



ALPEX
Albanian Power Exchange

ALPEX Rules

General Terms

DOCUMENT HISTORY

MODIFICATIONS INCLUDED IN THIS VERSION	MODIFICATION EFFECTIVE DATE	MARKET RULES SECTIONS OR OPERATIONAL PROCEDURE MODIFIED	MARKET RULES VERSION IF APPLICABLE
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A. INTRODUCTION AND INTERPRETATION

A.1 INTRODUCTION AND RULE OBJECTIVE

A.1.1 Introduction

A.1.1.1 Albanian Power Exchange (hereinafter referred as ALPEX) is responsible for managing and operating the organized Electricity Markets in Albania. Transmission System and Market Operator sh.a (hereinafter referred as KOSTT) has the respective Market Operator Licenses for operating and organizing the organized Electricity Markets in Kosovo. The KOSTT under Market Operator Licenses has transferred its rights and obligations to ALPEX (through its branch in Kosovo) for operating and organizing the organized Electricity Markets in Kosovo according to ERO decision number: V_1332_2020 and Agreement between KOSTT and ALPEX signed in **dd.mm.2022**. Designation of ALPEX as NEMO for operating the Day-Ahead and Intraday Markets for Albania and Kosovo is subject of approvals of the relevant competent Regulatory Authorities.

A.1.1.2 Under respective NEMO Rule ALPEX is responsible to:

- (a) prepare and submit to the relevant Regulatory Authorities for approval the **ALPEX Rules**, setting out the terms on which ALPEX will carry out relevant of the Exchange and NEMO activities, consistent with the requirements of:
 - i. Electricity Market Rules and NEMO Rules approved by relevant Regulatory Authorities with respect to the operation of Ex-Ante Markets; and
 - ii. the Clearing and Settlement Procedures; and
- (b) ensure that who receive or wish to receive Exchange and NEMO services from ALPEX has, to the extent reasonably practicable, a single point of contact when interfacing with ALPEX in relation to those services.
- (c) prepare and submit to the Regulatory Authority, for notification, the Technical Decision relevant to these ALPEX Rules.

A.1.1.3 ALPEX role of undertaking Exchange and NEMO activities for Albania and Kosovo Markets refers explicitly for:

- (a) it's obligations and rights stemming out of the respective Market Operator License in Albania Market, and
- (b) it's obligations and rights stemming out of the relevant assignment from KOSTT for operation of the organized Electricity Market of Kosovo Market.

A.1.1.4 These ALPEX Rules set out specific details on which ALPEX as the Market Operator is to carry out its duties and by which Exchange Members are to trade in the Exchange.

A.1.1.5 These ALPEX Rules do not cover all of the tasks for which ALPEX, as a NEMO, is responsible under Article 5 of the NEMO Rules.

- A.1.1.6 The Electricity Market comprises separate, but interacting trading arrangements that include:
- (a) the Capacity Allocation Market in accordance with the Capacity Allocation Procedure in SEE CAO.
 - (b) Day-ahead and Intraday Markets, such as those under these ALPEX Rules and the Procedures, if any, operating in the Electricity Market; and
 - (c) the Balancing Market in accordance with relevant rules or procedures.

A.1.2 Objective and Principles

- A.1.2.1 These ALPEX Rules are designed to facilitate achievement of ALPEX Objective is supported by the following principles that the ALPEX Rules should:
- (a) enable compliance with the regulatory requirements of Albania, and Kosovo.
 - (b) promote competitive outcomes through provision of efficient and effective Exchange services.
 - (c) provide Exchange Members with opportunities to be consulted on changes to ALPEX Rules and Procedures.
 - (d) promote data security, integrity, and confidentiality.
 - (e) ensure all the systems and the necessary interactions for the ALPEX Markets operation.
 - (f) carry out the necessary auctions and trade operations, in conformity with the approved rules, by utilizing for this purpose the European market coupling algorithms.
 - (g) respect the requirements for transparency, not undue discrimination, confidence and exercises power market monitoring competencies.

A.1.3 Effect of Section

- A.1.3.1 This section A.1 is for information only and, without prejudice to the rights, duties and obligations set out in the Licenses and legislation referred to therein, is not intended of itself and should not be construed so as to create legally binding obligations as between or impose rights and duties on ALPEX and the parties to the Exchange Membership Agreement.

A.1.4 ALPEX Procedures

- A.1.4.1 Section B.3.3 of these ALPEX Rules provides for Procedures, that are binding on ALPEX and Exchange Members.

A.2 INTERPRETATION

A.2.1 General Interpretation

- A.2.1.1 In these ALPEX Rules and Procedures, the following interpretations shall apply unless the context requires otherwise:

- (a) words in the singular shall include the plural and vice versa and the masculine gender shall include the feminine and neuter.
- (b) any reference to any legislation, primary or secondary, in these ALPEX Rules or the Procedures includes any statutory interpretation, amendment, modification, replacement, consolidation of any such legislation and any regulations or orders made thereunder.
- (c) any references to parts, chapters, sections, paragraphs, Appendixes are references to parts, chapters, sections, paragraphs, Appendixes of these ALPEX Rules and the Procedures as amended or modified from time to time in accordance with the provisions of these ALPEX Rules.
- (d) references to points in time refer to Central European Time.
- (e) capitalised words, phrases, acronyms and abbreviations have the meaning given to them in **ALPEX Glossary** or as specifically defined in the text body of these ALPEX Rules.
- (f) references to an entity include any corporate body, an unincorporated association or any other legal entity.
- (g) any reference to a day is to be construed as a reference to a calendar day except where provided otherwise.
- (h) the word “including” and its variation are to be constructed without limitation.
- (i) any reference to ALPEX having a right to make a decision or termination or to form any opinion or judgement shall unless as otherwise stated mean that ALPEX has the right to exercise its sole and unfettered discretion in doing so.
- (j) the headings in these ALPEX Rules are for convenience only and shall not affect its interpretation.
- (k) where these ALPEX Rules or the Procedures require data to be published by ALPEX, it shall be made publicly available (which, for the avoidance of doubt, means available to public and not only to Exchange Members) in a format that readily lends itself to processing by standard computer and analysis tools, through an easily accessible public interface and the terms “publish”, “publication” and “published” shall be construed accordingly.
- (l) where these ALPEX Rules or the Procedures require ALPEX to publish information and no timeline is specified for such publication, they are required to publish such information as soon as is reasonably practicable.
- (m) references to communications in writing shall, unless otherwise specified, include e-mail and communications through the ETSS (Energy Trading Spot System) or other communication electronic medium provided by ALPEX.
- (n) any reference to “**modify**” is to be construed to include modify, amend, vary, replace, supplement and “**modification**” shall be construed accordingly.

A.2.2 Official language, notifications

A.2.2.1 The official language of ALPEX documents and written communication is the Albanian language, while English language is an unofficial translation from the Albanian one.

A.2.2.2 Unless provided otherwise, notifications by ALPEX shall be transmitted electronically, with ALPEX to determine the electronic medium.

A.2.2.3 Where information is to be made available by ALPEX to Exchange Member or prospective Exchange Member

A.2.2.4

B. LEGAL AND GOVERNANCE

B.1 PURPOSE OF THIS CHAPTER

B.1.1 General provision

B.1.1.1 This Chapter B sets out provisions relating to the governance and administration of these ALPEX Rules and Procedures.

B.2 MARKET BODIES AND ROLES

B.2.1 ALPEX Operation

B.2.1.1 ALPEX offers electricity trading on Day-Ahead and Intraday timeframes for the delivery of electricity in Albania and Kosovo Bidding Zones through electronic platform.

B.2.1.2 ALPEX is authorized by all Parties to exercise and perform the rights, obligations and functions granted to it under these ALPEX Rules to the extent required under, and in accordance with, these ALPEX Rules and the Procedures.

B.2.1.3 A reference to “ALPEX” is a reference to both ALPEX sh.a in Albania and ALPEX sh.a- the branch in Kosovo.

B.2.1.4 ALPEX has the following functions:

- (a) undertake some responsibilities of Market Operator in Albania and Kosovo specified on Market Rules and Electricity Market Model.
- (b) undertake NEMO tasks in facilitating the Day-Ahead and Intraday Markets as set out in the NEMO Rules;
- (c) ensure proper functioning and operation of the Day-Ahead and Intraday Markets trading platform; and
- (d) establish and maintain the market organizational bodies and functions set out in sections B.2.2 and B.2.8,

in accordance with and subject to the provisions of these ALPEX Rules.

