



## **DECISION 1<sup>1</sup>**

### **“Procedure for acquiring the Participant capacity, Participant resignation and other issues regarding Participants in the Natural Gas Trading Platform of HEnEx”**

(as approved by HEnEx's BoD at its meeting with number 65/02.02.2022)

#### **THE HELLENIC ENERGY EXCHANGE S.A.**

Having regard to the provisions of subsections 3.1.2. par. 4, 3.3.2 par. 2, 3.3.3 par. 4, 3.5.5, 3.6.1 and section 3.7 par. 1 of the Rulebook for the Natural Gas Trading Platform of HEnEx (hereinafter the “Rulebook”):

#### **DECIDES AS FOLLOWS**

##### **Scope**

1. This Decision sets out the following issues in relation to the Participants of the Natural Gas Trading Platform:
  - a) The procedure for acquiring the Participant capacity
  - b) The procedure related to the resignation from the Participant capacity
  - c) The procedure applied to Participant corporate transformations
  - d) The procedure of relocating the Participant’s information infrastructure
  - e) The procedure for the participation of a Participant through Algorithmic Trading
  
2. The terms of this Decision have the same meaning as that attributed to them in Law n. 4425/2016, Law n. 4001/2011 or other relevant national or EU legislation, the Rulebook for the Trading Platform of HEnEx, the Rulebook for the Clearing of the Trading Platform of EnExClear (hereinafter referred to as the " Trading Rulebook of EnExClear "), as well as in the other decisions issued in their implementation.

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<sup>1</sup> Unofficial translation from the Greek language (Ref. HenEx: 169/03.02.2022), as of 03/02/2022. In case of any discrepancy between the Greek and the English version, the Greek version prevails.

## **Article 1. Procedure for acquiring the Participant capacity**

### **1.1 Procedure & stages of checking and approval of a Participant**

1. In order to acquire the capacity of a Participant, the candidates must comply with and successfully complete the procedure provided for in this Article. The process consists of three (3) separate stages, i.e.:
  - a) the stage of submitting the Application to become a Participant (hereinafter the "Application") and its corresponding approval;
  - b) the stage of preparation for the activation of the Participant;
  - c) the stage of activation of the Participant
2. HEnEx shall inform the candidate Participant of the procedure stages and shall provide the candidate Participant with all necessary data and information for the participation thereof in those stages. Participation of the candidate Participant in each stage of the procedure requires the successful completion of the preceding stages in succession.

#### **1.1.1 1<sup>st</sup> Stage: Submission of Application and Participant approval**

This stage concerns the submission of the Application to the competent HEnEx department for the acquisition of the Participant capacity.

##### **1.1.1.1 General terms**

1. The Application shall be submitted in a standardized form provided by HEnEx. The application form also contains an indicative memorandum guide in the form of a questionnaire, which is attached as an integral part thereof. The indicative memorandum guide intends to facilitate the provision of data and information to the candidate regarding the organizational procedures that a Participant is obliged to comply with and it is posted on HEnEx's website.
2. All supporting documents shall be submitted in Greek or in English and they shall also bear the company's stamp and authenticity of signature with a Hague Apostille, where applicable.
3. When examining the following information and supporting documents provided by the Participant at all stages described below, the competent department of HEnEx may request additional documents, if it deems it necessary for the completeness of the application.
4. The Application shall be accompanied by the following information and supporting documents apart from those provided in the Rulebook.

##### **1.1.1.2 Supporting documents**

1. All candidates shall provide:
  - a) Declaration of activation as a Non-Clearing Member or as a Direct Clearing Member in the Trading Platform.

