



# TRADING RULES

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## **TRADING RULES**

### **ON MONTENEGRIN POWER EXCHANGE MARKET**

#### **INTRODUCTORY PROVISIONS**

##### **Article 1**

- 1) Montenegrin Power Exchange LLC (hereinafter “BELEN”) is responsible for organizing and managing the Power Exchange Markets in Montenegro (hereinafter “BELEN Markets”).
- 2) BELEN's Markets consist of the Day-Ahead Market and the Long-Term Market.
  - a) The Day Ahead Market provides the possibility of Day Ahead Trading in Products by the Members on the territory of Montenegro by means of an Auction in respect of each Delivery Day based on all volume and price Bids and Offers received prior to closing of the relevant Auction. Further provisions governing Trading on the Day Ahead Market are set out in the Day Ahead Market Rules, as well as in the Membership Agreement and these Trading Rules (hereinafter: “Rules”)
  - b) Long-Term market provides the possibility of Auction Bidding for energy with a previously defined framework, based on all Orders, i.e., volume and price Bids and Offers prior to closing of the relevant Auction. Further provisions governing Trading on the Long-Term Market are set in the Long-Term Market Rules, as well as in the Membership Agreement and these Rules.
- 3) Further Provisions determining Trading on BELEN’s markets will be prescribed through special Annexes to these Rules and Membership Agreement.

##### **Article 2**

- 1) Each of BELEN's Markets shall offer Products for Trading in the manner described in the Product Specifications for each Market, under the terms and conditions of the Membership Agreement and these Rules.
- 2) BELEN shall conduct and ensure Clearing and Settlement of transactions on BELEN’s Markets in accordance with the Clearing and Settlement Rules which apply to that market.
- 3) All Transactions entered into on BELEN's Markets will be automatically and obligatorily subject to Clearing and Settlement at fees related to that market, which will be defined through Trading Rules, Membership Agreement and Clearing and Settlement Rules.
- 4) These Trading Rules apply to all Trading and Transactions on the BELEN’s Market, and constitute an agreement between BELEN and each Member in the BELEN’s Markets

#### **REQUIREMENTS FOR ADMISSION AND TRADING**

##### **Article 3**

- 1) Legal entities wishing to perform Trading on some or all BELEN’s Markets before the start of trading on any of BELEN's Markets are obliged to:
  - a) enter into a Membership Agreement with BELEN
  - b) meet the legally prescribed conditions to participate on the Montenegrin Electricity Market:

- i. To register with the Market Operator as a Participant in the Montenegrin Electricity Market;
    - ii. To sign a Balance Responsibility Agreement with the Market Operator and the Transmission System Operator
  - c) fulfill the conditions necessary for the Contracting Party in each Transaction and in the corresponding Clearing Transaction on the basis of the Clearing and Settlement Rules, the Membership Agreement and the rest of the Trading Rules for the market in which they participate.
- 2) Further rights and obligations on Members in respect of Trading are set out in the applicable Trading Agreements, Market Conduct Rules and these Rules.

#### **Article 4**

- 1) Legal entities wishing to enter into a Membership Agreement must send BELEN a written application for membership in such form as BELEN shall prescribe and publish on its webpage.
- 2) As part of the approval procedure and evaluation of potential Member, BELEN may require additional information and documents relevant to the assessment of the applicant's ability and eligibility for Registration. All documents and information concern applicant's legal status, technical system, organization, financial report prepared for the previous two years in accordance with accounting regulations which contains the balance sheet, income statement and auditor's report if the entity is subject to audit, experience and competence, and must be duly signed by an authorized representative.
- 3) BELEN shall admit only those applications according to the defined conditions. The Applicant's Requests cannot be rejected without explanation.
- 4) Member with a valid Membership Agreement may change the choice of BELEN's market in which it wishes to participate, through the procedure of amendments and supplementary appendix to the Membership Agreement, without a re-approval procedure for new Members.

### **TRADING RESPONSIBLE PERSONS**

#### **Article 5**

- 1) Each Member must, in the Membership Agreement, appoint one (1) Trading Responsible Person for the Member's Trading on each BELEN's Market, subject to the approval of BELEN not to be unreasonably withheld.
- 2) A Member may appoint the same person as the Person Responsible for Trading in several BELEN Markets.
- 3) Member is granted with the account for access to the appropriate platform in accordance with the Trading Rules. Upon request, the Member can receive an additional account, for each of which they pay a one-time Fee for an additional user in accordance with the Fee Schedule.
- 4) Further details regarding the responsibilities of the Member and its user account will be prescribed by the Membership Agreement.

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## **CONTRACTUAL RELATIONS**

### **Article 6**

- 1) Relations between BELEN and BELEN's markets Members are regulated by agreements. By signing the Membership Agreement Members undertake to act in accordance with these Rules, the Rules of Conduct on the Market as well as the attitudes and obligations arising from the Membership Agreement itself.
- 2) If the BELEN's markets Member does not fulfill the obligations arising directly or indirectly from these Rules, BELEN has the right to suspend its registration or terminate the Trading Agreement in accordance with the conditions set out in these Rules.