B.2.1.5 In order to perform the functions, set out in B.2.1.4, ALPEX shall perform the following tasks:

- (a) process applications for membership of the Exchange in accordance with section C.1:
- (b) enter into agreements with Exchange Members for admission contemplated by section C.1;
- (c) define the detailed requirements and procedures for trading and the Exchange Committee, and publish these in according to procedures as set out in section B.3.4;

- (d) carry out the necessary auctions and trade operations, in conformity with the approved rules, by utilizing for this purpose the European Market Coupling Algorithms.
- (e) execute the coercion means and the payments for the respective Exchange Member/Clearing Member, in accordance with the defined rules and deadlines.
- (f) publish the allocated energy volumes and the respective prices, according to defined deadlines.
- (g) consult with Exchange Members on changes to these ALPEX Rules and the Procedures in accordance with Chapter J.
- (h) register of all Transactions on the ALPEX Markets which will be automatically and mandatory subject to settlement.
- (i) all Transactions registered on the ALPEX Markets shall be automatically and mandatory subject to clearing, whereby Clearing Members will become Counterparties for the ALPEX acting as Central Counterparty in all Transactions as further set out in the Clearing and Settlement Procedures.
- (j) facilitate the physical delivery of the long-term domestic OTC trades, which will be based on a financial contract, where the electricity will be traded through the Exchange. For such trades, the reference prices for the financial contract shall be the Market Clearing Price (for each MTU with respect of the Delivery Day) of the ALPEX's Day-Ahead Market. The Buyer shall be Price Taker meanwhile the Seller shall bid as Price Maker: and
- (k) make decisions necessary for the integrity and orderly operation of the Exchange, including:
 - (i) monitoring Exchange Members' compliance with these ALPEX Rules and the Procedures in accordance with Chapter D.
 - (ii) monitoring and supervising the conduct and activities of Exchange Members as set out in Chapter D; and
 - (iii) conducting audits and inspections as described/provisioned in the Procedures.

B.2.2 Exchange Committee role

B.2.2.1 The Exchange Committee is a consultative committee elected by the Exchange Members. Its role is to promote ALPEX Rules and the Procedures that remain updated and relevant over time, through consultation and advice to ALPEX on changes to ALPEX Rules and the Procedures.

B.2.2.2 The Exchange Committee has the following functions:

- (a) to be consulted on proposals for changes to the ALPEX Rules and the Procedures, and to express its opinion and suggest modifications regarding such proposals before they are accepted or rejected by ALPEX or submitted to the Regulatory Authorities for approval where required.

- (b) to consider proposals for changes to the ALPEX Rules or the Procedures from any Exchange Member submitted in accordance with section J.2, and, where the Exchange Committee considers it appropriate, develop recommendations for consideration by ALPEX.
- (c) to express opinions and make recommendations to ALPEX regarding the introduction of new ETSS or changes to existing ETSS that may materially affect Exchange Members
- (d) to express opinions and make recommendations to ALPEX regarding introduction of new Products or Market Segments or regarding Market Coupling.

B.2.2.3 The recommendations, proposals and other advice of the Exchange Committee are not binding on ALPEX. Should ALPEX decide not to accept a recommendation or the advice of the Exchange Committee, ALPEX shall explain in writing to the Exchange Committee its reasons for not doing so.

B.2.3 Exchange Committee composition

B.2.3.1 The composition of the Exchange Committee shall reflect the diversity of Exchange Members related to their Licenses.

B.2.3.2 The Exchange Committee shall consist of no more than eight (8) members appointed by Exchange Members and two members appointed by ALPEX, one of whom shall be the chairperson.

B.2.3.3 For so long as the NEMO License Conditions remain in place in the Market Operator Licenses, each Regulatory Authority may nominate an observer who is entitled to attend Exchange Committee meetings.

B.2.3.4 Exchange Committee members shall be elected or appointed (as the case may be) for a two-year period.

B.2.4 Exchange Committee chairperson

B.2.4.1 ALPEX shall appoint a chairperson and a deputy chairperson of the Exchange Committee.

B.2.4.2 The term of appointment for the chairperson and the deputy chairperson shall be two years.

B.2.4.3 The chairperson shall preside over the proceedings of the Exchange Committee, or, if he or she is unable to do so, the deputy chairperson shall preside.

B.2.5 Exchange Committee meetings

B.2.5.1 The Exchange Committee shall meet based on concrete matters if deemed appropriate by the members of the Exchange Committee or ALPEX.

B.2.5.2 The Exchange Committee or ALPEX shall set the date of each meeting and ALPEX shall publish the date for each meeting in advance, where possible, at least two weeks in advance.

B.2.5.3 Either ALPEX or a quorum of three members of the Exchange Committee may schedule an additional Exchange Committee meeting by electronic notification to all Exchange Committee members, delivered to the member's nominated authorised contact address:

- (a) on at least 14 days' notice; or
- (b) with such shorter notice period as may be agreed in writing by ALPEX, and at least five Exchange Committee members.

B.2.5.4 Any person may attend meetings of the Exchange Committee as an observer where that person has informed the chairperson in advance, the chairperson has confirmed that person's attendance in accordance with any applicable Procedures, and the person has provided an appropriate undertaking of confidentiality (on terms reasonably acceptable to ALPEX). Where space is limited, and with the agreement of the chairperson of the Exchange Committee, attendance of non-members may be limited on a first come first served basis.

B.2.6 Exchange Committee costs

B.2.6.1 Members of the Exchange Committee shall not be entitled to remuneration or reimbursement of expenses.

B.2.6.2 ALPEX shall provide administrative support for the Exchange Committee.

B.2.7 Exchange Committee Confidentiality

B.2.7.1 The members of the Exchange Committee must maintain the strict confidentiality of all confidential information they receive in the course of their duties as Exchange Committee members, unless and until after the information subsequently becomes publicly available or disclosure is required by law.

B.2.8 Market Monitoring, Surveillance and reporting function of ALPEX

B.2.8.1 ALPEX shall perform market monitoring, surveillance and reporting in relation to the Day-Ahead and Intraday Markets administered under these ALPEX Rules.

- (a) as required by REMIT and NEMO Rules;
- (b) in line with any arrangements agreed between ALPEX and the Regulatory Authorities for the purposes of giving effect to obligations under REMIT; and
- (c) as set out in Chapter D of these ALPEX Rules.

B.2.8.2 Exchange Members shall cooperate fully with ALPEX in performing its functions under this section B.2.8 and Chapter D.

B.2.8.3 The ALPEX is not authorized to impose sanctions, take enforcement action or accept an undertaking instead of imposing a sanction or taking enforcement action unless this is already provided under these ALPEX Rules.

B.2.9 Exchange Members

B.2.9.1 An Exchange Member is a legal entity that satisfies the criteria stipulated in accordance with Chapter C.

B.2.9.2 ALPEX may not refuse to enter an Exchange Membership Agreement with an Applicant who satisfies the requirements set out in Chapter C, and if all applicable requirements in the Trading Procedures are satisfied.

B.2.10 ALPEX in its role as Central Counterpart

B.2.10.1 ALPEX is responsible for the Clearing and the Settlement of Transaction conducted in ALPEX Markets, acting as a Central Counterpart.

B.2.10.2 ALPEX will perform the role as Central Counterpart with Clearing Members that are responsible for Clearing the relevant Transactions conducted in ALPEX Market through an agreement entered into with ALPEX and in accordance with the Clearing and Settlement Procedures.

B.2.10.3 In all ALPEX Markets Segments, ALPEX applies the Clearing Conditions through an agreement entered with:

- (a) an Exchange Member who is admitted as a Direct Clearing Member; or
- (b) a General Clearing Member, which is entitled to clear the Transactions carried out by contracted Exchange Members and approved by ALPEX to participate in Clearing.

B.2.10.4 ALPEX Clearing Members shall, as a condition of its membership of the Exchange, and at all times while it remains a Clearing Member, comply with all applicable requirements of the Clearing Conditions such that it is able to participate in the orderly settlement of Contracts under the Clearing and Settlement Procedures.

B.2.10.5 The Clearing and Settlement Procedures shall apply to all Transactions and Disputes among ALPEX and the Clearing Members and Exchange Members .

