

## **Technical Rule no. 16 Rev. 05 MGAS**

(under article 4 of the Natural-Gas Market Rules, approved by the Ministry of Economic Development with its Decree of 6 March 2013, as subsequently amended and supplemented)

<b>Title</b>	<b>Invoicing of payables/receivables and settlement of payments</b>
Reference Legislation	Article 18, para. 18.1 and 18.5; Article 26, par. 26.7 subpara a), <i>iv.</i> Article 27, para. 27.1; Article 65, Article 66; paras. 66.1, 66.3, 66.4 and 66.5; Article 68; Article 73; Article 74, paras. 74.1, 74.2 and 74.3; Article 75; Article 76, paras. 76.2, 76.3 and 76.4; Article 78, para. 78.2; Article 81, para. 81.1; Article 82, para. 82.2, subpara. b) and para. 82.4; Article 93, Article 94, par. 94.6 - Natural-Gas Market Rules

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## 1. Foreword

Article 18, paragraph 18.1, of the MGAS Rules provides that each Market Participant shall request the GME to include in the Register of Market Participants admitted to the market the data and information referred to in Article 17, paragraph 17.2, subparagraph g) above, according to the procedures indicated in the Technical Rules.

Article 18, para. 18.5 of the MGAS Rules provides that the request, for entry of data and information referred to in Article 17, para. 17.2, subpara. g), in the Register of Market Participants shall be accompanied, in order to submit offers to the market, by a statement authorizing GME to withdraw directly from its current account held at a credit institutions that have enabled the SEPA Direct Debit Business to Business instrument (SDD B2B) the amounts owed by the Market Participant to the GME – as per Technical Rules.

Article 26, paragraph 26.7, subparagraph a), iv. of the MGAS Rules provides that the time limits and modalities for the application by GME of the penalty for each MWh subject to the net delivery position not recorded in the PSV, the value of which is 2 euro/MWh, shall be defined in the Technical Rules and that GME shall transfer the amounts resulting from the application of the penalty to the Guarantee Fund.

Article 27, paragraph 27.1 of the MGAS Rules provides that, in order to improve the liquidity of products traded on the market, GME may provide for the Market Making activity, in accordance with the terms and conditions defined in the Technical Rules.

Article 65 and Article 66, paras. 66.1, 66.3, 66.4 and 66.5 of the MGAS Rules provide that the invoicing period for the MGAS transactions and the invoicing procedures and time limits, respectively, shall be defined in the Technical Rules.

Article 68 of the MGAS Rules provides that the procedures and time limits for invoicing the access fee and the yearly fixed fee pursuant to Article 7, para. 7.1, subparas. a) and b) respectively, shall be defined in the Technical Rules.

Article 73 of the MGAS Rules provides that the *settlement* period, the procedures and time limits for defying the net positions of each Market Participant and notifying the results of the offsetting shall be specified in the Technical Rules.

Article 74, paras. 74.1 and 74.2 of the MGAS Rules provides that the procedures and time limits for payments made by Market Participants that are net debtors towards GME shall be defined in the Technical Rules, even if such payments are made in late by the Market Participant and that GME transfers the amounts resulting from the application of default interest and penalty applied to delayed payment to the Guarantee Fund.

Article 74, paragraph 74.3 of the MGAS Rules provides that if the payment of the amount due is not settled in whole or in part with the treasury institute according to the provisions of paragraph 74.2 above, GME shall allocate, for each net position, any amount received according to the modalities set out in the Technical Rules.

Article 75 of the MGAS Rules provides that the procedures and time limits for the payment of fees set forth in Article 7, para. 7.1 shall be defined in the Technical Rules.

Article 78, para. 78.2, of the MGAS Rules provides that, if the guarantees enforced under para. 78.1, subpara. b) of the same Article are insufficient to cover the debit of the defaulting Market Participant or if the bank issuing the guarantee defaults on its obligations under Article 80, GME shall contribute in order to cover the debits of defaulting Market Participants or the default by the bank issuing the bank guarantee by using (in the following order):

- a) the Guarantee Fund in accordance with the procedures and the time limits established in the Technical Rules;
- b) its own funds for a maximum amount determined each year and allocated for this purpose; this amount, posted on GME's website, shall be set by the Ministry of Economic Development at the proposal of GME.

Article 81, para. 81.1, subpara. b) of the MGAS Rules provides that the procedures and time limits for closing the Market Participant's net MGAS positions to be settled in the balancing system shall be defined in the Technical Rules. Any financial surplus originating by the closing of the Market Participant's net positions disposed under paragraph 81.1, subpara. b) of the MGAS Rules, will be transferred by GME to the Guarantee Fund.

Article 82, para. 82.2, subpara. b) of the MGAS Rules provides that, for late payments in respect of the portion of the net position mentioned in Article 73, para. 73.2, subpara. a), with reference to attributed purchase transactions mentioned in Article 81, par. 81.1 subpara b) of the MGAS Rules, the default interest or the legal interest rate shall be applied as set out in network code, according to the Technical Rules.

Article 82, para. 82.4 of the MGAS Rules provides that the penalty of one percent shall be applied to the cases of late payment identified in the Technical Rules.

Article 89, para. 89.1 and Article 93, para. 93.1 of the MGAS Rules provide that the Market Participant can dispute the results of the invoicing procedures referred to in Title IV, Chapter II, or the outcomes referred to in Title V, Chapter II by sending a notification to GME within the terms defined in the Technical Rules, otherwise the claim will have no validity.