## **PRODUCT SPECIFICATIONS**

### **Article 7**

- 1) BELEN shall decide and define which Products will be included or removed from its platforms by including or excluding them from the Product Specification Document.
- 2) In case of possible removal of a product from the Specification BELEN will conduct a detailed survey with all Members who will be notified in a timely manner.

## **GENERAL PROVISIONS ON TRADING**

### **Article 8**

- 1) BELEN maintains Day-Ahead and Long-Term Trading via electronic platform, e-mail and telephone system (in case the Members have a problem with access to the electronic platform).
  - a) Sorting of received Orders is carried out according to the principle of electronically recorded time of receipt of the Bid.
  - b) In the case of Orders submitted via the telephone system, the time of completion of the call in which the Bid was submitted shall be counted as the time of receipt of the Bid.
  - c) In the case referred to in paragraph b) of this Article, only Orders submitted no later than 30 minutes before the time provided for the Gate Closure shall be accepted.
- 2) BELEN facilitates Trading in Products between Members by receiving Orders and determines traded Energy Volumes and its relevant prices according to prevailing rules for price calculations.
- 3) In the event of an error in Trading the provisions defined by the relevant Trading rules in which the necessity of the Cancellation of the Bid occurred shall apply.
- 4) Trading on the BELEN's markets is anonymous except between BELEN and the individual Member entering an Order and entering into a resulting Transaction.
- 5) Processing and matching of Orders and Transactions is subject to the Trading Rules of the respective platform.
- 6) Members are responsible for setting up electronic communication with BELEN according to BELEN's rules and the manner of submission of Bids prescribed for a particular Procedure or market through their respective rules.
- 7) Bids and Offers sent by the Member are binding and after execution become contractual transactions for the sale or purchase of electricity.

- 8) The BELEN Schedule has the right of priority in case of discrepancies between the schedules and the schedule of the market Member at the Market Operator and the Transmission System Operator, and in those cases where Schedule of the market Member must correspond to the contractual transaction from item 6.
- 9) Except as necessary to display Orders and Transactions to Members, BELEN shall treat all Orders and other information from Members communicated to BELEN in relation to Transactions as confidential.
- 10) All Orders and Transactions will be stored electronically and kept by BELEN in the database. All telephone calls with the Trading Desk and TTS may be recorded and stored in accordance with Applicable Law. Both BELEN and Members consent to such recordings, and undertake to procure any consent necessary from their employees in order to comply with Applicable Law.

#### **Article 9**

Once a Trader has submitted an Order, the Trader of the applicable Member must be available to be contacted by telephone at all times for as long as the Order is valid. Orders are deemed valid until the relevant Auction is finished or the Order is revoked in accordance with these Trading Rules.

#### **Article 10**

Notwithstanding any other provision in the Trading Rules, BELEN reserves the right, in its sole discretion, and without prior notice to a Member to reject, cancel or refuse to display or match any Order which in BELEN's determination would contravene the Trading Rules, Membership Agreement or Applicable Law. Any such decision should be reasonably founded and non-discriminatory, and BELEN shall notify the Member of such decision immediately.

#### **Article 11**

BELEN may at any time suspend Trading at its platforms with regard to all or some Products if BELEN reasonably determines that a system problem which is likely to affect Trading in such Product(s) has occurred or suspension is necessary to prevent such problem from occurring; or the intended Trading would contravene the requirements of Applicable Law, the Trading Rules in their entirety or Membership Agreement.

### **TRADING FEES**

#### **Article 12**

- 1) Trading Fees as prevailing from time to time shall be charged to Members and invoiced in accordance with the Fee Schedule. Unless as explicitly stated, all Trading Fees are stipulated exclusive of VAT.
- 2) Trading Fees are charged by BELEN in accordance with the Clearing and Settlement Rules.
- 3) In case a Member does not pay to BELEN the required Trading Fees or does not make other payments envisaged under the Trading Rules upon their due dates, BELEN shall be entitled to charge Statutory Default Interest on the principal in accordance with law.

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## **MARKET CONDUCT AND MARKET SURVEILLANCE**

### **Article 13**

- 1) Members shall at all times comply with the provisions of the Market Conduct Rules when Trading. Non-compliance with Market Conduct Rules may be sanctioned by BELEN in accordance with the provisions of the Market Conduct Rules.
- 2) BELEN will monitor both markets with a view to ensuring that all Trading and other activities on its markets are in accordance with the Market Conduct Rules and Applicable Law.
- 3) Market monitoring is carried out through the operation of the market monitoring office consisting of two (2) members of the commission appointed by BELEN, authorized to act in accordance with the Market Conduct Rules.
- 4) BELEN may make request to and collect information from Members concerning their business.
- 5) In connection with investigations of Member's business, BELEN may, directly from the relevant Member, Transmission System Operator or Market Operator gather any data relating to management, market and settlement of accounts.