B.3 LEGAL FRAMEWORK

B.3.1 Instruments governing conduct and participation in the Exchange

B.3.1.1 The following instruments govern the conduct, participation, and organization of the Exchange:

- (a) the Exchange Membership Agreement (described in section B.3.2).
- (b) these ALPEX Rules.
- (c) Procedures (described in section B.3.3), including:
 - (i) Trading Procedures
 - (ii) Clearing & Settlement Procedures
 - (iii) ALPEX Technical Decisions, and
 - (iv) Exchange Committee Procedures;

B.3.1.2 The contractual relationship between ALPEX and its Exchange Members/Clearing Members is governed by these ALPEX Rules and the Procedures, which are applied and may be enforced by ALPEX and its Exchange Members through the Exchange Membership Agreement and by ALPEX and its Clearing Members through the Framework Agreement.

B.3.2 Exchange Membership Agreement

B.3.2.1 The Exchange Membership Agreement is the framework agreement that ALPEX and each Exchange Member must enter and under which both Parties are bound by these ALPEX Rules and the Procedures.

B.3.3 Procedures

B.3.3.1 ALPEX shall develop, maintain and publish Procedures in accordance with this section B.3.3 and Chapter J to be followed by Parties in performing obligations and functions under these ALPEX Rules.

B.3.3.2 Procedures may include details of:

- (a) the Exchange Committee Procedures, including:
 - (i) election procedures;
 - (ii) nominations for membership;
 - (iii) removal and resignation of members;
 - (iv) quorum provisions;
 - (v) observers; and
 - (vi) processes for submitting and considering Modifications to ALPEX Rules and the Procedures.
- (b) Trading Procedures, including:
 - (i) Product Specifications and types of Orders for each Market Segment.
 - (ii) for each Market Segment, detailed operational matters regarding:
 - Order Matching and processing.
 - Trading Limits.
 - Auction procedures.
 - data publication.
 - (ii) information requests, inspection and audit.
 - (iii) technical access.
 - (iv) exceptions to normal trading.
- (c) Clearing and Settlement Procedures, including:
 - (i) arrangements for invoicing and terms of payment
 - (ii) arrangements for Callateral
 - (iii) Default Fund
 - (iv) Bank accounts

B.3.3.3 The Procedures shall be made in multiple documents each called "Procedures", which collectively shall comprise the Procedures.

B.3.3.4 Procedures documents may be modified only in accordance with Chapters J or K of these ALPEX Rules.

B.3.4 Publication of ALPEX Rules and the Procedures

B.3.4.1 ALPEX shall publish the prevailing version of these ALPEX Rules and the Procedures. Changes to the ALPEX Rules or the Procedures shall be incorporated in the published versions as soon as practical after a decision is made in accordance with Chapter J or K.

B.3.4.2 The date of publication of the complete amended version of these ALPEX Rules or the Procedures shall not affect the date of coming into effect of the relevant Modification.

B.3.4.3 ALPEX shall also always publish a list of effective Modifications which have been approved but have not yet been incorporated into the then prevailing version of the ALPEX Rules or the Procedures.

B.3.5 Governing Law and Jurisdiction

B.3.5.1 These ALPEX Rules and the Procedures and any disputes arising under, out of, or in relation to them shall be interpreted, construed, and governed in accordance with the laws of Albania and Kosovo as the case might be.

B.3.5.2 Subject to section G.2, the Parties hereby submit to the jurisdiction of the Courts of Albania and/or the Courts of Kosovo (and no other court) for all disputes arising under, out of, or in relation to these ALPEX Rules and the Procedures after they will exhaust any provision set out by relevant regulation.

B.3.6 Term

B.3.6.1 These ALPEX Rules shall commence on the Effective Date.

B.3.7 Priority

B.3.7.1 In the event of any conflict between an obligation under the Exchange Membership Agreement, these ALPEX Rules and/or the Procedures, such conflict shall be resolved according to the following order of priority:

- (a) these ALPEX Rules;
- (b) the Procedures;
- (c) the Exchange Membership Agreement; and
- (d) the Framework Agreement

B.3.7.2 It is not intended that there be any inconsistency or conflict between any provision of any of the chapters, sections or paragraphs of these ALPEX Rules. However, in the event of any inconsistency or conflict, such inconsistency or conflict shall be resolved in the following order of priority:

- (a) Chapter K (Interim Arrangements);
- (b) the remaining Chapters and the ALPEX Glossary.

B.3.7.3 The provisions of paragraph B.3.7.2 shall be subject to any express provision to the contrary in these ALPEX Rules.

B.4 OBLIGATIONS ON PARTIES

B.4.1 Compliance with instruments

B.4.1.1 Each Party shall comply with these ALPEX Rules, the Procedures and the Exchange Membership Agreement.

B.4.1.2 Without prejudice to the generality of paragraph B.4.1.1, no Party shall, either directly or indirectly, on its own or in conjunction with any other Party or person, obstruct the proper functioning of the Exchange in accordance with these ALPEX Rules or the Procedures.

B.4.1.3 Without prejudice to any other provision of these ALPEX Rules, the Procedures or the Exchange Membership Agreement, each Party:

- (a) shall perform all its rights, functions and obligations under these ALPEX Rules with the degree of care;
- (b) shall at all times comply with permissions and Licenses required to be obtained and maintained for becoming an Exchange Member and for participating in ALPEX Markets in accordance with these ALPEX Rules;
- (c) shall pay all payments arising under these ALPEX Rules, the Procedures and the Clearing Conditions as they become due;
- (d) shall ensure that, save as expressly permitted otherwise, any information or data it is required to submit to ALPEX or any other Party, or to maintain, as required by virtue of being an Exchange Member (including under section B.4.4), shall, to the best of its knowledge and belief, be true, valid, correct, complete and accurate at the time it is given and, save as expressly provided otherwise, while it is maintained and, where appropriate, it shall keep ALPEX informed in a timely way of any errors, mistakes or omissions in, and corrections or updates to any information or Data which it has submitted to ALPEX or any other Party under these ALPEX Rules or the Procedures;
- (e) shall ensure that any information or Data it is required to submit to ALPEX, or any person as required by virtue of being an Exchange Member will be submitted in a timely manner to enable ALPEX or such other person to perform their obligations and functions arising pursuant to these ALPEX Rules or a Regulatory Reporting Requirement; and
- (f) shall co-operate with and provide all reasonable assistance to ALPEX on request for the purposes of ALPEX performing its functions and obligations under these ALPEX Rules, the Procedures or a Regulatory Reporting Requirement.
- (g) shall keep records and data of all its trading activity on ALPEX, the content of which may be further specified by ALPEX Technical Decision. All such data shall immediately be made available to ALPEX for monitoring purposes, if so

requested, and in the event that the said data is not kept in readable or paper form, the Exchange Member must be able to reproduce them in such form.

- (h) shall keep the books and issue the documents requested by legislation in force.
- (i) If it acts as a Direct Clearing Member, it must comply with the respective financial requirements set by ALPEX and provide the required margins under the provisions of the ALPEX Clearing and Settlement Procedures and the ALPEX Rules as a precondition for its eligibility to trade.
- (j) shall have adequate internal audit systems in place with respect to its trading activity in ALPEX and for the purpose of verifying the Exchange Member's compliance with this ALPEX Rules and the Procedures.
- (k) shall employ an adequate number of personnel with the appropriate knowledge, experience and skills to ensure Exchange Member's compliance with this ALPEX Rules and the Procedures.
- (l) shall ensure that its employees fulfill all the obligations emanating from this ALPEX Rules and the Procedures.
- (m) ALPEX shall not be liable towards Exchange Member except for wilful misconduct or gross negligence. ALPEX shall take the appropriate measures to prevent operating problems in the systems administered by it and arrange for the earliest possible restoration of faults or malfunctions. ALPEX shall not be liable:
 - (i) for any losses which may be incurred by Exchange Member or any third parties as a result of events due to Force Majeure, including but not limited to war, strikes, riots, insurrections, civil disturbances, epidemics, electrical power failures of a general extent in terms of place and/or time, shortages of fuel or raw materials, the failure, malfunction or crash of communications systems and electronic systems in general, fires, floods, transport problems or other causes beyond the reasonable control of ALPEX;
 - (ii) to compensate any loss incurred by an Exchange Member or any third party which is caused by the failure of the ETSS, as a result of the above Force Majeure Events, even temporarily, or due to the loss of data contained in the ETSS or to any fraudulent use of the ETSS or its data by third parties.

B.4.2 No undue discrimination

- B.4.2.1 ALPEX shall not unduly discriminate among any Exchange Members in exercising its rights and powers and performing its functions and obligations.