Article 93, para. 93.2 of the MGAS Rules provides that, in the case referred to in para. 93.1 above, GME shall undertake the actions specified in the Technical Rules, in accordance with terms and conditions included therein, paying the default interest on the amount following the outcome of the complaint to the extent stated in Article 82 to the Market Participant.

Article 94, paragraph 94.6 of the MGAS Rules provides that in the event that a complaint referred to in Article 93 is accepted, GME shall make the consequent adjustments in accordance with the provisions of the Technical Rules.

## **2. Settlement of payments and invoicing of the purchase and sale transactions concluded in the MPGAS and MTGAS**

### **2.1. Settlement period of payables/receivables on the MPGAS and MTGAS-**

The *settlement* period of the payables/receivables relating to all purchase and sale transactions concluded on the MPGAS, included purchases attributed by GME according to Article 81, par. 81.1 subpara b) of the MGAS Rules, and on the MTGAS, is the week (W+1):

1. For MGP-GAS, MI-GAS and MT-GAS, after the week (W) - which runs from Monday (T-6) to Sunday (T) - in which the gas already traded has been delivered;
2. For MGS and MPL, after the week (W) – which runs from Sunday (T-7) to Saturday (T-1) - in which the gas already traded has been delivered;

All the activities related to the financial cycle will be postponed compared to the standard settlement time limits described in paragraphs 2.2 and 2.3 below, as follows:

1. If in the settlement week (W+1) there are holydays, as provided in the Technical Rules 02 MGAS, other than Saturdays and Sundays, all activities relating to the settlement cycle will be postponed to the next working day compared to the ordinary schedule;
2. if in the settlement week (W+1) when it is expected the settlement a Tuesday, a Wednesday, a Thursday or a Friday coincides with the last day of the month, the settlement cycle will be postponed by one week compared to the ordinary schedule;
3. if in the settlement week (W+1) falls the fifteenth working day of the month, the settlement cycle will be postponed to that day, except in the case where the fifteenth working day is a Monday. In the latter circumstance, the settlement of the balance of the debtor Participants will take place on the next working day.

In addition, any possible time shift to the standard settlement timeframes described in paragraphs 2.2 and 2.3 is represented in the settlement calendar published on GME's website ([www.mercatoelettrico.org](http://www.mercatoelettrico.org))

## **2.2 Time limits for notifications referred to the net position regarding payables/receivables on MPGAS and MTGAS**

In accordance with Articles 73, para. 73.2, subpara. a) and subpara. b) and 73.3 of the MGAS Rules, in the week W+1 on the first working day by 11:30 am, GME will define and notify to each Market Participant:

1. its debit or credit net position, resulting from the offsetting of the amounts, including VAT where chargeable, related to purchase and sale transactions concluded on the MPGAS and delivered in the week W, included purchase transactions attributed by GME according to Article 81, par. 81.1 b) of the MGAS Rules;
2. its debit or credit net position, resulting from offsetting of the amounts, including VAT where chargeable, related to the purchase and sale transactions concluded on the MTGAS and delivered in the week W.

## **2.3 Modalities and time limits of settlement of payments of payable/receivables on MPGAS and MTGAS**

### **2.3.1 Modalities and time limits of settlement of payments on MPGAS and MTGAS by PA Market Participants that are net debtors**

After the individuation of net positions described in para. 2.2 above and the invoicing process described in the following para. 2.4.4, GME will settle PA Market Participants'<sup>1</sup> net debt positions by using the non-interest bearing cash deposit, as allocated, granted by the PA Market Participants as a guarantee, pursuant to Section 70 paragraph 70.3, 70.5 and 70.6 of the MGAS Rules, accordingly to Technical Rule 19 MGAS.

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<sup>1</sup> PA Market Participants are those referred in Article 2, para 2.1 oo) of the MGAS Rules

### **2.3.2 Notification of bank details**

Each Market Participant, pursuant to Article 18, paragraph 18.1, of the MGAS Rules, must request the GME to include the bank details referred to in Article 17, paragraph 17.2, subparagraph g), of the MGAS Rules in the Register of Market Participants.

This request must be made by means of a notification, signed by the person with the necessary powers of representation, containing the indication of the bank details.

### **2.3.3 Payment instrument for payables on the MPGAS and MTGAS by non-PA net debtors participants.**

For the purpose of submitting offers on the market, pursuant to Article 18, paragraph 18.5, of the MGAS Rules, after being admitted, GME sends to the Market Participant the withdrawal authorisation form for the SEPA Direct Debit Business to Business provisions (hereinafter: "SEPA Authorisation"), which must be filled out and signed in three originals by the Market Participant; the "copy for the creditor" of the SEPA Authorisation must be sent to GME.

GME, through the treasury institute, will perform an activation test<sup>2</sup> of the SDD B2B transmission channel with the bank identified in the Authorisation, by a charge of a symbolic amount<sup>3</sup>, and if the outcome is positive the channel will be activated. Since the working day following the activation of the SDD B2B channel, the Market Participant can enter offers in the MGAS.

The same submission and SDD B2B channel activation procedure also applies in case of SEPA Authorisation or its associated bank account information or data modification.

While the channel is being activated, participants may use the former active SDD B2B channel. According to Article 74, par. 74.2 of the MGAS Rules, if the payment of the amount due is not settled with GME's treasury institute according to Article 74, par. 74.1 subpara. a) of the MGAS Rules, provisions of par. 2.3.4 below shall apply.

If the Market Participant also participates in the ME and/or the PCE and already has an active SEPA Authorisation for these markets/platforms, the Market Participant may, in accordance with paragraph 2.3.2 above, confirm, also for MGAS, the bank details on which the aforementioned SEPA Authorisation is already active.