- b) Joint statement of the Candidate Participant with the General Clearing Member that they intend to cooperate in the transactions' clearing (where applicable).
2. All candidates except for DESFA shall provide:
    - a) Financial statements of the last two (2) years, if such are to be prepared in accordance with the applicable law or otherwise respective financial data.
    - b) Certification by DESFA that they have concluded a Standard Framework Agreement for the Transmission of Natural Gas (Standard Framework Agreement - SFA), which is in force.
    - c) Proof of deposit of administrative fee for the Application, if such is required by a relevant HEnEx decision.
  3. Candidates who are already registered with HEnEx as Participants or Members are not required to submit additional supporting documents of subsection 1.1.1.3, except in cases where submission of updated documents is required. Candidates who are not registered with HEnEx as Participants or Members in other HEnEx Markets need to submit the additional supporting documents of subsection **Error! Reference source not found.**
  4. HEnEx evaluates the completeness of the application file within ten (10) working days from its receipt. Upon successful submission of the above, the competent HEnEx body shall decide on the Applicant's Application.
  5. In case of approval of the Application by the competent HEnEx body, HEnEx shall issue a certificate of registration of the Participant in the HEnEx Trading Platform within five (5) working days from the approval while the actions described in the 2<sup>nd</sup> stage shall follow.
  6. The certificate of registration of a Participant in the Trading platform of HEnEx is notified to RAE, DESFA and the Clearing House.

#### **1.1.1.3 Additional supporting documents**

1. Additional supporting documents required for Candidates who are not registered with HEnEx as Participants or Members in other HEnEx Markets, depending on the category to which belongs:
  - a) **Natural persons**
    - (i) Photocopy of ID.
    - (ii) Certificate of non-bankruptcy of the competent Court of First Instance (issued no later than 60 days before its submission to HEnEx).
  - b) **Legal entities**
    - (i) Announcement of the latest codified Articles of Association or the relevant corporate agreement, as appropriate, to the General Electronic Commercial Registry or if it is a foreign candidate, to the relevant Registry of Companies and the provision of relevant information for its online search (link).

- (ii) Announcement of the latest minutes regarding the legal representation of the candidate to the General Electronic Commercial Registry, or, in case of a foreign candidate, to the relevant Registry of Companies as well as provision of relevant information for online search thereof (link), as well as the samples of signatures of its legal representatives.
  - (iii) If the above online search is not possible based on points under (i) or (ii), a copy of the Articles of Association or of the relevant corporate agreement as well as the minutes regarding the legal representation in the books of the Registry of Companies to which the candidate belongs.
  - (iv) Certificate of non-bankruptcy issued by the competent First Instance Court (issued not more than 60 days prior to the submission to HEnEx) or in the case of a foreign candidate an equivalent document.
2. Foreign candidates who do not act as Participants/Members in other HEnEx' Markets, that have a branch or office in Greece, shall also submit the announcement of the branch or office details to the General Electronic Commercial Registry and shall also provide all relevant information for their online search (link).

### **1.1.2 2<sup>nd</sup> Stage: Preparation for the activation of the Participant**

1. With the issuance of the certificate of Participant's registration, the Participant can prepare for its activation in the Trading Platform of HEnEx.
2. Once a Participant completes the actions described in the 1<sup>st</sup> stage, the Participant has to perform the following steps for its activation:
  - a) The Participant is obliged to have set-up the required technological infrastructure to ensure its successful connection to the systems of HEnEx, as provided for in the relevant HEnEx decisions or procedures.
  - b) In order for HEnEx to check the readiness of the Participant and its employees as to acquiring the requested Membership, HEnEx may request participation of the Participant in mock trading or other simulation scenarios of the actual trading and/or clearing conditions.
  - c) The Participant shall have a sufficient number of Certified Traders, in accordance with the terms of the Rulebook, as well as the relevant HEnEx decisions.
  - d) If the Participant intends to be activated as a Direct Clearing Member, he must submit a certificate by EnExClear certifying that it meets the requirements to act as a Direct Clearing Member.
  - e) The Participant is required to pay to HEnEx the applicable initial registration fee, provided that such fee is foreseen in a relevant Decision of HEnEx, and the applicable annual subscription.
3. The Participant shall have completed the above actions and submitted the required supporting documents no later than one month after its approval by HEnEx, except for the time of preparation of the technical infrastructure. Otherwise, the candidate Participant shall

repeat the procedures defined in stage 2 by paying the administrative re-assessment fee, the amount of which is set out in HEnEx's relevant Decision.