B.4.3 Powers and obligations in case of emergency

- B.4.3.1 In case of emergency, including but not limited to the circumstances set out in paragraph F.3.1.1, ALPEX may issue any instructions or take any decisions or measures that it reasonably considers appropriate to ensure the orderly conduct of

trading on the Exchange and the settlement of any traded Transactions. These instructions, decisions and measures are binding for all Exchange Members and Clearing Members, who shall comply with them.

B.4.4 Regulatory Requirements

B.4.4.1 If ALPEX is required to compile, collect and/or submit any information or data, or report any conduct or any matter, relating to the Exchange or its operation to the Regulatory Authority or another Competent Authority under any Applicable Law (a “**Regulatory Reporting Requirement**”), then each Exchange Member:

- (a) shall provide such information, data and reports as ALPEX reasonably requests of the Exchange Member in accordance with the timeframes requested to enable ALPEX to comply with or fulfil the Regulatory Reporting Requirement (or procure that such information, data and reports are provided);
- (b) shall co-operate with ALPEX and take such steps as ALPEX reasonably requests as are necessary or desirable to enable ALPEX to comply with or fulfil the Regulatory Reporting Requirement; and
- (c) consents to ALPEX providing information, data or reports to the Regulatory Authorities or another Competent Authority in accordance with the Regulatory Reporting Requirement (or procure that any necessary consents are provided).

B.4.5 ALPEX Fees and Charges

B.4.5.1 The operating costs of the Day-Ahead and Intraday Markets are recovered through Fees and Charges paid by the Exchange Members to ALPEX.

B.4.5.2 ALPEX may charge, and prospective or admitted Exchange Members shall pay to ALPEX, the Charges determined in accordance with the ALPEX Fee Schedule in the manner and at the times indicated in that statement, and in accordance with the Procedures.

B.4.5.3 ALPEX shall specify the account into which payment of Fees and Charges must be made.

B.4.5.4 Each Exchange Member shall pay the amount of any Fees and Charges under paragraph B.4.5.1 to ALPEX, together with the appropriate amount of VAT and other taxes, in accordance with an invoice issued by ALPEX.

B.4.5.5 Where any payment under these ALPEX Rules is overdue, Statutory Default Interest shall accrue from the relevant due date until the date of actual payment in full of the overdue amount.

B.4.5.6 The Fees and Charges are determined by Regulatory Decision if it is case, based on a methodology for calculating Fees and Charges, upon ALPEX’s proposal. The Fees and Charges apply after the lapse of a time period specified by the aforementioned Regulatory Decision.

B.4.5.7 The applicable Fees and Charges of ALPEX are published by ALPEX on its website www.alpex.al.

B.4.6 Obligations of confidentiality

B.4.6.1 ALPEX and each Exchange Member shall comply with the obligations of confidentiality set out in section H.5.

C. ADMISSION TO THE EXCHANGE

C.1 MEMBERSHIP REQUIREMENTS

C.1.1 Eligibility for Exchange membership

C.1.1.1 Legal entities which have in place all relevant authorisations and licenses (or have in place any applicable exemptions or derogations to hold any such relevant authorisations and licenses) for trading in electricity (where applicable) required by the Applicable Law;

- (a) Producers, holders of a Production License or an exemption from obtaining a production licensing
- (b) Suppliers, holders of a Supply License
- (c) Traders, holders of a Trading License
- (d) Customer, holders of a Consumer License (if the case might be)
- (e) Transmission System Operator (OST and KOSTT)
- (f) Distribution System Operator
- (g) Universal Service Supplier
- (h) Renewable Energy Source Operator

C.1.1.2 must be Balance Responsible Party or to be part of Balance Responsible Party Group confirmed by OST/KOSTT.

C.1.1.3 have, or satisfy ALPEX that it will have, the technical capability to trade on the systems of the Exchange.

C.1.1.4 be registered with the relevant Regulatory Authority under REMIT Rules; and

C.1.1.5 will act as a Direct Clearing Member or submitting a statement of cooperation with a General Clearing Member of ALPEX in respect of the Clearing of its trades.

C.1.2 Required Information for Admission

C.1.2.1 An entity seeking to be admitted as an Exchange Member ("**Applicant**") must:

- (a) pay ALPEX the applicable Administrative Fee;
- (b) submit to ALPEX a membership application ("**Membership Application**") containing all relevant information listed in such form as ALPEX shall prescribe and publish on its webpage.
- (c) establish to ALPEX satisfaction that they comply with the applicable requirements set out in paragraph C.1.1.1 to paragraph C.1.1.4 and are therefore eligible to become an Exchange Member.

C.1.2.2 The Administrative Fee shall be non-refundable.

C.1.2.3 The Applicant shall certify the validity of any information provided under this section C.1.2 and substantiate it, where appropriate, by providing certified copies of the original documents in accordance with the respective ALPEX Technical Decision.

- C.1.2.4 Submission of the Membership Application is considered as acceptance by the applicant of all the provisions of this ALPEX Rules as well as of the relevant obligations relating to the Section C.1.1.
- C.1.2.5 At the time of submission of the “Membership Application”, the Applicant must disclose any other capacities it may have, such as a prospect Exchange Member or regulated market operators and provide ALPEX with all necessary data and information relating to these capacities. ALPEX may request data and information from such entities and the competent authorities of the Applicant as part of gathering and verifying critical information for considering the application.
- C.1.2.6 The Exchange Member capacity is not transferred or assigned to a third party. The specific procedure and any technical terms and necessary detail that the Exchange Member should comply with in case of corporate transformations is specified by a Technical Decision of ALPEX.
- C.1.2.7 In order to participate in ALPEX Markets, the Applicant shall be obliged to have appointed at least one (1) Certified Trader. In addition, it must have an adequate number of Certified Traders, taking into consideration the volume of trades it will be performing and its obligations to comply with the rules of professional conduct in accordance with the provisions in force.
- C.1.2.8 The “Membership Application” shall be accompanied by a known-your-client form clearly setting out the organizational procedures under which it intends to operate as an Exchange Member. ALPEX may provide Applicants with a specimen to serve as a guideline for the content of the know-your-client form.
- C.1.2.9 Where ALPEX receives a Membership Application, it may, within 20 Days:
- (a) if the Applicant does not comply with the applicable requirements set out in paragraph C.1.1.1, reject the Membership Application by written notice to the Applicant; or
 - (b) if it considers that further information or clarification is required, send a notice to the Applicant identifying the further information or clarification required.
- C.1.2.10 The decision in paragraph of (b), is justified by ALPEX, in particular in the following cases:
- (a) when the Applicant has not submitted a duly completed and signed “Membership Application” and the documents related thereto in the application folder;
 - (b) when ALPEX has in the past deleted the candidate from Exchange Member as a result of a breach of regulations and agreements with it in accordance with the provisions of ALPEX Rules and the Procedures, unless the circumstances that led to the deletion have ceased to exist or ALPEX is reasonably convinced that the breach will not be repeated;
 - (c) if acceptance of the “Membership Application” would cause ALPEX to violate any provision of any mandatory legal or regulatory obligation;
 - (d) where any of the candidate’s statements are inaccurate or false; or
 - (e) where it has overdue payment obligations towards ALPEX.

C.1.2.11 Notwithstanding paragraph (a), where ALPEX considers information has been omitted from a Membership Application that would establish a person's eligibility for membership, ALPEX shall send a notice to the Applicant identifying the information required.

C.1.2.12 If ALPEX does not receive the further information or clarification required within 10 Days of a request under paragraph (b) or paragraph C.1.2.8, then the Applicant shall be deemed to have withdrawn the Membership Application. The Applicant may request additional time to provide any further information or clarification and ALPEX shall not unreasonably withhold consent to any such request.

C.1.3 **Admission**

C.1.3.1 ALPEX shall generally accept and handle applications for Exchange Members on a fair and non-discriminatory basis. Subject to the aforesaid principle, ALPEX may however impose special terms and conditions on individual entities if this, in the reasonable opinion of ALPEX, is necessary to reflect special circumstances applying to that entity, or to admit an entity which would otherwise be excluded from the Membership, including terms and conditions required by Applicable Law in the jurisdiction where the entity is domiciled.

C.1.3.2 If ALPEX is satisfied that an Applicant fulfils the applicable requirements set out in section C.1.1, and has provided all the information and clarification required under section C.1.2, ALPEX shall within 20 Days of final receipt of all required information provide the Applicant with an Admission Notice, under which the Applicant becomes eligible to continue the procedures for the Exchange Membership Agreement. ALPEX may specify any conditions that it considers need to be satisfied before the Exchange Membership Agreement takes effect.