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<sup>2</sup> The opening test will require a variable processing period based on possible bank adjustment needs of about fifteen working days from receipt of the declaration referred to in Art. 18.5, with possible postponements depending on the results of the tests. Subsequent charges will be settled on the interbank day (Target) - usually on Tuesday - following the sending of the SDD B2B provisions by GME to the Institute in charge of the gas market treasury service.

<sup>3</sup> The amount charged for test purposes will be refunded by GME through SEPA Urgent or Priority Credit Transfer.

In this case, for the sole purpose of settlement of payments, GME shall determine, for each settlement period, the total amount due from the Market Participant with reference to the payables/receivables resulting from the transactions concluded by the Market Participant on each of the markets/platforms on which it has operated, except in the event that the net debit position on the PCE is lower than the total amount due from the Market Participant. In the latter case, the net debit position on the PCE shall be settled separately.

If the payment of the total amount due is not settled with GME's treasury institute by means of B2B SDD and the Market Participant partially regulates by means of Urgent SEPA Credit Transfer or equivalent, GME - unless otherwise explicitly notified in writing by the Market Participant, by 4.00 p.m. on the third working day after the debit date - will allocate the amount collected as a priority to cover the payables/receivables relating to the valuation of the CCTs on the PCE and for any excess by applying the following criteria:

- a) to MGP and MI or to netting markets, the share equal to the ratio identified in Technical Rules 08 ME;
- b) to MPEG, the share equal to the ratio identified in the Technical Rules 08 ME;
- c) to MTE, the share equal to the ratio identified in the Technical Rules 08 ME;
- d) to MTGAS, the share equal to the ratio between the amount resulting from the balance of the payables of MTGAS referred to in Article 73, paragraph 73.2 subpara b) of the MGAS Rules and the total amount of the debit positions, resulting from the balance of the payables of MPGAS and MTGAS.

#### **2.3.4 Modalities and time limits for the settlement of payments on the MPGAS and MTGAS by non-PA net debtors participants.**

After the individuations described in para. 2.2 above, Market Participants which are net debtors of GME, must provide the liquidity required to pay the amount due as per Article 74, para. 74.1, subpara. a) of the MGAS Rules, on the bank account identified in the authorisation defined in para. 2.3.3 above; the amount will be drawn through the SDD B2B tool on the second working day, in the week W+1 and will be considered consolidated in the banking system after three working days from the debit date<sup>4</sup>.

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<sup>4</sup> The timing of the consolidation in the banking system is provided in the Rulebook approved by the European Payments Council.



Market Participants, not providing the necessary liquidity within the time limits valid to ensure the charge through SDD B2B, may send the payment of the due amount, in accordance with Article 74, para. 74.2 of the MGAS Rules, from the bank account associated with the SEPA Authorisation according to Article 18, par. 18.5 of the MGAS Rules, which bank details were previously notified to GME according to the terms set out in par. 2.3.3 above.

If the Market Participant wishes to settle the payment from a bank account other than the one referred to above, it shall previously send GME, according to the modalities provided for in paragraph 2.3.3 above, a notification with the indication of the bank details from which it intend to make the payment.

The payment of the due amount will have to be made out to the financial Institute in charge of GME's treasury service, not later than 4pm of the third working day from the debit date, through Urgent SEPA Credit Transfer or equivalent tool, increased by:

- i. default interest calculated by the application of the legal interest rate to the amount owed to the creditor for the days of delayed payment and,
- ii. a penalty, equal to one percent of the amount due;

In case of partial payment by the debtor Market Participant of the total net position on MPGAS and MTGAS, GME will allocate the collected amount, unless otherwise explicitly notified in writing by the Market Participant within the time limits indicated above, by applying the following criteria:

(a) to MPGAS, the share equal to the ratio between the amount resulting from the debit balance of the MPGAS payables referred to in Article 73 para. 73.2, subpara.a) of the Natural Gas Market Rules and the total amount of the debit positions, resulting from the balance of the MPGAS and MTGAS payables;

(b) to MTGAS, the share equal to the ratio between the amount resulting from the debit balance of the MTGAS payables referred to in Article 73(2)(b) of the Natural Gas Market Rules and the total amount of the debit positions, resulting from the balance of the MPGAS and MTGAS payables.

As for the uncollected portion, GME shall apply the default procedure set out in paragraph 2.3.5 below.

In this regard, pursuant to Article 82 of the MGAS Rules, where guarantees are enforced, with reference to the purchase transactions granted by GME pursuant to Article 81, paragraph 81.1, subparagraph b), of the MGAS Rules, GME shall apply to the defaulting Market Participant the penalty, as well as the default interest, calculated on the basis of:

- legal interest rate, for days of late payment up to the fourteenth calendar day following the determination of the amount due to the creditor under the balancing system;
- default interest rate in accordance with the provisions of the Network Code in force at the time of issue of the relevant invoice, starting from the fifteenth calendar day following the determination of the amount due to the creditor under the balancing system.

In case of participation in netting markets, the balance of payables/receivables resulting from purchase and sale transactions concluded on the MPGAS markets is determined in accordance with the provisions of Title V, Chapter II, of the Integrated Text of the Electricity Market Rules, in accordance with the provisions of Technical Rules 08 ME.

The date and time of the crediting of the above payments to GME's bank account will be those recorded by the information system of the treasury institute.

### **2.3.5 Modalities and time limits for the settlement of payments on the MPGAS and MTGAS to Market Participants that are net creditors**

GME will dispose payments in favor of Market Participant which are identified as net creditors as a result of the outcomes referred to in para. 2.2 above.