### **1.1.3 3<sup>rd</sup> Stage: Activation of the Participant in the Trading Platform**

1. Once the Participant successfully completes the actions described in the 2<sup>nd</sup> stage, it is required to submit electronically to HEnEx the following forms in accordance with the procedures below, which are posted on HEnEx website:
  - a) "HEnEx's Membership Form". With this form, the Participant shall indicate the dates on which he wishes to become active in the Trading Platform.
  - b) "Participant's/Member's Profile Form". With this form, the Participant is obliged to indicate the contact persons of the Participant with HEnEx, as well as their responsibilities.
  - c) "Connectivity Management to the Trading Platform Form". With this form the Participant may request the appointment/deletion of users as well as the initiation/termination/modification of the connection with the Trading Platform.
2. At the latest one working day before the day of activation of the Participant, HEnEx shall request and receive confirmation from DESFA that the SFA is in force.
3. The above actions must be completed within four (4) calendar weeks from the completion of the 2<sup>nd</sup> stage.
4. If the Participant is going to clear its own transactions as a Direct Clearing Member, its activation as a Participant in the Trading Platform System is carried out after its activation as a Direct Clearing Member.
5. The Participant is entitled, upon the acquisition of the capacity and its activation, to access EnExClear systems in accordance with the Trading Rulebook of EnExClear, whenever it is required in accordance with the relevant Rulebooks and the Decisions issued pursuant thereto.

## **1.2 Notification to HEnEx**

1. The Participant shall electronically record the relevant data and documents, following the procedure indicated by the competent HEnEx services, in order to permanently meet the conditions for acquiring and maintaining its capacity as a Participant. Participants are solely responsible for the completeness, correctness and truthfulness of the information provided to HEnEx, either for the first time or updated at any time, and must respond promptly and seamlessly to HEnEx's requests, also participating in the relevant meetings.
2. The Participant is obliged to immediately inform HEnEx, as indicated by the competent services of HEnEx, of any change in the Participant Registry data as provided in the Rulebook. Until notification of this change, any document is legally disclosed to the contact details provided by the Participant at the stage of the submission of Application.

## **Article 2. Procedure related to resignation from the Participant Capacity**

1. In order to resign from the Participant capacity, the Participant shall - in addition to those specified in the Rulebook - comply with the following:
  - a) take all necessary measures to ensure that the obligations arising from the Rulebook and the Trading Rulebook of EnExClear. Indicatively, the Participant shall meet its clearing obligations, where applicable, and shall disable any passwords or accounts which it holds in the relevant capacity;
  - b) comply with HEnEx's instructions on the final settlement of any outstanding issues related to the capacity of the Participant.
2. The resignation procedure as described in the Rulebook and this Article shall also apply to the capacity of Liquidity Provider under the specific conditions provided for as the case may be, in accordance with the Rulebook and the relevant HEnEx Decisions.
3. The initiation of the procedure for resignation from the capacity of Participant by submitting a relevant request to HEnEx is notified by HEnEx to EnExClear, DESFA and RAE.

## **Article 3. Corporate Transformations of Participants**

### **3.1. Merger of a Participant by its absorption by another Participant of the HEnEx Trading Platform (Article 6 par. 2 L. 4601/2019)**

1. The terms set out in this Article apply where both the absorbing Participant and the absorbed Participant participate in the HEnEx Trading Platform as a Participant or/and as a Liquidity Provider.
2. At each stage of realization of corporate transformations of Participants, HEnEx may inform DESFA that the transformation of the company of a candidate Participant or of a Participant shall take or has taken place. HEnEx and DESFA cooperate throughout the course of such a corporate transformation for the purpose of updating both the List of Eligible Participants in the Trading Platform and the Participants' Registry of HEnEx.