C.1.3.3 The Applicant shall return the executed Exchange Membership Agreement to ALPEX promptly after receiving it. If ALPEX is satisfied that the Exchange Membership Agreement has been properly executed by the Applicant, and all the specified conditions have been satisfied, then ALPEX shall notify the new Exchange Member in writing of the Effective Date of its membership.

C.1.3.4 The new Exchange Member is entitled to trade on the Exchange from the Effective Date specified in the Market Notice under paragraph C.1.3.3. and after fulfilling the condition provide in the Section F.4.

C.1.3.5 ALPEX shall inform Exchange Members of the name of a new Exchange Member in a Market Notice and publish details of the admission of the new member on the ALPEX website.

C.1.3.6 If ALPEX decides not to admit an Applicant, then it shall give the Applicant reasons for its decision. ALPEX shall only permit the Applicants that ALPEX in its sole discretion considers adequate and proper to become member. Applicants will not be unreasonably rejected.

C.1.3.7 ALPEX shall promptly inform the Applicant, in writing, about the outcome of the application process. If the application is approved, one original copy of the Exchange Membership Agreement, signed by the authorized representative of the signatories, shall be available to the Parties. Exchange Membership Agreement is

concluded in Albanian or English language, whereas the right to choose the language belongs to the applicant. Legal force and relations between English and Albanian version of the ALPEX Rules is governed by stipulations of the Membership Agreement.

- C.1.3.8 Each Exchange Members has the right to request from ALPEX the formation of Trading Portfolios, for ALPEX Day Ahead Market.
- C.1.3.9 Each Exchange Member has the right to request from ALPEX formation of Trading Portfolio, for ALPEX Continuous Intraday Trading Market and formation of Trading Portfolios, for ALPEX Intraday Auction Market.
- C.1.3.10 An Exchange Member may, upon request and subject to ALPEX approval (not to be unreasonably withheld) be granted an additional number of Trading Portfolios for any or each of ALPEX Markets on which it participates.

C.1.4 **Entrance Fee**

- C.1.4.1 ALPEX shall publish details of the Entrance Fee expressed in Euro.
- C.1.4.2 ALPEX shall specify the bank account into which payment of Entrance Fee must be made.

C.1.5 **General**

- C.1.5.1 When completing its Membership Application, an Applicant shall provide the required information and, where applicable, in the format specified, in the ALPEX form published in its website.
- C.1.5.2 An Applicant hereby authorizes ALPEX to make such enquiries as ALPEX considers appropriate and to share any information provided by the Applicant with the General Clearing Member or the ALPEX in connection with processing a Membership Application.

C.2 DEFAULT, SUSPENSION AND TERMINATION OF MEMBERSHIP

C.2.1 **Scope of Section**

- C.2.1.1 This section C.2 sets out rights, obligations and processes relating to Default, Resignation, Trading Halts, Suspension and Termination.

C.2.2 **Default**

- C.2.2.1 An Exchange Member shall be in Default where it is in material breach of any provision of these ALPEX Rules, the Procedures or the Exchange Membership Agreement, and includes without limitation a failure to pay or cause to be paid an amount of money or a breach of one or more of the conduct provisions in Chapter D.
- C.2.2.2 An Exchange Member shall notify ALPEX as soon as reasonably practicable upon becoming aware of any circumstance that will give rise to, or has given rise to a Default, or the occurrence of an event described in any of paragraphs C.2.5(a) to C.2.5(c) and C.2.5(a) to C.2.5(d) in respect of the Exchange Member.

C.2.2.3 On becoming aware of a Default in relation to an Exchange Member, whether through a notification under paragraph C.2.2.2 or otherwise, ALPEX shall issue to the defaulting Exchange Member a Default Notice specifying the Default.

C.2.2.4 ALPEX shall specify in a Default Notice:

- (a) the nature of the Default;
- (b) if the Default is capable of remedy, the time from the date of the Default Notice within which the defaulting Exchange Member is required to remedy the Default; and
- (c) any other action which ALPEX may reasonably require the defaulting Exchange Member to take in respect of the Default.

C.2.2.5 The defaulting Exchange Member shall comply with the Default Notice.

C.2.3 **Exchange Member resignation**

C.2.3.1 An Exchange Member may apply to ALPEX to resign its membership of the Exchange in accordance with this section.

C.2.3.2 An application to resign shall be in writing and must specify the time and date upon which the Exchange Member wishes the resignation to take effect (which date must be not less than 60 Days after the notice is given).

C.2.3.3 ALPEX shall accept an Exchange Member's resignation if ALPEX is satisfied that the relevant Exchange Member has complied (or will comply by the time the resignation takes effect) with all of the following conditions:

- (a) the Exchange Member has no continuing obligations or liabilities owed to ALPEX, under these ALPEX Rules and the Procedures; and
- (b) any outstanding Default by the Exchange Member which is capable of remedy has been remedied;

C.2.3.4 ALPEX may extend the deadline referred to in the previous paragraph C.2.3.2, depending on the outstanding liabilities of the Exchange Member and/or the need to protect the ETSS from emerging risks. Where the time limit is modified, the results of the resignation and termination of the relevant agreements referred to in the previous paragraph C.2.3.3, shall take effect on the modified date on which ALPEX accepts the resignation, which takes place at the latest until the expiry date of the new time limit.

C.2.3.5 If ALPEX accepts an Exchange Member's resignation, then it shall notify the Exchange Member in writing specifying the time the resignation takes effect.

C.2.3.6 Upon fulfillment of the conditions of the preceding paragraphs, ALPEX shall accept the resignation and inform other Exchange Members of the resignation by a Market Notice, the General Clearing Member and Regulatory Authority, accordingly. Where the resignation is not accepted, ALPEX shall provide a reasoned answer.

C.2.3.7 The resignation of the Exchange Members does not prevent the reacquisition thereof, provided that the conditions governing it are met at the time of admission.

C.2.3.8 The resignation procedure may be specified by a Technical Decision of ALPEX.

C.2.3.9 The Transmission System Operators, the Distribution System Operators, the RES Operator, Universal Service Supplier and the Public Generator shall not be permitted to terminate being a party to the ALPEX Rules except where so required by the Competent Authority.

C.2.4 **Trading Halt**

C.2.4.1 ALPEX may declare an Exchange Member to be subject to a Trading Halt if:

- (a) the Exchange Member breaches these ALPEX Rules, the Procedures or the Exchange Membership Agreement and ALPEX considers that the breach adversely affects the operation of the ETSS or another Exchange Member's ability to interface with those systems;
- (b) Lack of a valid Balance Responsible Party agreement, in accordance with the provisions of paragraph C.1.1.2.
- (c) ALPEX considers that the Exchange Member may have breached one or more of the Conduct provisions set out in Chapter D; or
- (d) ALPEX is requested to exclude an Exchange Member from Trading by the General Clearing Member in accordance with the Clearing Conditions.

C.2.4.2 If ALPEX declares an Exchange Member to be subject to a Trading Halt, then it shall notify the Exchange Member in writing specifying the time the Trading Halt took effect and the matter or matters giving rise to the Trading Halt.

C.2.4.3 Where a Trading Halt arises from a Default and if a Default Notice has not already been issued by ALPEX in relation to that Default, then ALPEX shall issue a Default Notice in accordance with paragraph C.2.2.3.

C.2.4.4 When ALPEX is satisfied that:

- (a) an Exchange Member has rectified the matter or matters giving rise to a Trading Halt identified in a notice under paragraph C.2.4.2; and
- (b) there are no other circumstances in existence which would entitle ALPEX to declare the Exchange Member to be subject to a Trading Halt,

ALPEX shall lift the Trading Halt by declaring that the Exchange Member is no longer subject to a Trading Halt.

C.2.4.5 Where ALPEX lifts a Trading Halt affecting an Exchange Member, it shall:

- (a) re-activate the Exchange Member's access to the ETSS; and
- (b) notify the Exchange Member in writing.

C.2.4.6 ALPEX shall endeavor to re-activate access under paragraph (a), either prior to or simultaneously with notification under paragraph (b).

C.2.5 **Suspension of Membership**

C.2.5.1 ALPEX shall issue a Suspension Order in respect of an Exchange Member where:

- (a) the ALPEX has taken any action in relation to the Exchange Member which is a Direct Clearing Member as well, that ALPEX considers will or could (with

the expiration of time) prevent the Exchange Member settling Contracts created under these ALPEX Rules for a period of time;

- (b) the ALPEX becomes aware that the Exchange Member no longer complies with the requirements set out in paragraph C.1.1.1
- (c) the Exchange Member has failed to pay any due Fees and Charges under these ALPEX Rules.
- (d) the Exchange Member which is a Direct Clearing Member has failed to pay any Trading Payments under these ALPEX Rules.