Without prejudice to the paragraph 2.3.4 above, on the fourth working day after the day of the charge with beneficiary value date on the same day, in accordance with Article 76, para. 76.2 of the MGAS Rules, GME shall pay its net creditors, (as provided in para. 6.2) for an amount equal to the ratio of the amount (as per Article 74, para. 74.1 of the MGAS Rules) paid by debtors MPGAS Market Participants to the overall credits (as per Article 73, para. 73.2, subpara. a) of the MGAS Rules), that GME has accrued towards MPGAS net debtor Market Participants. GME also pays its net creditors for a portion equal to the ratio between the amount, referred to in Article 74, paragraph 74.1 of the MGAS Rules paid by MTGAS Market Participants' debtor , and the total receivables, referred to in Article 73, paragraph 73.2, subparagraph b) of the MGAS Rules, claimed by GME from MTGAS Market Participants' net debtors .

If GME does not receive the payment described in Article 74, para. 74.2 of the MGAS Rules within the period defined in para. 2.3.4 above, in accordance with Article 78, para. 78.1, subpara. b) of the MGAS Rules, GME will enforce the guarantees set by the Market Market Participant in compliance with Article 70, paras. 70.1 and 70.3 of the MGAS Rules within the following working day and will pay pro quota the residual net debt on the basis of the amount collected upon enforcement, within 5 working days starting from the date of collection. Following the collection of

the guarantees set forth in Article 70, paras. 70.1 and 70.3 of the MGAS Rules, GME will pay to the net creditor Market Participants the amount pertaining to the legal or default interest and to the penalty paid to GME by the net debtor Market Participant pursuant to Article 82 of the MGAS Rules after receiving the related invoice.

The date and time of the above payments to GME's bank account will be those recorded by the information system of the treasury institute.

## **2.4 Time limits for invoicing on MGAS**

### **2.4.1 Invoicing period**

The invoicing period of all the purchase and sale transactions concluded in the MGAS, as well as related to all purchase transactions attributed by GME according to Article 81, par. 81.1 subpara b) of the MGAS Rules, is the calendar month in which such transactions are financially settled, pursuant to paragraph 0 above, notwithstanding the following para. 2.4.4 for PA Participants.

### **2.4.2 Time limits for notifications of payables/receivables**

In consideration of Article 21, para. 4, subpara. a) of the Presidential Decree no. 633 of 26 October 1972, for each invoicing period, within the last working day included in the invoicing month, GME provides on the SetService Platform:

- a. each Market Participant, which is debtor towards GME, with one or more files called "proforma invoice notifications" with the sum of the items on all purchases concluded by Market Participants on the MPGAS and MTGAS for each week, financially settled during the same calendar month;
- b. each Market Participant, which is creditor towards GME, with one or more files called "proforma invoice notifications" with the sum of the receivables in respect of all the sales concluded by Market Participants on the MPGAS and MTGAS for each week, financially settled during the same calendar month;
- c. each Market Participant, which is debtor towards GME, with one or more files called "proforma invoice notifications" with the sum of the items on all purchases attributed by GME to the Market Participant in the management of the default procedure provided in Article 78, para. 78.1, subpara. c) and in managing positions closure according to Article 81, para. 81.1, a) and b) of the MGAS Rules for each week financially settled during the same calendar month;

- d. each Market Participant, which is creditor towards GME, with the sum of the receivables in respect of all the sales that GME has assigned to the Market Participant in the management of default procedure provided in Article 78, para. 78.1, subpara. c) and in managing positions closure according to Article 81, para. 81.1, subpara. a) of the Rules for each week financially settled during the same calendar month.

#### **2.4.3 Modalities and time limits of invoicing of GME in case of enforcement**

Regardless of the *settlement* and invoicing period, if GME proceeds enforcing the collateral guarantee under Article 78, para. 78.1, subpara. b) of the MGAS Rules, it will issue an advance invoice for the case outlined in Article 77, para. 77.1, subpara. b) of the MGAS Rules, equal to the amount paid including VAT, if chargeable. The invoice for payment is issued on the same day of the accreditation, on the bank account at the treasury institute, and for the same amount of the sum collected from the financial institute issuing the guarantee and/or from the Market Participant. In regards of the PA Market Participant the advance invoice for payment will be sent through the Sistema di Interscambio (SDI) or through alternative channels to SDI if there are the conditions provided for by the abovementioned law and related implementations, together with the activation of the procedure for the payments of guarantees.

#### **2.4.4 Invoicing of GME to PA Market Participants**

For each *settlement* period, on the same day on which the outcomes described in paragraph 2.2 are notified, GME will send to each PA Market Participant, through the SDI:

- a. one or more invoices with the sum of the items on all purchases concluded by Market Participants in the MPGAS and MTGAS for each relevant week W;
- b. one or more invoices with the sum of the items on all purchases attributed by GME to the Market Participant in the management of the default procedure provided in Article 78, para. 78.1, subpara. c) and in managing positions closure according to Article 81, para. 81.1, subparas. a) and b) of the MGAS Rules for each relevant week W;

If the sending of the invoice from SDI to the PA Market Participant is not successful, in compliance with the time limits identified in the Law no. 244 dated 24 December 2007 and related implementation provisions on electronic invoicing, GME will forward it, through alternative channels

to SDI, the certificate of transmission of the invoice with the delivery impossibility containing the invoice.

