in the market.
- Non-compliance with the obligations relating to surcharges for imbalance
- Non-compliance with the coverage of the sum of guarantees required.

#### 6.5.1 Non-compliance with payment

If a MIBGAS Derivatives Agent failed, in part or in full, on any of its payment obligations arising from the Trades undertaken on this market, MIBGAS Derivatives, prior notification, with the utmost diligence and at its earliest possible convenience, will enforce the guarantees arranged and, if

necessary, it shall dispose of the collection rights accredited by the Agent, in order to ensure the party in breach fulfils its obligations.

If the enforcement of the guarantees permits the collection of the full amount pending, the Market Operator shall pay the creditors.

If on the day when payment is due, MIBGAS Derivatives has not been able to make the deposit in its account, in the amount executed to cover the entire owed amount, the collection rights of the Agents with a credit position within the same invoicing period, shall be reduced proportionately.

The MIBGAS Derivatives Agent with debit positions due and outstanding shall be required to pay a penalty of 0,01% of the default amount, with a minimum of € 400, that will be paid to MIBGAS Derivatives.

The Agents unconditionally and irrevocably authorize the conveyance to MIBGAS Derivatives, in its capacity as counterparty, of all those collection rights pending payment in the market in which an Agent is a creditor.

These collection rights shall be understood as assigned to MIBGAS Derivatives, in its capacity as counterparty, from the moment in which they have been used as collateral for market operations.

Without prejudice to the provisions of these Rules, these rights may be used by MIBGAS Derivatives, in its capacity as counterparty, solely to offset any possible breach of the payment obligations involving the operations covered by them.

#### **6.5.2 Non-compliance with the obligations relating to surcharges for imbalance**

In accordance with the article 24 of Circular 2/2020 of the CNMC and its regulatory development, once an Agent fails to comply with the obligations related to surcharges for imbalance before the Technical Manager, it may request MIBGAS Derivatives to transfer the Agent's collection rights that remain withheld, in accordance with the Rule "Requirements for sale trades".

#### **6.5.3 Non-compliance with the coverage of the sum of guarantees required**

If, for any reason, the guarantees provided by the Agent are less than the required guarantees, the Agent will have two Working days to change this situation. Otherwise, MIBGAS Derivatives may proceed to the temporary suspension of its Agent status. Once the Agent has the amount guarantees needed, MIBGAS Derivatives will lift the aforementioned suspension.

### **6.6 Claims**

Agents may present claims regarding the processes of invoicing and collections and payments within the three Working days following their disclosure.

Under no circumstances shall the presentation of a claim release an Agent from its payment obligations.

## 7. PRICE INFORMATION OF TRADES ON MIBGAS DERIVATIVES SPOT

On each and every trading day, upon conclusion of the Within-day Trading Session, the following data are to be disclosed on all the Trades arranged for products with delivery on that same day.

### MIBGAS LNG-ES Index

This is the average weighted price of all the Trades arranged for the same Gas Day with delivery at TVB, in all the Trading Sessions that have already concluded.

The calculation considers all the daily and within-day products corresponding to the Gas Day that is being calculated with delivery at TVB.

It is calculated, for Gas Day d, according to the following formula:

$$MIBGAS\ LNG - ES\ Index = \frac{\sum_i^{N_d} (P_i \times Q_i)}{\sum_i^{N_d} Q_i}$$

Where:

Nd: number of Trades arranged for products with delivery at TVB corresponding to Gas Day d.

P: Trading price

Q: Quantity of product matched in the Trade.

This price will be rounded up to the second decimal point.

In the event there has not been a Trade for that same Gas Day, the preceding MIBGAS LNG-ES Index shall be published, and so on successively.

### MIBGAS AVB-ES Index

This is the average weighted price of all the Trades arranged for the same Gas Day with delivery at AVB, in all the Trading Sessions that have already concluded.

The calculation considers all the daily and within-day products corresponding to the Gas Day that is being calculated with delivery at AVB.

It is calculated, for Gas Day d, according to the following formula:

$$MIBGAS\ AVB - ES\ Index = \frac{\sum_i^{N_d} (P_i \times Q_i)}{\sum_i^{N_d} Q_i}$$

Where:

Nd: number of Trades arranged for products with delivery at AVB corresponding to Gas Day d.

P: Trading price

Q: Quantity of product matched in the Trade.

This price will be rounded up to the second decimal point.

In the event there has not been a Trade for that same Gas Day, the preceding MIBGAS AVB-ES Index shall be published, and so on successively.



