

Customer Information

Integration of Powernext activities into EEX confirmed for 1st January 2020: Latest legal and technical information

Paris, 9th December 2019

Dear trading participants,

We are pleased to confirm the integration of the natural gas markets and the registry services, both currently operated by Powernext, into EEX AG. All required approvals have been received or are confirmed to be received to integrate the natural gas spot and derivatives markets on the EEX platform and transfer the registry business to EEX AG. As per 1st January 2020 the new setup will apply.

As a result, trading participants at EEX will be able to trade natural gas products as of 1st January 2020, alongside all other EEX products for power, emission allowances, freight and agricultural products under one rulebook and membership.

The following pages will outline certain legal and technical elements which will come into effect by the merger. The document is structured the following way:

- Information related to Membership and Rules
 - Admission of Members and Traders at EEX
 - Termination of Membership at Powernext
 - Rules, Regulations and Price Lists
- Technical Information
 - ISINs and Product Groups
 - Market Identifier Code (MIC)
 - Regulatory Reporting

- Margining
- Operational time table
- Envisaged technical updates later in 2020

Both EEX and Powernext teams are looking forward to working as one team next year.

We remain at your disposal should you have any questions. You may contact us at any time via the existing contact channels which will be maintained without change.

Admission of Members and Traders at EEX

All members who have delivered their transition forms and provided all the requested information will be admitted at EEX as of the merger date. Therefore, these members will receive an email confirming their admission at EEX between 16th and 31st December 2019. The official admission letters are expected to be sent out between 20th December 2019 and 10th January 2020.

We encourage all remaining members who have not yet finalised their transition forms to reach out to their respective Key Account Managers for any questions related to the merger. We kindly request each member who hasn't done it yet to deliver their transition forms as well as all requested supporting documents (e.g. BaFin License, Parental Guarantee, Trader date of birth) as soon as possible to allow continued trading after the merger date.

In order to process the relevant admission steps in line with EEX rules, we plan a "frozen period" from 14th until 31st December 2019. Therefore, the deadline for the provision of all completed forms, documents and request for changing set-ups is 13th December 2019. We also advise you to request all modifications (trader set-up, contact updates, etc.) before or after the frozen period.

Termination of Membership at Powernext

Trading under the former Powernext trading agreement will not be possible after the merger date, only trading participants admitted at EEX will be able to trade. Remaining Powernext trading agreements will be terminated as per the merger date by Powernext. Members who will not have any valid exchange participant status (either with EEX or with another exchange, for which clearing is performed by ECC) will be suspended by ECC.

Rules, Regulations and Price Lists

EEX AG has updated its price list already. The current price list can be found here: <https://www.eex.com/en/trading/price-list>. The EEX rules and regulation have been approved by the EEX Exchange Council during its session on 5th December 2019. The documents will be updated accordingly and will be published – subject to the approval of the Exchange Supervisory Authority – during this week. EEX publishes its rules and regulations at: <https://www.eex.com/en/trading/rules-and-regulations>.

ECC AG has updated the following documents. The current documents can be found on the ECC website.

- ECC Clearing Specification
- ECC Product Information Excel
- ECC Clearing Specification Data Excel
- ECC Risk Management Services
- ECC SMSS-XML-Report Specification

Vendor packages can be requested via the usual channels.

No Changes on ISINs and Product Groups

Product short codes and ISINs will not be affected by this merger.

Update of Market Identifier Code (MIC)

There are two types of Market Identifier Codes (MIC) we use at EEX and ECC. One is known as the operating MIC and the other is the segment MIC. The operating MIC tells you which exchange you are looking at. “XEEE” is used for EEX as the operating MIC. Under the operating MIC “XEEE”, there are two segment MIC’s to represent the different venues, these are: “XEER” (regulated market) and “XEEO” (OTF).

Similarly, Powernext has been using “XPOW” as the operating MIC. Under this operating MIC “XPOW” there are “XPSF” (gas regulated venue) and “XPOT” (gas OTF venue) as segment MIC.

With effect of 23rd December 2019, S.W.I.F.T. will change the allocation of the former Powernext related segment MIC codes to EEX. We expect the publication to be made on 9th December 2019. Details can be found here: <https://www.iso20022.org/10383/iso-10383-market-identifier-codes>.

With effect of 1st January 2020, the segment MICs XPSF and XPOT, used by Pownext so far, will be transferred to EEX in the ESMA register and continue to be used by EEX for reporting of gas spot and derivatives under the various regulatory reporting jurisdictions.

Before the merger:

	EEX	Pownext
Operating MIC	XEEE	XPOW
Segment MIC Regulated Market	XEER	XPSF
Segment MIC OTF	XEEO	XPOT

After the merger:

	EEX	Pownext
Operating MIC	XEEE	XPOW
Segment MIC Regulated Market	XEER XPSF	XPSF
Segment MIC OTF	XEEO XPOT	XPOT

Apart from this administrative changes and the one described for the regulatory reporting below, there will be no MIC code related system changes at EEX and ECC during the cut-over procedure.

However, changes are planned for March 2020 where we will inform in due time.

Regulatory Reporting

REMIT: EEX will request an adjustment of the ACER List of Standard Contracts to be processed and made available by ACER by the end of 2019. After the adjustment, the column “Full name of the organised market place” will always contain EEX, with additional reference either to the regulated market or the OTF. Details can be found here: <https://documents.acer-remit.eu/remit-reporting-user-package/list-of-standard-contracts/>
Apart from this administrative process, there is no technical change to be expected.

EMIR: EEX on behalf of ECC will continue to perform EMIR reporting services which already include natural gas transactions and positions today. There is no technical change to be expected.