#### **2.4.5 Invoicing of GME to non-PA Market Participants**

In consideration of Article 21, para. 4, subpara. a) of the Presidential Decree no. 633 of 26 October 1972, for each invoicing period of all the purchase and sale transactions concluded in the MGAS and settled during the same calendar month pursuant to paragraph 2.3 above, within the last working day including in the invoicing period, GME issues:

- a. one or more invoices with the sum of the items on all purchases concluded by Market Participants in the MPGAS and MTGAS for each week financially settled during the same calendar month;
- b. one or more invoices with the sum of the item on all purchases, if any, attributed by GME to the Market Participant in the management of the default procedure provided in Article 78, para. 78.1 c) and in managing positions closure according to Article 81, para. 81.1, items a) and b) of the MGAS Rules for each week financially settled during the same calendar month.

#### **2.4.6 Time limits for invoices to be received by GME**

Pursuant to and for the purposes of article 21, paragraph 4, subpara. a) of the Decree of the President of the Republic no.633 dated 26 October 1972, for each invoicing period referred to the weeks financially settled during the same calendar month pursuant to paragraph 2.3 above, within the last working day included in the invoicing period, GME will receive one or more deferred invoices from each of its creditor Market Participant representing the amounts financially settled in the same month containing:

- a. the sum of the receivables in respect of all the sales concluded by Market Participants on the MPGAS and MTGAS;
- b. the sum of the receivables in respect of all the sales concluded on the MPGAS or MTGAS and sales, if any, attributed by GME to the Market Participant in the management of the default procedure provided in Article 78, para. 78.1, subpara. c) and in managing positions closure according to Article 81, para. 81.1, subpara. a) of the MGAS Rules.

### **3 Default management**

#### **3.1 Settlement of the payments to net creditor Market Participants in cases of default referred to Article 77, para. 77.1, subparas. a) and b) of the MGAS Rules**

Where the amount collected upon enforcement of the guarantees is not sufficient to cover the net debt of the defaulting Market Participant, under Article 78, para. 78.2, subpara. a) of the Rules, GME will pay its net creditors by the accumulated resources of the Guarantee Fund established within the CSEA.

Where the amounts to be paid to net creditors exceed the resources available in such fund, GME will pay the net creditor by using its own funds up to the maximum amount (hereafter “yearly maximum amount”) quantified under Article 78, para. 78.2 subpara b) of the MGAS Rules.

When paying its net creditors within the limits of the resources available in the fund and the yearly maximum amount indicated above, GME will also pay the default interest (calculated by applying the legal interest rate to the amount due to the creditor for the days of late payment) and the penalty, after receiving the relevant invoice.

If the amounts to be paid to net creditors exceed the resources available in the Guarantee Fund and the yearly maximum amount, GME will settle the payments by resorting to the risk pooling mechanism referred to in the ARERA 4/2013/I/GAS Resolution of 10 January 2013, after collecting the amounts resulting from the application of the mechanism.

Any amounts recovered by the judicial proceedings instituted by GME under Article 77, para. 77.4 of the MGAS Rules will restore the amounts used under the risk pooling mechanism, for the portion corresponding to the payments made to net creditors Market Participants.

With reference to remaining portion, if available, any recovered amount will be restored in the following order:

- a) by using GME’s yearly maximum amount; in case the recovery takes place by 31 December of the calendar year in which the request for guarantee enforcement has been made, these sums will allow a re-adjustment of the same amount of the annual ceiling. If the recovery takes place after December 31 of the calendar year in which the enforcement request was sent, recovered amounts, if any, will not be aggregated to the maximum amount for the following year.
- b) by using the resources available in the Guarantee Fund.

If GME does not recover or partially recovers the enforced amounts collected in the case of default by the Market Participant pursuant under Article 78, para. 78.1, subpara. b) of the MGAS Rules, GME will manage the remaining debt of the defaulting Market Participant in accordance with the paragraphs 2.2, 2.3.1 and 2.3.4 above.

### **3.2 Time limits of invoicing and settlement of payments in respect of the cases under Article 81, para. 81.1, b) of the MGAS Rules**

#### **3.2.1 Invoicing period of sale transactions assigned to the Market Participant pursuant to Article 81, para. 81.1, subpara. b) of the Rules**

The invoicing period for the sale transactions assigned to Market Participant pursuant to Article 81, para. 81.1 b) of the MGAS Rules is the calendar month in which sales attributed by GME to the Market Participant are object of invoicing according to pars. 3.2.2 and 3.2.3 below.

#### **3.2.2 Time limits for notifications sale transactions assigned to the Market Participant as per Article 81, para. 81.1, b) of the MGAS Rules**

For each invoicing period, within the tenth working day of the month following the last day included in the invoicing period, GME will provide on the SetService platform each Market Participant which is creditor towards GME, with one or more files called "proforma invoice notifications", with the sum of the receivables in respect of all the sales that GME has assigned to Market Participant in the management of positions closure under Article 81, para. 81.1, subpara. b) of the MGAS Rules.

#### **3.2.3 Time limits for invoices to be received by GME in respect of sale transactions assigned to the Market Participant as per Article 81, para. 81.1, subpara. b) of the MGAS Rules**

For each invoicing period, within the fifteenth calendar day of the third calendar month following the invoicing period, GME will receive one or more invoices from each creditor Market Participant with the sum of receivables in respect of the sales that GME has assigned to the same Market Participant in managing positions closure under Article 81, para. 81.1, subpara. b) of the MGAS Rules. If the above time limits falls on a non-working day, GME will receive the invoice from each creditor Market Participant within the next first working day.

### **3.2.4 Determination of the Market Participant position related to sale transactions assigned to Market Participants per Article 81, para. 81.1, subpara. b) of the MGAS Rules**

Under Article 73 para. 73.2, subpara. c) of the MGAS Rules, GME will identify the credit position of each Market Participant after the amounts (including VAT, where chargeable), invoiced according to para. 3.2.3 above.

