

DIRECT CLEARING PARTICIPANT MODEL FOR SPOT MARKETS

Direct Access to ECC

- Direct access to trading and clearing of spot markets without the requirement of a Clearing Member
- Growing number of spot products and markets available for clearing via a Direct Clearing Participant membership model

**ONE CLEAR CONNECTION
TO COMMODITIES**

DIRECT ACCESS TO ECC

The DCP Clearing membership is designed to connect market participants directly to ECC. By reducing access requirements and redefining risk controls it enables more players access to ECC-approved spot markets.

Access Requirements

The following requirements are necessary for admission by ECC:

- Passing of the ECC KYC assessment
- Agreement with a co-operating Settlement Bank and ECC (if applicable)
- Approval as a Trading Participant for, at least, one ECC-approved spot market where a DCP membership model is available
- Conclusion of a balance group agreement with the respective TSO
- Companies must be based in a country approved by ECC for DCP Clearing
- Liable equity capital of, at least, EUR 50,000
- Contribution to the Clearing Fund

The DCP membership enables a greater number of players and, in particular, the smaller participants, access to wholesale spot markets while further increasing depth of liquidity.

ECC constantly expands the products and markets available for DCP Clearing Members. The products which are currently available are published on our website at www.ecc.de.

Risk Controls

Pre-Trade Limit

DCP Clearing Members can enter orders up to the amount of a pre-trade limit set by ECC.

The DCP Clearing Member communicates the limit preferences which will be adopted by ECC as well as the available collateral.



Collateral

Trade access requires the pre-deposit of collaterals to collateralise the assigned pre-trade limit.

Accepted collateral types for DCP Clearing Members:

- Cash collateral in EUR (GBP planned for 2017)
- Bank guarantees in EUR (GBP planned for 2017)

Financial Settlement

For financial settlement of transactions (commodity amount, fees, collateral) the DCP Clearing Member has to conclude an agreement with an approved Settlement Bank. ECC will carry out all payments via the DCP Clearing Members cash account with the Settlement Bank.



- Accounting cut-off at 4:00 p.m. (CET) on every ECC business day (Mo–Fr except TARGET2 holidays)
- Reporting of trades and payment amounts in reports, available via ECC Member Area
- EUR payments are processed on TARGET2 operating days starting at 8:00 a.m. CET.
- First debit of settlement account, credit payments after successful debiting process at D+1

Fees

Fee Type	Amount
Annual Fee	EUR 12,500 for all spot markets EUR 9,000 or GBP 6,000 for a single market (e.g. EPEX UK Market)
Variable Fees	ECC Clearing Fees for spot market
Collateral or Limit Adjustment Fee	EUR 100 or GBP 70 per collateral transaction or limit adjustment

Fees are settled via the DCP Clearing Member's Settlement Bank.

“The direct clearing model is an innovative solution to broaden access to the market based on client feedback, particularly from smaller clients, and allows more of our customers to access liquidity in the spot markets.”

Regine Scholz, Head of Member Readiness



More information:

www.ecc.de/ecc-en/access-to-ecc

European Commodity Clearing (ECC) is the central clearing house for energy and related products in Europe. In its capacity as the central counterparty, ECC assumes clearing as well as physical and financial settlement of transactions concluded on EEX, EPEX SPOT, HUPX, NOREXECO, Powernext, Power Exchange Central Europe (PXE) and SEEPEX, or registered for clearing on these exchanges.

ECC is a subsidiary of EEX, part of Group Deutsche Börse.



LET'S WORK TOGETHER

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