

part of eex group



Straight Through Processing (STP)

Setup as a Broker

31.01.2023

Leipzig

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- only required as scan -

1. Preliminary remarks

European Energy Exchange (“EEX”) facilitates Straight-Through Processing (STP) via Independent STP Service Provider Systems for trade registration at its markets and subsequent clearing by European Commodity Clearing AG (ECC). The full list of supporting Independent STP Service Providers is published on EEX’s website (www.eex.com).

Transactions will be registered by the respective broker at EEX according to their respective rules and regulations of the exchange.

Using this form brokers can apply to use the Straight-Through Process through supported STP Solutions.

The **Auto-Confirmation default setting** will be **ALWAYS**, which means automatic confirmation of trades independent of execution style and confirmation status:

- ALWAYS will be activated for trades reported as “Automatically Matched” by the broker environment as well as for trades, which have been entered into the STP System manually by a broker.
- ALWAYS will include automatic approval of exchange registrations directly into the position accounts of the trading participants as well as automatic take-ups of positions first held and then given-up by the respective broker.

Consequently, STP transactions do not have to be separately approved by trading participants within the systems of EEX or ECC. The setting will be consistent across all accepted brokers (Trading Brokers and Non-Trading Brokers).

Using the EEX form T08 “STP – Refinement or deactivation of default settings” trading participants can define their automatic confirmation criteria, if required to be changed from the default setting, by deactivating the automatic confirmation of trades (opt-out) or refining the conditions under which automatic confirmation is performed.

The STP process is accessible for broker firms which are admitted as Trading Brokers or Non-Trading Brokers by EEX.

Trading Brokers are trading participants or Trade Registration Participants of EEX and ECC operating as brokers that do not only enter trades into the trading system on behalf and in the name of participants but that can also conclude own positions which they can then give up to the respective position account of their clients (Give-ups).

Non-Trading Brokers are neither trading participants nor Trade Registration Participants and they cannot open their own positions. As a result, they cannot carry out Give-ups. Non-Trading Brokers only enter trades into the trading system on behalf and in the name of participants.

2. Application

The activation of STP for brokers involves the following steps:

1. Please complete this application form and sign it in a legally binding manner.
2. Send the application in scanned version to the following E-Mail address:

E-Mail: membership@eex.com

Phone: +33 1 70 36 33 42

3. EEX shall decide on the application regarding activation and deactivation of Straight-Through Processing for the applicant and inform the applicant once the implementation is complete.

We hereby apply for activation of the STP service as a broker through the STP Solutions mentioned below.

The legal basis for the STP services for both, Trading Brokers and Non-Trading Brokers, is established in:

- this application form, and
- the respective rules and regulations (including the price list) of EEX markets in particular, but not exclusively, rules and regulations for trade registration.

The legal basis for the STP services for Trading Brokers, as members of ECC, is additionally established in:

- the Clearing Conditions of ECC,
- the Clearing Agreement (Clearing Member) or NCM Agreement (Non-Clearing Member), and
- the price list of ECC.

The respective current version of the named documents can be downloaded from the websites www.ecc.de and www.eex.com as applicable.

By signing this application form we confirm that we are familiar with the above mentioned rules and regulations and that we acknowledge and shall observe these rules and regulations.

3. Applicant

Company name	Member-ID* (<i>only required for Trading Brokers</i>): <div style="display: flex; align-items: center; gap: 5px;"> <div style="border: 1px solid black; width: 30px; height: 30px;"></div> <div style="border: 1px solid black; width: 30px; height: 30px;"></div> <div style="border: 1px solid black; width: 30px; height: 30px;"></div> <div style="border: 1px solid black; padding: 2px 5px;">E</div> <div style="border: 1px solid black; padding: 2px 5px;">X</div> </div>
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Contact Person
Name, Surname
Telephone number
Fax
E-mail

* Only required for Trading Brokers who are already members of ECC. A technical ECC Member ID will be provided to Non-Trading Brokers as part of this setup.