The settlement period of payables and receivables billed by GME in the positions closure management procedure under Article 81 paragraph 81.1 subpara. b) of the MGAS Rules is identified in paragraph 3.2.5 below. Within the fifteenth day of the third calendar month following the invoicing period, GME will notify each Market Participant the outcome of the outcomes mentioned in this paragraph, based on which, payments referred to in paragraph 5 below will be made.

If the time limits defined in this paragraph 3.2.4 falls on a non-working day, GME will notify the credit position of each Market Participant within the next first working day.

### **3.2.5 Settlement of payments of Market Participant receivables assigned as per Article 81, para. 81.1, subpara. b) of the MGAS Rules**

GME will settle payments to Market Participants that qualify as creditors towards GME as result of the outcomes referred to in para. 3.2.4 above, provided that GME has received the relevant invoice.

Within the thirty first calendar day following the GME's notification related to the outcome of the outcomes referred to in para. 3.2.4 above and with the beneficiary value date on the same day, GME, under Article 76, para. 76.2 of the Rules, will pay to its creditors an amount equal to the ratio between the amount paid by the net debtor and the total credits, (as per Article 73, para. 73.2, subpara. c) of the MGAS Rules) that GME has accrued towards net debtors Market Participants.

If GME receives the related invoice beyond the time limits set out in para.3.2.3 above, payments will be made in respect of each creditor Market Participant within the thirty calendar day (with beneficiary value date on the same day) following the day on which the relevant invoice has been received.

Under Article 76, para. 76.3 of the MGAS Rules, GME will pay with value date on the working day following the collection, its net creditors for an additional amount equal to the ratio of the amount



paid by net debtor to the overall credits as per Article 73, para. 73.2, c) of the MGAS Rules, that GME has accrued towards net debtors Market Participants.

The payment to creditor Market Participants of the quote which is related to interests, calculated on the basis of the interest provided in the network code in force at the time, paid to GME by the net debtor will be made by GME as a result of the reception of the invoice.

The date and time of the debiting of the above payments to GME's account will be those recorded by the treasury institute.

#### **4. Billing, invoicing and settlement of payment of fees and penalty**

##### **4.1 Invoicing period of fees and penalty**

The period of invoicing of fees and penalties is the calendar month.

##### **4.2 Time limits of notifications of fees and penalty due to non-PA Market Participants**

For each invoicing period, within the tenth working day of the month following the last day included in the invoicing period, GME will provide on the SetService Platform:

- a. each Market Participant which is debtor towards GME with one or more files called "proforma invoice communications" with the sum of penalties, if any applied to the Market Participant as per Article 26, para. 26.7, subpara. a), *iv.* of the MGAS Rules;
- b. each Market Participant with one or more files called "proforma invoice notifications" with the sum of the fees (including VAT, if chargeable) owed for all transactions, both purchases and sales, carried out in the MPGAS and MTGAS, including the transactions, if any, that GME has assigned to the Market Participant in the default management procedure referred to in Article 78, para. 78.1, c) and in managing positions closure according to Article 81, para. 81.1, a) and b) of the MGAS Rules;

##### **4.3 Time limits of notifications of fees and penalty due by PA Market Participants**

For each invoicing period, within the fourth working day of the month following the last day included in the invoicing period, GME will provide:

- a. each Market Participant which is debtor towards GME with one or more files called "proforma invoice notifications" with the sum of penalties, if any applied, to the Market Participant as per Article 26, para. 26.7, subpara. a), *iv.* of the MGAS Rules;
- b. each Market Participant with one or more files called "proforma invoice notifications" with the sum of the fees (including VAT, if chargeable) owed for all transactions, both purchases and sales, carried out in the MPGAS, including the transactions that GME has assigned to the Market Participant in the default management procedure referred to in Article 78, para. 78.1, subpara. c) and in managing positions closure according to Article 81, para. 81.1, subparas. a) and b) of the MGAS Rules;
- c. each Market Participant with one or more files called "proforma invoice notifications" with the sum of the fees (including VAT, if chargeable) owed for all transactions, both purchases and sales, carried out in the MTGAS, including the transactions that GME has assigned to the Market Participant in the default management procedure referred to in Article 78, para. 78.1, subpara. c) and in managing positions closure according to Article 81, para. 81.1, subparas. a) and b) of the MGAS Rules.

#### **4.4 Time limits of the notification of fees to the Liquidity Provider**

For each invoicing period within the fourth working day of the month following the last day included in the invoicing period, in the event of positive verification of the fulfillment of commitments as Liquidity Provider (hereinafter: LP), provided by the Technical Rule 18 MGAS, GME provides on the SetService platform the same LP with:

- a. one or more files called "pro-forma invoice notifications" with the value of the fixed fee, plus VAT, where chargeable, for the service provided by the LP for each useful session;
- b. one or more files called "pro-forma invoice notifications" with the sum of values of the fees, plus VAT, where chargeable, for each MWh traded with respect to each product for which it carries out market-making activity in any session held during calendar month subject to invoice.

#### **4.5 Time limits for invoicing the fees to non-PA Market Participants**

GME will provide each Market Participant with the invoice:

- relates to the access fee within five days following the date of the admission decision referred to in Article 15, para. 15.4 of the MGAS Rules, increased by VAT, if chargeable;
- relates to the annual fixed amount for the first twelve months, plus VAT, where chargeable, to be paid by the third working day of the month following the date of the admission decision referred to in Article 15, para. 15.4 of the MGAS Rules and every twelve months.