C.2.5.2 ALPEX may issue a Suspension Order in respect of an Exchange Member where:

- (a) it becomes unlawful for the Exchange Member to comply with any of its obligations under these ALPEX Rules;
- (b) a Legal Requirement necessary to enable the Exchange Member to fulfil its obligations and functions under these ALPEX Rules is amended or revoked in whole or in part so as to prevent the Exchange Member from fulfilling its obligations and functions under these ALPEX Rules or the Procedures;
- (c) the Exchange Member suspends or ceases to carry on its business, or any part of its business which is relevant to its activities under these ALPEX Rules;
- (d) an insolvency event occurs in relation to the Exchange Member;
- (e) when the Order violates the ALPEX Rules, the Applicable Law or contractual commitments undertaken by ALPEX as part of its role as NEMO.
- (f) the Exchange Member has breached one or more of the Conduct provisions in Chapter D; or
- (g) ALPEX has issued a Default Notice to the Exchange Member under paragraph C.2.2.3 or paragraph C.2.4.3 and the Exchange Member has failed to remedy the Default according to the terms of the Default Notice.

C.2.5.3 Where a Suspension arises from a Default and a Default Notice has not already been issued by ALPEX in relation to that Default, ALPEX shall issue a Default Notice in accordance with paragraph C.2.2.4.

C.2.5.4 A Suspension Order:

- (a) shall specify the date and time from which the Suspension takes effect;
- (b) may specify the period of the Suspension or an event on the occurrence of which the Suspension will end; and
- (c) may specify terms of the Suspension.

C.2.5.5 If ALPEX issues a Suspension Order to an Exchange Member, then it shall:

- (a) notify the affected Exchange Member in writing as soon as reasonably practicable in the circumstances;
- (b) send a copy to the Regulatory Authority and the General Clearing Member; and

(c) inform other Exchange Members by a Market Notice.

C.2.5.6 Suspension under a Suspension Order has immediate effect from the date and time specified in the Suspension Order.

C.2.5.7 ALPEX shall lift the Suspension Order if the relevant Exchange Member remedies the matter or matters giving rise to the Suspension Order or the circumstances giving rise to the Suspension Order no longer apply, and no other Suspension Order has been issued to the Exchange Member.

C.2.5.8 Where a Suspension Order is amended or lifted by ALPEX, ALPEX shall:

(a) notify the affected Exchange Member in writing as soon as reasonably practicable in the circumstances;

(b) inform other Exchange Members of the amendment or lifting by a Market Notice; and

(c) send a copy of the relevant notice to the Regulatory Authority and the General Clearing Member.

C.2.6 **Consequences of Trading Halts and Suspension**

C.2.6.1 If an Exchange Member is subject to a Trading Halt or has been suspended under a Suspension Order:

(a) ALPEX shall deactivate the Exchange Member's access to the ETSS and may do (or refrain from doing) any act, matter or thing to give effect to the Trading Halt or Suspension;

(b) the Exchange Member shall cancel all Orders in the ETSS in its name and, to the extent it fails to do so, then ALPEX shall cancel those Orders;

(c) the Exchange Member shall use all reasonable endeavors to rectify, and mitigate the consequences of, the matter or matters giving rise to the Trading Halt or Suspension; and

(d) the Exchange Member shall cease, and shall procure that its Traders cease, trading on the Exchange until ALPEX notifies the Exchange Member that the Trading Halt or Suspension has been lifted (or, in the case of Suspension, the period of the Suspension ends in accordance with the terms of the relevant Suspension Order).

C.2.7 **Termination of Membership**

C.2.7.1 ALPEX shall issue a Termination Order to an Exchange Member where the Exchange Member:

(a) has breached one or more of the Conduct provisions set out in Chapter D, and the Regulatory Authority direct ALPEX to terminate the Exchange Member's membership; or

(b) is no longer able to settle Contracts created under these ALPEX Rules as the Direct Clearing Member;

- C.2.7.2 ALPEX may, subject to paragraph C.2.7.3, issue a Termination Order to an Exchange Member where the Exchange Member:
- (a) has been subject to a Trading Halt for more than 20 Days;
 - (b) has been suspended for more than 20 Days;
 - (c) has not remedied the Default or Defaults giving rise to a Default Notice within 20 Days;
 - (d) no longer meets the requirements set out in section C.1.1;
 - (e) is in breach of a Suspension Order or has not taken such action as is required by ALPEX within the timeframe specified in the Suspension Order.
- C.2.7.3 Prior to issuing a Termination Order under paragraph C.2.7.2, ALPEX shall provide notice to the Regulatory Authority. It is to the Regulatory Authority discretion for the final decision.
- C.2.7.4 Where ALPEX issues a Termination Order, the Termination Order shall specify the time and date from which the Termination will take effect and the terms of the Termination.
- C.2.7.5 If ALPEX issues a Termination Order to an Exchange Member, then it shall:
- (a) send a copy of the order to the Regulatory Authority; and
 - (b) inform other Exchange Members by a Market Notice.

C.2.8 **Consequences of Resignation or Termination**

- C.2.8.1 When an Exchange Member resigns or its membership is terminated under section C.2.7, then the Exchange Member:
- (a) shall cease to be a member of the Exchange, and a party to the Exchange Membership Agreement;
 - (b) to the extent that it has not already done so:
 - (i) the Exchange Member shall cease, and shall procure that its Traders cease, trading on the Exchange; and
 - (ii) the Exchange Member shall cancel all Orders in the ETSS in its name, and, to the extent it fails to do so, then ALPEX shall cancel those Orders,

from the time specified in the notice under paragraph C.2.3.5 or the Termination Order (as applicable).

- C.2.8.2 The Resignation or Termination of an Exchange Member does not affect:
- (a) the accrued rights or obligations of the Exchange Member under the ALPEX Rules, the Procedures or the Exchange Membership Agreement which arose out of, or which relate to any act or omission prior to the date of its resignation or termination;
 - (b) payment of any amount which was or becomes payable under the ALPEX Rules, the Procedures or the Clearing Conditions in respect of any period

before its resignation or termination (including in relation to any Dispute regarding an event before its resignation or termination of the Exchange Member, even if the Notice of Dispute is given after the date of its resignation or termination);

- (c) the continuing obligations of the Exchange Member under or in respect of any Contract created prior to its resignation or termination; and

C.2.8.3 Any provisions of the ALPEX Rules which expressly, or by implication are intended to, commence or continue in effect on or after resignation or termination of an Exchange Member shall continue to bind the Exchange Member.

C.2.8.4 For the avoidance of doubt, an Exchange Member shall continue to be bound by the Dispute Resolution Process in respect of any Disputes arising following its resignation or termination, but which relate to any period prior to its resignation or termination.

C.2.8.5 ALPEX is not required to refund any Fees paid to it by any Exchange Member after their resignation or termination.

C.2.9 **General**

C.2.9.1 For the avoidance of doubt, while an Exchange Member is subject to a Trading Halt or is Suspended:

- (a) the Exchange Member shall continue to comply with, and remains liable for all debts and obligations accrued under, these ALPEX Rules, the Procedures or the Clearing Conditions during the Trading Halt or Suspension; and
- (b) the Trading Halt or Suspension does not affect the continuing obligations of the relevant Exchange Member under or in respect of any Contract created prior to the Trading Halt or the Suspension Order coming into effect.

C.2.9.2 ALPEX may amend a Default Notice and Suspension Order, according to paragraph C.2.5.4 or with the written approval of the Regulatory Authority, a Termination Order by written notice to the relevant Exchange Member.

C.2.9.3 For the avoidance of doubt, ALPEX may declare an Exchange Member to be subject to a Trading Halt in the circumstances contemplated in section C.2.4, or issue a Suspension Order upon the occurrence of an event described in any of paragraphs C.2.5(a) to C.2.5(c) and paragraphs C.2.5(a) to C.2.5(e), that also constitutes a Default, without issuing a Default Notice or waiting for the applicable remedy period under the Default Notice to expire.