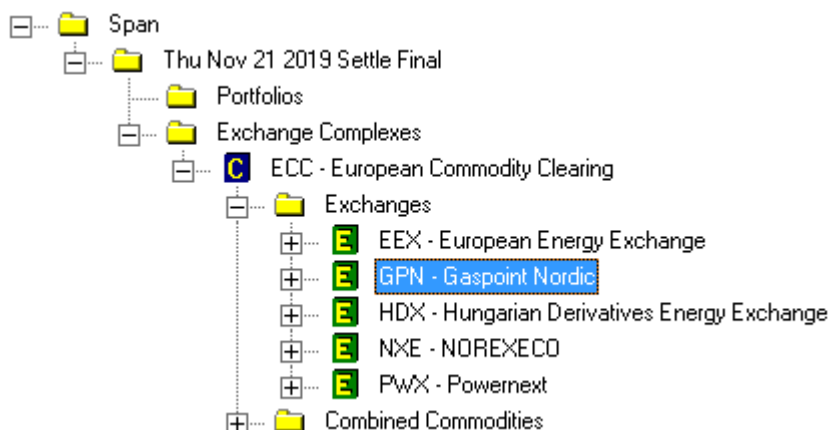
MiFID II/MIFIR: EEX will change the instrument file which assigns reportable instruments to operating MIC, segment MIC and a number of further reporting relevant parameters. All natural gas instruments will be assigned to the operating MIC

XEEE and the respecting segment MIC XPSF or XPOT as of reporting day 3rd January 2020 for the trading day 2nd January 2020. From the reporting day of 3rd January 2020, EEX will only provide draft MiFID II position reports and draft MiFIR transaction reports with the naming convention of “NCADE”. Reports with the naming convention of “NCAFR” will cease to exist from that day on. Hence, members being today active on EEX and Powernext, are expected to send their amendment to the draft MiFID II position report on one instead of two files. The same applies for amendments to draft MiFIR transaction reports.

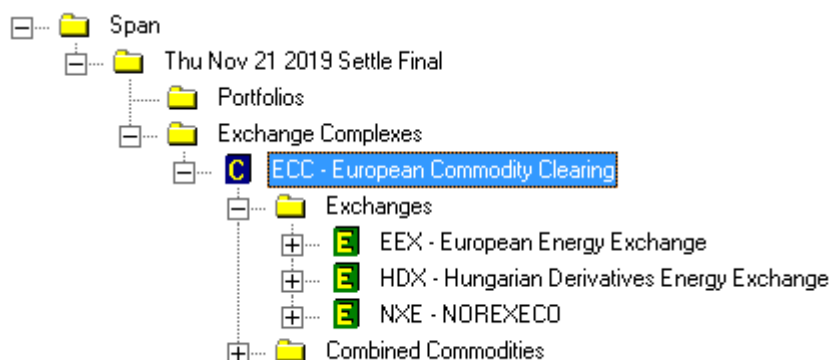
Update of Margining

With regards to spot margining no changes will occur.

With regards to derivatives margining, ECC will roll-out changes related to the SPAN file on 2nd January 2020: Currently, all exchange products are contained within the corresponding “EEX and PWX Exchange groups”.



Via the update, the exchange complex “PWX-Powernext” will be withdrawn within the ECC SPAN file and all future and option products currently listed under Powernext will be migrated to the exchange complex “EEX-European Energy Exchange”. Furthermore the exchange complex “GPN-Gaspoint Nordic” will be removed as part of our regular maintenance. ETF Natural Gas Futures Contracts have been already migrated to Powernext and will be migrated to EEX as well.



We would like to draw your attention to the following dates and times which are operationally relevant. All times are Central European Winter Time. Changes to those dates and times due to unforeseen incidents and issues will be made public via the usual communication channels. 31st December 2019 and 1st January 2020.

For technical reason, we will need to remove tradable orders from the Trading System as follows:

- At 13:00 we will stop trading in T7 on PEGAS
- At 14:00 we will remove all tradable orders from the T7 order book
- At 23:59 we will stop the spot trading on PEGAS
- At 23:59 we will remove all tradable orders from the Trayport® Exchange Trading SystemSM order book
- At 00:05 we will re-start spot trading on EEX

Please note: As a consequence of the spot market suspension at 23:59 CET, the CEGH Auction for delivery 03:00-06:00 CET will not be held.

Orders entered and contracts concluded after the re-opening of the EEX Natural Gas Spot Market will be conducted at EEX under EEX rules and regulation. Reportable trades and orders to trade under REMIT will be reported for the EEX Natural Gas Spot Market with gas spot and derivatives contracts being part of the ACER List of Stand Contracts under the roof of EEX.

Please keep in mind that 1st January is a bank holiday, therefore no derivatives trading will take place on that day.

2nd January 2020

EEX Derivatives market will open as usual at 08:00.
ECC will roll-out on that day the updated SPAN file.

3rd January 2020

For the first time, the reporting of gas derivatives transactions and positions under EMIR and MiFID II/MiFIR will take place for the trading day of 2nd January 2020 under the new EEX umbrella.

Envisaged technical updates later in 2020

To avoid impact on our members during the holiday season, the following elements will **not** change around the merger date. However, we are envisaging technical updates in March 2020:

- SMSS Product Groups
- SMSS Limit Definitions
- Naming convention of contracts in contract specifications
- Naming convention of contracts in Trading Systems
- Segment MIC
- Operating MIC in other system than regulatory reporting

Such changes will affect the various reports as well. We will announce such changes and provide example reports in due time. Please do not hesitate to contact us in case of any questions.

Yours sincerely,

ECC, EEX and Powernext

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