For each invoicing period within the tenth working day of the month following the last day included in the invoicing period of the fees (referred to in Article 7, para. 7.1, subparas. c), of the Rules) and of the penalty, if any, GME will issue:

- a. for each Market Participant, one or more invoices with the sums of the fees plus VAT, where chargeable, and of the contribution (not subject to VAT), due for all purchase and sale transactions in the MPGAS and for those assigned by GME to the Market Participant in the default procedure management under Article 78, para.78.1,subpara. c) and in managing positions closure according to Article 81, para. 81.1,subparas. a) and b) of the MGAS Rules;
- b. for each Market Participant, one or more invoices with the sums of the fees plus VAT, where chargeable, and of the contribution (not subject to VAT), due for all purchase and sale transactions in the MTGAS and for those assigned by GME to the Market Participant in the default procedure management under Article 78, para.78.1,subpara. c) and in managing positions closure according to Article 81, para. 81.1,subparas. a) and b) of the MGAS Rules;
- c. one invoice to each Market Participant for the penalty, if any, assigned in accordance with Article 26, para. 26.7, subpara. a) *iv.* of the MGAS Rules.

#### **4.6 Time limits for the invoicing of the fees to PA Market Participants**

GME will provide each PA Market Participant the invoices relating to:

- access fee within five days following the date of the admission decision referred to in Article 15, para. 15.4 of the MGAS Rules, increased by VAT, if chargeable;
- relating to the fixed annual fee for the first twelve months, plus VAT, where chargeable, to be paid by the third working day of the month following the date of the admission decision referred to in Article 15, para.15.4 of the MGAS Rules and every twelve months.

For each invoicing period within the tenth working day of the month following the last day included in the invoicing period of the fees (referred to in Article 7, para. 7.1, subparas. c) of the MGAS Rules) and penalty, if any, GME will send to each PA Market Participant:

- a. one or more invoices with the sum of the fees and VAT, if chargeable, due for all purchase and sale transactions, carried in the MPGAS as well as those attributed, if any, by GME to the Market Participant in the default procedure management foreseen in Article 78, para. 78.1, subpara. c) and in managing positions closure according to Article 81, para. 81.1, subparas. a) and b) of the MGAS Rules;
- b. one or more invoices with the sum of the fees and VAT, if chargeable, due for all purchase and sale transactions, carried in the MTGAS as well as those attributed, if any, by GME to the Market Participant in the default procedure management foreseen in Article 78, para. 78.1, subpara. c) and in managing positions closure according to Article 81, para. 81.1, subparas. a) and b) of the MGAS Rules;
- c. one invoice per Market Participant for the penalty assigned in accordance with Article 26, para. 26.7, subpara. a) *iv.* of the MGAS Rules.

If the sending of the invoice from the SDI to the PA Market Participant is not successful, in compliance with the time limits identified in the Law no. 244 of 24 December 2007 and related implementation provisions on electronic invoicing, GME will forward it, through alternative channels to SDI, the certificate of transmission of the invoice with the delivery impossibility containing the invoice.

#### **4.7 Time limits of the notification of fees by Liquidity Provider**

For each invoicing period, within the sixth working day of the month following the last day included in the invoicing period, GME shall receive by the LP one or more invoices with:

- a. the sums of the fees plus VAT, where chargeable, for the service provided by the LP for each useful session;
- b. the sums of the fees plus VAT, where chargeable, for each MWh traded for each product in respect of which it carries out the market making activity in any session held in the calendar month subject to invoice.

#### **4.8 The offsetting of payables/receivables for the fees to the LP**

GME determines the net credit or debit position of the LP on the basis of the offsetting of the fees, plus VAT, where chargeable, for the fees invoiced in accordance with paragraphs 4.5 *supra*. a) above, or 4.6 subpara. a), with the exception of the contribution, and in accordance with paragraph 4.7 above.

By the eighth working day of the month following the last day included in the invoicing period, GME shall notify the LP of the result of the determination referred to in this paragraph on the basis of which the payments referred to in paragraph 4.9 are made.

This time limit remains valid also with reference to the PA participants, as it complies with the provisions set forth in the Law No. 244 of 24 December 2007 and related implementation provisions.

#### **4.9 Time limits for the settlement of fees and penalty**

Each Market Participant must pay the amounts due under Article 75 and Article 26, para. 26.7, subpara. a) *iv.* of the MGAS Rules and, in the case of LP, if as a result of the determination referred to in paragraph 4.8 it is found to be net debtor, within the following time limits:

- within the sixteenth working day of the month in which GME has issued the relevant invoice and with the beneficiary value date on the same day, for the fees referred to in Article 66, para. 66.1, subpara. c) of the MGAS Rules;
- within the sixteenth working day of the month in which GME has issued the relevant invoice and with the beneficiary value date on the same day, for the penalty referred to in Article 26, para. 26.7, subpara. a) *iv.* of the MGAS Rules;
- within the sixteenth working day of the month in which GME has notified the LP of the result of the determinations and with the beneficiary value day, day for the net position referred to in paragraph 4.8 above;
- within thirty calendar days since the date of the invoice issuance with the beneficiary value date on the same day, for the access fee referred to in Article 7, para. 7.1, subpara. a) of the MGAS Rules;

- within the last working day of the month in which the invoice has been issued with the beneficiary value date on the same day, for the yearly fixed fee referred to in Article 7, para. 7.1, b) of the MGAS Rules.

These time limits are also valid with regard to the PA Market Participants, as they are compatible with the application of the provisions contained in Law no. 244 of 24 December 2007 and related implementations.

Within the same times, the Market Participant must send to GME a copy of the documents giving proof of the payment.

Payments by GME to the LP participant that, as a result of the determinations referred to in paragraph 4.8 above, is found to be net creditor of GME, shall be made on the sixteenth working day with the beneficiary value date on the same date following the notification by GME of the result of the net determination referred to in paragraph 4.8 above, provided that the relevant invoice has been received by GME.