Setup

- ☐ New setup
☐ Additional setup
☐ Change existing setup
 by (Date)
☐ Deletion of existing setup
 by (Date)

Please select the STP Solutions to which this application shall apply.

- ☐ EEX Asia Pte Ltd - EEX Group Touchpoint
☐ Trayport® Ltd. - Hosted Clearing LinkSM
☐ Trigonal Ltd. - Trade Manager

Note: Access to the STP Solution(s) above is a necessary prerequisite to using the STP service and has to be established fully under the responsibility of the broker. Brokers are ultimately responsible to correctly submit the trades, including trade processing flags described in Appendix A.

4. Remarks on automation

All steps of the Straight-Through Process are dependent on individual settings, limits, automatic confirmation conditions, or manual interaction.

Whether automatic confirmation ALWAYS is applicable for buy and sell side of the trade is established in:

- the respective rules and regulations of EEX markets forming the legal basis for the trade registration, as well as
- the Clearing Conditions of ECC forming the legal basis for Give-up and Take-up
- individual settings under the responsibility of the respective trading participants as documented in a T08 form by the trading participant and implemented and confirmed by EEX. Buy and sell side of a transaction are entered simultaneously and the overall transaction is concluded according to the respective rules and regulations of EEX or, once the necessary conditions are fulfilled (Please refer to Appendix B – Process Description).

Different scenarios are possible and have to be taken into account by the broker (e.g. automatic confirmation conditions are fulfilled for one involved counterparty, thus a manual approval or take-up by the other counterparty is needed).

EEX informs the broker within the capabilities of the used STP solution about the status of the processed trade (i.e. pending manual approvals, pending manual take-ups, successful completion, and time-outs) to facilitate status tracking of the submitted transaction and client communication processes on broker side. There is a risk that a manual take-up of a position registered on the broker is not provided by the respective participant and which results in a position on the broker's position account.

5. Declarations

1. We understand and agree that trades in products of EEX markets will be **registered at EEX** markets according to their rules and regulations and subsequently cleared by ECC. The exchange based trade registration may be charged by EEX according to the price list ("Trade Registration Fee").
2. We hereby assure that we will acknowledge and adhere to the applicable **rules and regulations of ECC** (in particular the Clearing Conditions) and the **rules and regulations of EEX** markets in the respectively valid version.
3. We understand and agree that **ECC is not directly or indirectly a party** to any trade or transaction until such trade or transaction is registered at EEX markets in accordance with EEX rules and regulations.
4. We understand and agree that transactions may be rejected if the prices are not within a predefined **trade registration price range** around the last settlement price of the respective contract. Trade Registration price ranges and settlement prices are published by EEX or in the ECC clearing systems and reports. Legacy trades or backload trades need to be registered manually with EEX markets.
5. We understand and agree that transactions will be verified against the **applicable pre-trade limits for registered transactions**. Trades exceeding the applicable limits of buyer, seller, or broker as trading participant (Trading Broker) will not be registered by EEX. Likewise, trades that involve a buyer, seller, or Trading Broker that have been deactivated in the clearing system of ECC or the trading system of the respective market ("**HALT**" state) will not be registered at these markets.
6. We understand and agree that in order to register trades through the "Give-up", "Buyer-only" or "Seller-only" Straight-Through Process, the admission of the broker as a **trading participant** at ECC and EEX markets is a prerequisite (Trading Broker). In any case, the actual buyer and seller need to be admitted as trading participant at ECC and EEX markets. We will ensure to only send trades that fulfill these conditions. All other trades will be rejected by EEX.
7. We understand and agree that neither EEX, nor ECC can take responsibility for the correctness of transactions sent by brokers over Independent STP Service Provider Systems. We understand and agree that we are:
 - I. responsible to submit **correct trade information** (incl. trade details and flags as specified in this form),
 - II. responsible for any **errors** that are caused by incorrect trade information or are triggered within the STP Solution systems, and
 - III. liable for any resulting **damages**.
8. We hereby guarantee that we will respect possible **close-out agreements** of ECC trading participants and will setup our internal processes in such a fashion that we respect and fulfill these agreements every time. This means in particular that we will only submit trades in physical products in or near delivery if the customer proved his ability for physical fulfillment with a respective ECC TP form.
9. We understand and agree that **Trade Confirmation broadcasts issued by the markets Trading System and Trade Allocation broadcasts issued by the ECC Clearing System** will be used to keep track of trades which are processed in a Straight-Through fashion in order to provide trade status updates towards the STP Solution utilized submitting the trade and ultimately to the broker environment. EEX therefore requests the broker to create and maintain the necessary T7 ETI and EUREX FIXML accounts and to provide EEX with the necessary details.