## ANNEX – PRODUCTS SPECIFICATION

### 1. PRODUCTS WITH DELIVERY AT TVB

<b>Product name</b>	Within-day TVB
<b>Product code</b>	WD_TV_B_ddYYMMDD*
<b>Underlying</b>	Liquefied natural gas at TVB, to be physically acquired or delivered during the delivery period, as defined in the Spanish gas system.
<b>Place of delivery</b>	The delivery will take place at TVB.
<b>Delivery period</b>	One Spanish Gas day, which is specified in the product code as ddYYMMDD
<b>Trading unit</b>	1 MWh/day
<b>Minimum admitted order quantity</b>	1 MWh/day
<b>Minimum permitted quantity increment</b>	1 MWh/day
<b>Maximum admitted order quantity</b>	20,000 MWh/day; this value could be updated by Market Instruction.
<b>Pricing unit</b>	€/MWh with two decimals
<b>Minimum admitted order price</b>	0.01 €/MWh
<b>Minimum permitted price increment</b>	0.01 €/MWh
<b>Maximum admitted order price</b>	A maximum price could be determined by Market Instruction.
<b>Product volume</b>	1 MWh
<b>Trading days</b>	Every day of the year. The trading day coincides with the delivery date
<b>Trading type</b>	Opening Auction and Continuous Market
<b>Trading Session</b>	Daily

\*The code "WD\_TV\_B\_ddYYMMDD" is used to identify the product delivery period and location. For example: "WD\_TV\_B\_Sa180915" refers to the product to be acquired or delivered at TVB on the 15th September 2018.

<b>Product name</b>	Daily TVB
<b>Product code</b>	DA_TV_B_ddYYMMDD*
<b>Underlying</b>	Liquefied natural gas in plant, to be physically acquired or delivered during the delivery period, as defined in the Spanish gas system
<b>Place of delivery</b>	The delivery will take place at TVB.
<b>Delivery period</b>	One Spanish Gas day, which is specified in the product code as ddYYMMDD
<b>Trading unit</b>	1 MWh/day
<b>Minimum admitted order quantity</b>	1 MWh/day

Minimum permitted quantity increment	1 MWh/day
Maximum admitted order quantity	20,000 MWh/day; this value could be updated by Market Instruction.
Pricing unit	€/MWh with two decimals
Minimum admitted order price	0.01 €/MWh
Minimum permitted price increment	0.01 €/MWh
Maximum admitted order price	A maximum price could be determined by Market Instruction.
Product volume	1 MWh
Trading days	Every day of the year. Traded on the previous day of the delivery of the product
Trading type	Opening Auction and Continuous Market
Trading Session	Daily

\* The code "DA\_TVB\_ddYYMMDD" is used to identify the product delivery period and location. For example: "DA\_TVB\_Sa180915" refers to the product to be acquired or delivered at TVB on the 15th September 2018.

## 2. PRODUCTS WITH DELIVERY AT AVB

Product name	Within-day AVB
Product code	WD_AVB_ddYYMMDD*
Underlying	Natural gas in underground storage, to be physically acquired or delivered during the delivery period, as defined in the Spanish gas system
Place of delivery	The delivery will take place at AVB.
Delivery period	One Spanish Gas day, which is specified in the product code as ddYYMMDD
Trading unit	1 MWh/day
Minimum admitted order quantity	1 MWh/day
Minimum permitted quantity increment	1 MWh/day
Maximum admitted order quantity	20,000 MWh/day; this value could be updated by Market Instruction.
Pricing unit	€/MWh with two decimals
Minimum admitted order price	0.01 €/MWh
Minimum permitted price increment	0.01 €/MWh
Maximum admitted order price	A maximum price could be determined by Market Instruction.
Product volume	1 MWh
Trading days	Every day of the year. The trading day coincides with the delivery date
Trading type	Opening Auction and Continuous Market
Trading Session	Daily

\*The code "WD\_AVB\_ddYYMMDD" is used to identify the product delivery period and location. For example: "WD\_AVB\_Sa180915" refers to the product to be acquired or delivered at AVB on the 15th September 2018.

<b>Product name</b>	Daily AVB
<b>Product code</b>	DA_AVB_ddYYMMDD*
<b>Underlying</b>	Natural gas in underground storage, to be physically acquired or delivered during the delivery period, as defined in the Spanish gas system
<b>Place of delivery</b>	The delivery will take place at AVB.
<b>Delivery period</b>	One Spanish Gas day, which is specified in the product code as ddYYMMDD
<b>Trading unit</b>	1 MWh/day
<b>Minimum admitted order quantity</b>	1 MWh/day
<b>Minimum permitted quantity increment</b>	1 MWh/day
<b>Maximum admitted order quantity</b>	20,000 MWh/day; this value could be updated by Market Instruction.
<b>Pricing unit</b>	€/MWh with two decimals
<b>Minimum admitted order price</b>	0.01 €/MWh
<b>Minimum permitted price increment</b>	0.01 €/MWh
<b>Maximum admitted order price</b>	A maximum price could be determined by Market Instruction.
<b>Product volume</b>	1 MWh
<b>Trading days</b>	Every day of the year. Traded on the previous day of the delivery of the product
<b>Trading type</b>	Opening Auction and Continuous Market
<b>Trading Session</b>	Daily

\* The code "DA\_AVB\_ddYYMMDD" is used to identify the product delivery period and location. For example: "DA\_AVB\_Sa180915" refers to the product to be acquired or delivered at TVB on the 15th September 2018.

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