In the event of partial payment by the LP of the net debit position referred to in paragraph 4.8 above, unless otherwise expressly notified by the LP, GME shall proceed to offset up to the maximum capacity and to attribute, for the exceeding part, the invoices issued by the LP with their invoices in increasing order of amount.

The date and time of the crediting of the above payments to GME's account will be those recorded by the treasury institute.

## **5. Correction of errors**

### **5.1 Correction of errors related to *settlement***

Under Article 93, para. 93.1, of the MGAS Rules, the Market Participant may dispute the results of the communications relating to the net position to be settled as per paragraph 2.2 by sending a notification to GME within 5 PM of the working day on which such outcomes are disclosed, otherwise the claim will not be valid.

Within the working day following the reception of the complaint, GME will carry out the verifications, up or down-adjusting the corresponding amounts, and issue a new notification or correct the previously issued one, if such verifications were successful.

## **5.2 Corrections of errors related to communication and invoicing operations**

Under Article 93, para. 93.1 of the MGAS Rules, the Market Participant may dispute the results of the operations of communication and invoicing operations referred to in paras. 2.4.2, 2.4.3, 2.4.4, 2.4.5, 3.2.2, 3.2.3, 4.2, 4.3, 4.6 and 4.6 by sending a notification to GME within 4 PM of the second working day following the date of invoice's issuing or the day of invoice's transmission referred to in Article 66, para. 66.1, otherwise the claim will not be valid.

The LP participant may dispute the result of the notification procedure referred to in paragraph 4.5 above, by sending a communication to GME by 4 pm on the second working day following the day of the sending of the communications referred to in paragraph 4.5 above.

Within the second working day following the reception of the complaint, GME will carry out the verifications, up or down-adjusting the corresponding disputed amounts .

If the complaint on an invoice issued by GME under the paras. 2.4.3, 2.4.4, 2.4.5, 4.6 and 4.6 above is accepted, GME will issue a debit/credit memo, according to Articles 94, para. 94.6, of the MGAS Rules.

If successful verification of the dispute concerns notifications sent by GME to the Market Participant pursuant to the para. 4.4 above, GME will, under Articles 94, para. 94.6, of the MGAS Rules, issue a new notice or integrate the previously issued one.

Where the Market Participant issues an invoice to GME and its taxable amount or VAT amount do not match those specified in the related notice sent by GME as per paras. 2.4.2 and 3.2.2 and 4.4 above, the Market Participant will issue a debit/credit memo for up or down-adjusting or reversing the amounts incorrectly reported in the invoice.

The debit/credit memo and notices described in this paragraph may also be produced on paper form and sent by mail. In this case, a copy of the debit/credit memo or of the notification must be sent by fax.

The notes of variation and communications referred to in this paragraph will be respectively issued and made available as described in the following paragraph 6.1 and in the SetService User Manual, published on the GME website ([www.mercatoelettrico.org](http://www.mercatoelettrico.org)).

## **6. Common provisions**

### **6.1 Notifications and invoices format and way of transmission**

The notifications of pro-forma invoices shall be provided to Market Participants on the "SetService" electronic platform under the procedures described in the specific "SetService User Manual" posted on GME's website ([www.mercatoelettrico.org](http://www.mercatoelettrico.org)).

GME's invoices shall be made available on the "SetService" platform and shall be transmitted to Market Participants through the SDI exclusively under the conditions provided for by the legislation in force on electronic invoicing and the related implementing provisions.

After downloading their pro-forma invoice notifications from the "SetService" platform, Market Participants shall provide their own invoice on the "SetService" platform, entering only the necessary details, as described in the SetService User Manual.

Upon recurrence of the conditions established by the legislation in force from time to time on electronic invoicing and related implementing provisions, after downloading their pro-forma invoice notifications from the "SetService" platform, Market Participants transmit the invoice to GME through the SDI, integrated exclusively with the details required, as described in the SetService User Manual.

GME's invoices for the access fee and for the penalties and interests referred to in the previous paragraphs, shall be sent to Market Participants by email or regular mail, without prejudice to the legislation in force from time to time in force on electronic invoicing and related implementing provisions.

### **6.2 Modalities of settlement of payments**

All payments described in pars. 2.3.5 and 3.2.5 shall be made by GME to Market Participants by SEPA Credit Transfer, Priority or equivalent procedures on the account associated with the SEPA Authorisation previously notified to GME according to par. 2.3.3 above.

If the Market Participant also participates in the ME and/or PCE and has also confirmed for MGAS, according to the terms of paragraph 2.3.3 above, the bank details on which the SEPA Authorisation is already active, GME, for the sole purpose of settlement of payments, shall determine, for each settlement period, the total amount in favour of the Market Participant with



reference to the payables/receivables resulting from the transactions concluded by the Market Participant on each of the markets/platforms on which it has operated.

Payments, both those made by GME to Market Participants and those made by Market Participants to GME as defined in paragraph 4.9, shall be made by SEPA Credit Transfer with Priority or equivalent procedures from the account which bank details have been previously notified to GME in accordance with the procedures set out in paragraph 2.3.2 above.

If time limits for payments provided in paras. 2.3.5, 3.2.5 and **Errore. L'origine riferimento non è stata trovata.** and 4.9 falls on a non-working day, both GME's payments to Market Participants and Market Participants' payments to GME will be made within the next first working day.

GME's IBAN code to be used for the money transfer is posted on GME's website ([www.mercatoelettrico.org](http://www.mercatoelettrico.org)).