C.3 **NOTICES**

C.3.1 **Application**

C.3.1.1 This section C.3 applies to communications required to be given by ALPEX or an Exchange Member, including notifications, notices, declarations and orders made, issued, amended or lifted under these ALPEX Rules or the Procedures. For the avoidance of doubt, these include communications in relation to:

- (a) Default Notice;

- (b) Trading Halts;
- (c) Suspension Orders;
- (d) Termination Orders;
- (e) Notices of Dispute and the current status of each;
- (f) notifications of Force Majeure Events; and
- (g) Market Notice.

C.3.2 Notice to other Parties

- C.3.2.1 Any notice required to be given for the purposes of these ALPEX Rules or the Procedures shall be given in writing unless otherwise specified in these ALPEX Rules or the Procedures.
- C.3.2.2 Any notice required to be given in writing, or a communication for which a prescribed form is otherwise required in these ALPEX Rules or the Procedures, may also be given by email, or by way of a notification to an Exchange Member from the ETSS or other communication electronic medium.
- C.3.2.3 ALPEX details (the address or email address) are specified on its website at any time.
- C.3.2.4 The Exchange Member's address for communicating with ALPEX is the one that the Exchange Member has specified in the "Membership Application". Any change of address of the Exchange Member shall be notified in writing to ALPEX.
- C.3.2.5 Any notice in writing shall be deemed to have been received:
 - (a) in the case of delivery by hand, when delivered;
 - (b) in the case of registered post, when accepted; or
 - (c) in the case of email, when the email enters the receiving Party's IT system.
- C.3.2.6 Each Party shall specify a postal address, and email address and one representative for the service of notices in writing and may amend such details by notifying the ALPEX in writing.
- C.3.2.7 Written communications between Members and ALPEX shall be in Albanian or in English.

D. MARKET CONDUCT, MONITORING AND SURVEILLANCE

D.1 PURPOSE OF THIS CHAPTER

- D.1.1.1 Implementation of the best practice EU regulation on Market Conduct and Surveillance.
- D.1.1.2 Pursuant to REMIT Rules, this Chapter D sets out the rules relating to Market Conduct and behaviors which must be respected and complied with at all times by Exchange Members.
- D.1.1.3 This Chapter D also sets out the market surveillance function of ALPEX, aimed at preventing, detecting and reporting to the Regulatory Authority any breaches of the rules in this Chapter by Exchange Members, and the obligations of Exchange Members to support that function.

D.1.2 Principles

- D.1.2.1 It is the responsibility of each Exchange Members to ensure compliance with the Market Conduct upon Chapter D by all relevant parts of its organization. Each Exchange Member shall ensure that any person involved in Trading and/or Clearing on its behalf, including members of management and other persons who make decisions in relation to Orders Type, are subject to restrictions and obligations that enables the Exchange Members to fully and efficiently comply with the Market Conduct.
- D.1.2.2 It is the joint responsibility of ALPEX and Exchange Members to ensure a fair and transparent energy market, in order to promote public confidence in the Exchange, its pricing mechanisms and its reference prices for the benefit of end consumers. As such:
 - (a) ALPEX and each Exchange Member shall comply with REMIT Rules and with this Chapter D; and
 - (b) Exchange Members shall comply with all obligations imposed on them in connection with REMIT Rule by the Regulatory Authority and shall procure that their staff shall comply with all such obligations and shall notify their staff that information about them may be shared with ALPEX and Regulatory Authority.
- D.1.2.3 Each Exchange Member undertakes to act in good faith, honestly, transparently, professionally and responsibly, in accordance with good business practices. Each Exchange Member also undertakes, at any time, to preserve the smooth operation and integrity of the Day-Ahead Market and the Intraday Market as described in the ALPEX Rules and the Procedures. Exchange Members must apply the rules to support ALPEX in the operation of a fair and well-functioning market.
- D.1.2.4 Without limiting the generality of the obligations set out in paragraphs (b) and D.1.2.3, no Exchange Member shall:
 - (a) engage in, or attempt to engage in, Market Manipulation on a wholesale energy market; or

- (b) engage in any of the activities prohibited by REMIT Rule in relation to a wholesale energy product.

D.1.2.5 Exchange Members shall at all times

- (a) act fairly towards ALPEX and other Exchange Members; and
- (b) trade on the Exchange in compliance with the principles of professional market traders.

D.1.2.6 Each Exchange Member shall ensure that any Orders placed by it reflect a genuine purchase or sales interest, and that all Transactions to which it is a party are true.

D.1.2.7 An Exchange Member may not in any way improperly influence the price or price structure in the ALPEX Markets, or otherwise impede the access of other members in the market.

D.1.2.8 Exchange Members must not apply unreasonable business methods when carrying out Trading and shall always seek to act in accordance with good business practice.

D.1.2.9 Exchange Members shall at all times comply with the provisions Section D.1 when Trading. Non-compliance with this Chapter may be sanctioned by ALPEX in accordance with the provisions ALPEX Rules.

D.1.2.10 ALPEX shall monitor the ALPEX Markets with a view to ensuring that all Trading and other activities on the ALPEX Markets are in accordance with the ALPEX Rules and Applicable Law. ALPEX may carry out investigations on the activities of Exchange Members as set out in the ALPEX Rules.

D.1.2.11 ALPEX may make request to and collect information from Exchange Members concerning their business, and Exchange Members agree to deliver any such required information without delay.

D.1.2.12 Any breach of this section D.1 shall be deemed to be a Default under these ALPEX Rules which is not capable of being remedied.

D.1.3 **Transparency commitment**

D.1.3.1 Exchange Members shall support and cooperate fully with ALPEX in developing and implementing measures to enhance transparency on the Exchange in accordance with Applicable Laws.

D.1.3.2 Each Exchange Member shall publicly disclose any Inside Information as set out in these Market Conduct relating to the Albania and Kosovo Electricity Market regarding the business or facilities which the Exchange Member concerned owns or controls or for whose operational matters that Exchange Member is responsible, either in whole or in part.

D.1.3.3 ALPEX provides information to the public, and in particular to Exchange Members, upon request, in accordance with the provisions of the ALPEX Rules. ALPEX shall ensure that disclosure of the details and information it holds does not give unfair commercial or competitive advantages to third parties and in particular to Exchange Members.

- D.1.3.4 The obligation to provide information is subject to observance of the principle of commercial secrecy. ALPEX staff also has an obligation to observe the principle of confidentiality.
- D.1.3.5 It is the responsibility of ALPEX to keep updated market information as transparent as possible.
- D.1.3.6 The primary source of published market information shall be ALPEX website.
- D.1.3.7 All market information on ALPEX website is publicly available in a readily accessible and editable format.
- D.1.3.8 Additional information and technical details regarding the data provided by ALPEX may be specified by Technical Decision which is published on its website.

D.1.4 Exchange Members' public conduct

- D.1.4.1 An Exchange Member must ensure that any public statements it makes regarding its participation in the Exchange are truthful and accurate.
- D.1.4.2 Exchange Members must not bring ALPEX into disrepute by making false statements.

D.1.5 Prompt Reporting of suspected infringements

- D.1.5.1 If ALPEX or an Exchange Member detects any suspected infringement of this Chapter D of these ALPEX Rules, it shall inform the Regulatory Authority and ALPEX without delay.

D.2 EXCHANGE MEMBERS' ORGANIZATIONAL REQUIREMENTS

D.2.1 Exchange Member capabilities

- D.2.1.1 Each Exchange Member shall organize its business operations in such a way that it fulfils its obligations under Applicable primary and secondary Legislation in relation to Exchange Trading and the Settlement of market Transactions.
- D.2.1.2 The Exchange Member must have and maintain as Exchange Member appropriate organizational, operational and techno-economic infrastructure as well as adequate and suitable control and security mechanisms for the electronic processing of data and internal control procedures with respect to its participation in ALPEX Markets, and in particular for:
 - (a) the effective management of the risks it undertakes by participating in ALPEX Markets and the fulfillment of its respective obligations;
 - (b) the monitoring of the smooth Clearing of its trades and the fulfillment of the obligations it undertakes, related to the Clearing of its trades, where applicable;
 - (c) reducing the risk of being involved in any abusive and market-damaging behavior;

- (d) the effective monitoring, management and fulfillment, as applicable, of its obligations towards the Competent Authority, ALPEX, related to ALPEX Markets

D.2.1.3 Exchange Members shall maintain organizational arrangements that include:

- (a) monitoring of Trading activities;
- (b) effective risk management arrangements;
- (c) ongoing compliance with the requirements set out in paragraph C.1.1.

D.2.1.4 Exchange Members shall inform ALPEX without delay of any changes to their organization that could affect orderly Trading or the proper execution of Transactions.