#### **3.1.1. Actions of the absorbing Participant**

1. In the event of a Participant being merged by another Participant, the absorbing Participant shall continue to act as a Participant and automatically shall succeed the absorbed Participant to the latter's rights and obligations, unless otherwise specified in the Rulebook (including HEnEx's decisions). It is therefore not necessary in this case for the absorbing Participant to regain the capacity of the absorbed Participant.
2. In particular, the absorbing Participant shall comply with the following procedures for the installation of the information infrastructure and the Trading Platform System activation, which shall include the following two (2) stages:

### **3.1.1.1 1<sup>st</sup> Stage**

No later than fifteen (15) business days prior to the time stated by the Participant that he wishes to become active in the Trading Platform with its new details, resulting from the merge and without prejudice to the completion of the merge by registering the merge to the General Electronic Commercial Registry (or if it is a foreign Participant to the respective Commercial Registry, to which it belongs), in accordance with article 18 of L. 4601/2019 the merging Participant shall send an information letter with the details of the merge to the competent department of HEnEx as well as a copy of the respective RAE's decision, when issued as a result of a corporate transformation either by the registration or modification of registration and cooperates with it:

- a) for planning any changes to the information structure of the absorbing Participant (nodes, terminals, etc.);
- b) in calculating the related costs;
- c) to design the timetable for the implementation of the required above actions.

### **3.1.1.2 2<sup>nd</sup> Stage**

No later than ten (10) business days prior to the Participant's stated activation date in the Trading System, the merging Participant shall have completed the required technical preparation based on the instructions of the HEnEx's competent department and shall send to it a form filled in with the new details of the Participant resulting from the merge, which is posted on HEnEx's website.

### **3.1.1.3 Procedure on the capacity of Liquidity Provider**

In the event that the absorbed Participant is a Liquidity Provider in specific Products in HEnEx's Trading System, while the absorbing Participant has not acquired this capacity in respect of the Products concerned, the absorbing Participant may apply to acquire the capacity of Liquidity Provider on these Products.

## **3.1.2 Actions of the absorbed Participant**

The actions that the absorbed Participant shall follow, include the following three (3) stages

### **3.1.2.1 1<sup>st</sup> Stage**

No later than ten (10) business days prior to the time stated by the absorbing Participant that wishes to become active in the Trading System with its new details resulting from the merge and subject to the completion of the merge, the absorbed Participant shall submit to HEnEx electronically, in accordance with its procedures, the following forms available on HEnEx's website:

- a) for the deletion of users;
- b) for the deletion of an absorbed Participant; and
- c) technical forms for disabling node and terminals.

### **3.1.2.2 2<sup>nd</sup> Stage**

Approval of deletion of the Participant due to a merge by the competent HEnEx body is subject to the completion of the merge, in accordance with article 18 of Law n. 4601/2019 and by submitting a copy of the registration to the General Electronic Commercial Registry (or if it is a foreign Candidate to the respective Publicity Registry to which it belongs), as well as a copy of the relevant RAE' s decision, when issued as a result of a corporate transformation either by the registration or the modification of registration, as well as by providing relevant information for its online search (link).

### **3.1.2.3 3<sup>rd</sup> Stage**

1. In order to be deleted, the Participant, provided it is a Clearing Member, must have fully paid its obligations to EnExClear.
2. Once the merger is complete, HEnEx immediately updates its Participant database and website with the new details of the absorbed Participant resulting from the merger.

## **3.2 Merge of a Participant with a a company that is not a Participant of HEnEx Trading Platform**

1. The terms set out in this Section apply only when the absorbed Participant participates in the Trading Platform as a Participant or/and Liquidity Provider, while the absorbing company does not have any of these capacities.
2. The provisions of this Section shall apply accordingly in the event of a merge with a new company, in accordance with article 22 of L. 4601/2019. As absorbed Participant is referred to the company that ceases to exist and as absorbing company, the new company.