10. We understand and agree that the broker and trading participants are **responsible to check the transactions** that have been automatically confirmed and to identify and remedy false transactions. For possibilities to reverse or amend incorrect transactions EEX refers to the rules and regulations of EEX markets. ECC is not able to modify such transactions.
11. We understand and agree that it is the duty of the Trading Broker to ensure the correctness of the transactions and positions on his ECC accounts and to **take all necessary measures to fulfill his obligations towards ECC and his Clearing Bank** (e.g. to balance his account end of day). ECC and the Trading Brokers' Clearing Bank shall be informed immediately in case of any discrepancies.
12. We understand and agree that neither EEX, nor ECC is liable for any errors that may occur or are caused within Independent STP Service Provider Systems. In particular, but not limited to, neither EEX, nor ECC are liable in case transactions cannot be automatically approved or taken-up due to technical, mapping or other problems within STP-Systems or Broker Systems.
13. We understand and agree that EEX and ECC do not make, and hereby disclaim, any warranties with respect to the performance of or in connection to the Independent STP Service Provider Systems. The same applies for the availability of back-office capabilities or any services performed by STP- System Providers.
14. We hereby confirm that any **software solution**, especially but not limited to the broker's trading system, back-office system, and STP solutions, involved in capturing and submitting trades into the STP process, particularly the solutions responsible for correct submission of trade details and the setting of trade processing flags have been sufficiently tested and that due diligence is followed in development, change management, and operations of said software solutions, to ensure correct submission of trades, trade details, and trade processing flags.
15. We hereby accept that EEX or ECC may request conformance tests for any relevant change in above mentioned software solutions. The broker will support such conformance tests.

The broker remains fully responsible vis-à-vis EEX and ECC at all times.

This document shall be subject to and construed in accordance with the principles of German law and shall be governed by the laws of Germany.

DATA PROTECTION DECLARATION

The undersigned assures that he has fully informed the contact persons named in connection with the contract, the exchange membership relationship or other legal relationships about the transfer of their personal data and that he has brought to their attention the PRIVACY NOTICE which can be found on our company websites.

On behalf of the Applicant:

Place	Date	Company stamp and legally binding signature(s)
		<i>Name of Signatory/-ies:</i>

6. Appendix A – Process description

Trayport® Ltd. - Hosted Clearing Link^{SM1}

The flag “**Automatically Matched**” on buy- respectively sell-side of the trade is automatically set by the Trayport® Hosted Clearing LinkSM solution as per the following matrix.

USE CASE	INITIATOR	AGGRESSOR
	Automatically Matched	Automatically Matched
Trader putting a price on the screen		
1) Trader A puts price on screen which is subsequently hit by another counterparty	TRUE	Per use cases 3 and 4
2) Broker puts price on screen on behalf of trader A which is subsequently hit by another counterparty	FALSE	
Trader hitting a price on the screen		
3) Trader B hits a price on screen	Per use cases 1 and 2	TRUE
4) a) Broker hits price on behalf of trader B, specifying trader B as counterparty		FALSE
4) b) Broker hits price on behalf of trader B. Initially broker is c'pty (house account), subsequently updated.		FALSE
Broker entering a final (voice) deal in the system		
5) A broker reports a voice deal.	FALSE	FALSE
6) A broker breaks a spread. These flags refer to the resulting leg deal/s.	FALSE	FALSE
7) A broker enters a deal that is not a voice deal	FALSE	FALSE

The flag “**Already Confirmed**” on buy-respectively sell-side of the trade is automatically set by the Trayport® Hosted Clearing LinkSM solution to false.