## **NON-COMPLIANCE, FORCE MAJEURE AND LIABILITIES**

### **Article 14**

Further provisions regarding non-compliance, force majeure and liabilities will be prescribed in the Membership Agreement.

## **PROPRIETARY RIGHTS TO TRANSACTION INFORMATION AND INFORMATION PUBLICITY**

### **Article 15**

- 1) Whenever a Member provides data in the form of Orders or otherwise to BELEN via platform or TTS, such data shall belong to BELEN.
- 2) The copyright and all other intellectual property rights or proprietary rights of whatever nature contained in the Transaction Information (including, for the avoidance of doubt, all database rights and similar rights whether or not protected by law) arising from Trading are and shall at all times remain the property of BELEN.
- 3) BELEN shall freely dispose of and use, economically or otherwise, such data and intellectual property or property rights, subject to applicable confidentiality restrictions.

### **Article 16**

- 1) BELEN may pass on information to public authorities, Transmission System Operators or Market Operator if so required by Applicable Law or regulation. BELEN will inform the Member of such provision of information, to the extent it is permitted to do so under Applicable Law or regulation. Such conduct by BELEN will not in any event be considered a breach of confidentiality or breach of Member's intellectual property rights.
- 2) BELEN shall be entitled to use, copy, adapt, sub-license, supply, distribute, sell, assign, transfer, rent, lease, charge or otherwise deal with Transaction Information and other information regarding technical and financial matters, free from any duty of confidentiality to any Member,

so long as such information does not identify any individual Member. Members are not entitled to compensation in relation to such activity.

## **COMMUNICATION BETWEEN MEMBERS**

### **Article 17**

- 1) Communication between Members and BELEN shall be in Montenegrin, Serbian, Bosnian, and Croatian or in English language.
- 2) Any notice to be given under the Trading Rules and Membership Agreement shall be in writing and shall be delivered or sent by letter or email to BELEN at the addresses and numbers specified on its website at any time (if addressed to BELEN) or to the relevant address or telephone number or e-mail address specified in its Trading Agreement.
- 3) Notices shall be deemed to have been given (in the case of email communication) on the date on which they are validly received by the Recipient's Service Provider or (in the case of other communications) on the date of delivery to the appropriate address.

## **AMENDMENTS**

### **Article 18**

- 1) BELEN has the right to amend these Trading Rules.
- 2) BELEN shall notify the Member about amendments to Trading Rules at least 10 (ten) days before the amendments come into force, by publication on BELEN's web site and by an e-mail notification with the confirmation of the delivery to the recipient; for avoidance of doubt publication on BELEN's web site will serve as conclusive proof of the publication of the amendments.
- 3) Amendments to the Trading Rules shall come into force 10 (ten) working days after their publication on BELEN's web site.
- 4) If the Member does not agree with the amendments, the Member has the right to terminate the Membership Agreement by written notification on termination which has to be delivered to BELEN within 10 (ten) working days after the amendments to the Trading Rules have been published on BELEN's website.
- 5) If BELEN does not receive the Member's written notification on termination of the Membership Agreement within 10 (ten) working days as of the publication of the amendments on BELEN's web page, it shall be considered that the Member agrees with the proposed amendments to the Trading Rules.
- 6) If the Member validly terminates the Membership Agreement in accordance with this clause, Membership Agreement shall be terminated immediately upon receipt of the termination notification.
- 7) The Member does not have the right to terminate Membership Agreement according to this clause if the amendments to Trading Rules offer the same conditions of membership (i.e. when the amendments to Trading Rules do not create disadvantages to Member in comparison to previous version of the Trading Rules) or when the amendments give the Member more favorable conditions of membership.



- 8) In case of differences between the English and Montenegrin versions of these Rules, the Montenegrin version of the Rules shall prevail.

## **MISCELLANEOUS**

### **Article 19**

The rights of a Member under the Trading Rules are not assignable or otherwise transferable without the prior written consent of BELEN.

### **Article 20**

If at any time any provision of the Trading Rules becomes illegal, invalid, unenforceable or non-binding in any respect under the law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions of the Trading Rules nor the legality, validity or enforceability of such provision under the law of any other jurisdiction shall in any way be affected or impaired thereby.

### **Article 21**

No failure of a party to exercise, nor any delay on its part in exercising, any of its rights (in whole or in part) under the Trading Rules shall operate as a waiver of the party's rights or remedies upon that or any subsequent occasion.

## **GOVERNING LAW AND DISPUTE RESOLUTION**

### **Article 22**

- 1) These Trading Rules, all Transactions, Settlement and Clearing effected under them, and all non-contractual obligations arising out of or in connection with them, shall be governed by and construed in accordance with Montenegrin law.
- 2) Commercial Court in Podgorica shall have exclusive jurisdiction to settle any claim, dispute or difference which may arise out of or in connection with these Trading Rules, Member's Agreements and other Trading Agreements, including any question as to their existence, validity or termination.

## **TRANSITIONAL AND FINAL PROVISIONS**

### **Article 23**

These Rules shall enter into force on the day of their adoption by the Board of Directors of BELEN and their publication on the website.