### **3.2.1 Actions of the company that acquires an HEnEx Participant in order to obtain the Participant capacity in the Trading Platform**

#### **3.2.1.1 Procedure related to Participant capacity**

1. In the event of a merger of a Participant by absorption by a legal entity that is not a Participant in the Trading Platform, the absorbing Participant, if it wishes to become a Participant in the Trading Platform, shall proceed from the beginning with the procedure to acquire such capacity, including the obligations to pay the participation fees and charges, as set forth in the Rulebook and the relevant HEnEx's Decisions.

#### **3.2.1.2 Procedure for the capacity of Liquidity Provider**

1. In the event that the absorbed Participant acts as a Liquidity Provider in specific product(s) in the Trading Platform, the absorbing company may apply to acquire the capacity of Liquidity Provider on these Products, on condition that it has obtained the Participant capacity in the Trading Platform.

### **3.2.1.3 Actions for the installation of the IT infrastructure and its activation in the Trading System**

1. For the installation of the IT infrastructure and its activation in the Trading System of the Trading Platform, the absorbing company shall proceed with the actions foreseen in the applicable paragraphs of this Decision.
2. Activation in the Trading System of the new Participant resulting from the merge shall be effected in accordance with the date stated on the relevant standard form which is posted on HEnEx's website and provided that the previous stages of the merge have been completed.
3. Upon completion of the merger, HEnEx shall immediately update its Participants' Database and its website with the details of the new Participant resulting from the merge.

### **3.2.1.4 Actions of the absorbed Participant**

1. The absorbed Participant is obliged to follow the steps related to the resignation from the Participant capacity provided in Article 2 of this Decision.
2. At least fifteen (15) working days prior the time estimated by the absorbed Participant that the merger will be completed (registration in the General Electronic Commercial Registry or if it is a foreign Participant in the respective Publicity Registry to which it belongs) of the decision for approval of the merger, sends an information letter with the details of the merger to the competent department HEnEx and cooperates with it:
  - a) for planning any changes to the IT infrastructure of the legal entity in respect of which a corporate transformation shall take place (nodes, terminals, etc.)
  - b) for the calculation of the relative costs and
  - c) for the time-schedule as to the implementation of the above actions.

## **3.3 Other corporate transformations**

1. The terms of sections 3.1 and 3.2 of this Article shall apply accordingly to any other case of corporate transformation referred to Participants of the HEnEx's Trading Platform, in accordance with the specific applicable provisions of the corporate law on company transformations (Articles 1-88 of L. 4601/2019).
2. In any case, as a result of corporate transformations, whenever the authorization by which the Participant has acquired its capacity requires modification by the competent authority under the applicable regulatory framework, the Participant shall notify HEnEx by letter before the commencement of the corporate transformation process in order for HEnEx to reassess the capacity of the Participant. HEnEx may suspend the capacity of the Participant in accordance with case (e), par. (1), of subsection 5.2.2 of the Rulebook until the provision of the modified license by the said authority.

## **Article 4. Relocation of Participant's IT Infrastructure**

If a Participant's IT infrastructure is relocated to another place, in the same or other address, the Participant shall take the following actions:

### **4.1 1<sup>st</sup> Stage**

At least sixty (60) calendar days prior to the time stated by the Participant that wishes to operate its IT infrastructure in the new place, the Participant shall send an information letter with details of the relocation site to the competent HEnEx Department and shall cooperate with it:

- a) for planning any changes to the IT infrastructure of the Participant (nodes, terminals, etc.)
- b) for the calculation of the relative costs;
- c) for the implementation time-schedule of the above actions.

### **4.2 2<sup>nd</sup> Stage**

At least ten (10) working days prior to the operation of the Participant's information structure to the new place, the Participant must have completed the required technical preparation based on the instructions of the relevant department of HEnEx.

### **4.3 3<sup>rd</sup> Stage**

At least ten (10) working days prior to the time stated for the operation of the Participant's IT infrastructure to the new place, the Participant shall submit electronically to HEnEx, in accordance with HEnEx' procedures, the relevant standard form which is posted the in HEnEx's website for the relocation of the Participant.