The flag “**Perform Give-up**” on buy- respectively sell-side of the trade are automatically populated by Trayport® Hosted Clearing LinkSM, depending on client master data settings by the broker in its Broker Trading System. For Non-Trading Brokers the “Perform Give-up” flag must always be set to “false”.

¹ Source: Trayport® Ltd.

7. Appendix B – Process description

The Straight-Through Processing interfaces established and operated by Independent STP Service Provider Systems allow trade registration at EEX markets in one of the following ways (please note: spot market trades may be registered as Direct Trades only; with regard to futures transactions, for Trading Brokers all scenarios A-D are applicable, for Non-Trading Brokers, only scenario D is applicable):

A - „Give-up Trade“ (i.e. Give-up from broker to buyer and seller)

A1 Both sides of the trade are entered into the broker account and automatically approved.

After automatic approval, the trade is firmly registered and will be cleared by ECC.

A2 Both sides of the *firm* trade are subsequently given up into the position accounts of the actual buyer and seller.

A3 Depending on Automatic Confirmation settings of the buyer and seller, the transfers are either automatically taken up or await manual take-up**.

B - „Buyer-only Trade“ (i.e. Give-up only from broker to buyer, seller is direct counterparty)

B1 The buy-side of the trade is entered into the broker account and automatically approved. The sell-side of the trade is entered directly into the seller account.

B2 Depending on the Automatic Confirmation settings of the seller, the sell-side is either automatically approved or awaits manual approval by the defined subgroup of traders responsible for manual approval* of STP trades.

Only after sell-side approval is the trade firmly registered and it will be cleared by ECC.

B3 The buy-side of the trade is automatically given up by the broker to the buyer.

B4 Depending on Automatic Confirmation settings of the buyer, the transfer is either automatically taken-up or awaits manual take-up**.

C - „Seller-only Trade“ (i.e. Give-up only from broker to seller, buyer is direct counterparty)

C1 The sell-side of the trade is entered into the broker account and automatically approved. The buy-side of the trade is entered directly into the buyer account.

C2 Depending on the Automatic Confirmation settings of the buyer, the buy-side is either automatically approved or awaits manual approval* by the defined subgroup of traders responsible for STP trades.

Only after buy-side approval is the trade firmly registered and it will be cleared by ECC.

C3 The sell-side of the trade is automatically given up by the broker to the seller.

C4 Depending on Automatic Confirmation settings of the seller, the transfer is either automatically taken up or awaits manual take-up**.

D - „Direct Trade“ (i.e. No give-ups)

D1 Both sides of the trade are directly entered into the buyer and seller accounts.

D2 Depending on respective Automatic Confirmation settings of buyer and seller, each side of the trade is either automatically approved or awaits manual approval by the respective subgroup of traders responsible for manual approval* of STP trades.

Only after both approvals are provided is the trade firmly registered and will be cleared by ECC.

*** Time-out of a manual trade approval by buyer / seller**

(Related to process steps B2, C2, D2 above)

If buyer or seller fails to *manually approve* a trade-half directly processed into his own position account by the Trading Broker or Non-Trading Broker, the trade is not finally registered at EEX and therefore not cleared by ECC.

Trades are open for manual approval until 6:00 pm CET.

**** Time-out of a manual trade take-up by buyer / seller**

(Related to process steps A3, B4, C4 above)

If buyer or seller fails to manually take up a trade-half transfer from the Trading Broker, the trade is still firm and cleared by ECC as a transaction between the Trading Broker and the other counterparty.

Manual take-up of a trade is possible until closure of the respective post-trading period at ECC.