## **Article 5. Algorithmic trading**

1. For the activation of a Participant through Algorithmic Trading in HEnEx in accordance with subsection 3.5.5 of the Rulebook, the Participant shall submit a relevant application to HEnEx.
2. The application shall in any case contain information regarding the Algorithmic Trading performed by the Participant with the following details:
  - a) Name of algorithm
  - b) Code of algorithm
  - c) Name of person in charge of the Participant
  - d) Algorithm suitability testing methods
  - e) Test period
  - f) Certificate of proper operation

- g) Products to which the algorithm applies
  - h) Starting date of the algorithm in the Trading System
3. The application shall also describe the procedures that the Participant shall follow for performing Algorithmic Trading to HEnEx and in particular:
- a) the organizational arrangements of the Participant for the execution of the relevant activities;
  - b) the procedures for the durability of the systems that the Participant shall use to execute the relevant activities in accordance with the applicable provisions, including the following methodologies:
    - i. for the development and testing of such systems, algorithms or strategies;
    - ii. for tests that the Participant will apply to HEnEx and to the Product of HEnEx using the trading algorithm;
    - iii. on the compliance of Algorithmic Trading systems and the trading algorithms that HEnEx's Trading System uses according with the below specific cases:
      - (a) when it has access to HEnEx as a Participant;
      - (b) when connected to HEnEx through brokering access settings for the first time;
      - (c) when there is a substantial change in HEnEx's systems;
      - (d) prior to the use or substantial updating of the Algorithmic Trading System, the trading algorithm or the Algorithmic Trading strategy of the Participant.
  - c) the procedures that the Participant shall use to ensure that compliance tests verify whether the essential details of the Algorithmic Trading or the trading algorithm are functioning properly and in accordance with HEnEx's requirements;
  - d) the procedures that the Participant shall apply to ensure the existence of a testing environment;
  - e) the procedures that the Participant will apply to establish the predetermined utilization limits of the algorithm;
  - f) the procedures that the Participant shall follow to conduct an annual self-assessment and validation of the framework of the Algorithmic Trading that will perform in HEnEx
  - g) the procedures that the Participant shall apply to notify HEnEx of any changes in the functionality of the systems through which it performs Algorithmic Trading in HEnEx;
  - h) the procedures and means that the Participant shall use to ensure the durability of its systems for carrying out relevant activities, in particular with regard to their ability to terminate, the existence of an automated surveillance system to detect cases of market manipulation, business continuity arrangements, pre-trade controls for order

entry, mechanisms for real-time monitoring of its related trading activity, post-trade controls, security mechanisms and access limits.

4. If the Participant intends to act as a Liquidity Provider, in addition to the above, he shall comply with the obligations of the relevant HEnEx's Decision.
5. If the above conditions are fulfilled and the Participant confirms upon their completion in writing to HEnEx, the latter shall accept the Participant's application for the relevant activity.
6. Participants shall ensure at all times that their IT systems have sufficient capacity and resilience, have appropriate pre-trade or post-trade controls and price and volume limits, ensure that false orders are not dispatched or that their systems operate in such a way that no conditions are created to disrupt the proper operation of the Trading Platform.
7. If the Participant conducts high frequency Algorithmic Trades, he shall submit a relevant notification to HEnEx.
8. HEnEx's competent Departments may request any additional information deemed necessary on the algorithms and systems used by the Participant.

#### **Article 6. Sending schedule of LEPTP**

The List of Eligible Participants in the Trading Platform (LEPTP) is sent to HEnEx by DESFA before the beginning of each Gas Day at 15.00 CET, in accordance with the provisions of subsection 5.2.2 of the Rulebook.

#### **Article 7. Validity**

The herein decision takes effect as from 04/02/2022.

The herein decision shall be uploaded to the website of HEnEx [www.enexgroup.gr](http://www.enexgroup.gr).