D.2.1.5 The Exchange Members must respond to the control procedures of ALPEX with respect to the due diligence assessment activity by ALPEX when examining the applications of Exchange Member.

D.3 MARKET MONITORING AND SURVEILLANCE

D.3.1 Monitoring and Surveillance powers

D.3.1.1 Exchange Members are obliged to provide any information as ALPEX considers relevant either in the context of the performance of its monitoring role or in the context of any investigation of any suspected breach of this Chapter or to comply with Applicable Law as soon as possible following a written request from ALPEX.

D.3.1.2 Any Exchange Member accepts that ALPEX may from time to time, whether or not such information is acquired in the context of an investigation or not, provide information on Trading activity and other relevant information to the relevant Regulatory Authority. Such information may also be provided to the market surveillance teams of other relevant marketplaces or TSOs, always provided that there is a written agreement put in place between ALPEX and such relevant marketplace or TSO limiting the use of the shared information to market surveillance purposes and ensuring the confidential treatment of such information.

D.3.1.3 Communication between Exchange Members and ALPEX may include personal data relating to individuals to the extent such information is comprised within any relevant communication or is otherwise necessary.

D.3.1.4 Any information received in accordance with this Chapter shall only be used for the purpose of surveillance of the ALPEX Rules and the Procedures and Applicable Law, including the investigation of suspected violations.

D.3.1.5 ALPEX shall have all necessary powers to perform its duties, including the power:

- (a) where there is a reasonable suspicion that there has been an infringement of section D.1.2, to conduct investigations;
- (b) by notice in writing, to require any Exchange Member (whether or not that Exchange Member is itself suspected of an infringement) to provide specified information or information of a specified description, or to produce specified documents or documents (in whatever format) of a specified description,

which appear to the ALPEX to relate to any matter relevant to the investigation, including to provide details of the economic beneficiary of any Order, Transaction or Contract.

D.3.1.6 If the ALPEX gives a notice to an Exchange Member under paragraph (b), then the Exchange Member shall comply with the notice.

D.3.1.7 If, whether or not it has exercised its powers of investigation in accordance with paragraph D.3.1.5, if ALPEX suspects a breach by an Exchange Member of a conduct provision set out in this Chapter D, ALPEX shall notify the relevant Regulatory Authority of its suspicions, and may make recommendations to the Regulatory Authority in order to protect the interests of the Exchange and its Exchange Members.

D.3.2 **Non-Compliance**

D.3.2.1 A Non-Compliance Event exists if a Exchange Member in the reasonable opinion of ALPEX:

- (a) does not fulfil its obligation(s) under any of the documents and/or agreement that are part of the ALPEX Rules and the Procedures or otherwise is in breach of the ALPEX Rules and related documents; or
- (b) is in breach of Applicable Law and such breach affects or will affect the Exchange Member's ability to comply with the ALPEX Rules and related documents.

D.3.2.2 A Material Non-Compliance Event shall occur if in the reasonable opinion of ALPEX:

- (a) the Exchange Member is not in compliance with the requirements upon section F.4.6; or
- (b) the Exchange Member is in breach of the Representations contained in F.4.5(a) through F.4.5(g) (inclusive) of these ALPEX Rules, provided that the Representation in the opinion of ALPEX is incorrect or misleading in a material respect and has not been remedied within Dispute Process Timetable after ALPEX sent a written notice of such Non-Compliance Event to the Exchange Member; or
- (c) the misrepresentation clearly indicates that the Exchange Member is unfit for further Trading; or
- (d) a Non-Compliance Event occurs which may adversely affect Trading in accordance with these ALPEX Rules and related documents and Applicable Law and such Non-Compliance Event is not remedied within Dispute Process Timetable after ALPEX sent a written notice of such Non-Compliance Event to the Exchange Member; or
- (e) the Non-Compliance Event is caused by the negligence, wilful default or fraud of the Exchange Member, and such Non-Compliance Event is not remedied within Dispute Process Timetable after ALPEX sent a written notice of such Non-Compliance Event to the Exchange Member; or

- (f) Exchange Member does not pay to ALPEX any of its due payment obligations arising under the ALPEX Rules and Procedures immediately upon or prior to such payment obligation becoming due; or
- (g) a Non-Compliance Event (other than as set-out in points a. to e. of this paragraph D.3.2.2.) is not remedied within Dispute Process Timetable after ALPEX sent a written notice of such Non-Compliance Event to the Exchange Member.

D.3.3 Information sharing with Relevant Authorities

- D.3.3.1 Exchange Members acknowledge that in performing their functions under this Chapter D, ALPEX will cooperate with the following entities ("**Relevant Authority**"):
 - (a) the Regulatory Authority;
 - (b) national Court; and
 - (c) any equivalent body undertaking market surveillance pursuant to applicable rules and regulations.

D.3.4 Exchange Member obligations

- D.3.4.1 Exchange Members shall comply promptly with all instructions of a Relevant Authority or of ALPEX in relation to Market Conduct, monitoring and surveillance under this Chapter D.
- D.3.4.2 Exchange Members irrevocably consent to ALPEX notifying the Regulatory Authorities where it suspects that an Order, Transaction or Contract might breach of REMIT Rules.

D.4 CONSEQUENCES OF BREACH OF CONDUCT PROVISIONS

D.4.1 Breaches dealt with under Chapter C

- D.4.1.1 If an Exchange Member breaches this Chapter D, including by failing to comply with instructions under paragraph D.3.4.1, then the provisions of section C.2 shall apply.

E. CONTRACTS, PRODUCTS AND MARKET SEGMENTS

E.1 PURPOSE OF THIS CHAPTER

E.1.1 Purpose

- E.1.1.1 This Chapter describes the concepts used on the Exchange.
- E.1.1.2 The concepts and descriptions in this Chapter are subject to exceptions set out in these ALPEX Rules or the Procedures.
- E.1.1.3 Detailed provisions are set out in Trading Procedures.

E.2 CONCEPTS

E.2.1 Product and Order Type

- E.2.1.1 Products could be hourly, half hourly and quarterly as applicable. Blocks are created by linking more than one product of the same duration.
- E.2.1.2 An Order Type is a specified format in which an Exchange Member must submit Orders for sales and / or purchases of electricity on the Exchange.
- E.2.1.3 Order Type Specifications for the Day-Ahead Auction, Intraday Auction and Continuous Intraday Trading Market Segments of the Exchange are listed in Appendix A of the Trading Procedures.
- E.2.1.4 ALPEX is not liable for any costs or expenses directly or indirectly incurred by Exchange Members because of the change of the offered Products and Order Type.

E.2.2 Adding and removing Products/ Order Type

- E.2.2.1 ALPEX may add, modify or remove Products/Orders Type available on the Exchange by modifying the Procedures in accordance with the Modifications Process in Chapter J, or with the transitional process in Chapter K, provided that:
 - (a) a decision to add a Product/Orders Type for the Day-Ahead Auction, Intraday Auction and Continuous Intraday Trading Market Segments must take into consideration the views of:
 - (i) the regional integration of Albanian and Kosovo Markets; and
 - (ii) the providers and operators of the systems and services required for operation of the Exchange.
- E.2.2.2 For the avoidance of doubt, Exchange Members may propose modifications to existing Products/Orders Type or admission of new Products/Orders Type, in accordance with the Modifications Process in Chapter J.

E.2.3 Orders and submission of Interconnector Information

- E.2.3.1 An Order represents an Exchange Member's offer to sell or bid to buy electricity within the Albania or Kosovo Bidding Zone, in relation to a specified Portfolio, MTU, volume and price in accordance with the specifications for the Product concerned.
- E.2.3.2 Orders submitted to ALPEX by Exchange Members must comply with all applicable requirements in the Procedures, and include at least the following information:
- (a) Exchange Member's identification;
 - (b) Market Segment to which the Order refers;
 - (c) Portfolio to which the Order relates;
 - (d) Market Time Unit(s) to which the Order applies;
 - (e) the Order quantity or quantities;
 - (f) execution restrictions if applicable; and
 - (g) whether the Order is a buy or sell Order.
- E.2.3.3 The ETSS collects Orders in the Order Book for each Market Segment.
- E.2.3.4 Related to Auction, at each Gate Closure Time, all Orders in the Order Book shall be considered in the Matching process for that Order Book.
- E.2.3.5 Orders submitted by Exchange Members remain in the Order Book until:
- (a) the Order is cancelled by or on behalf of the Exchange Member that placed it;
 - (b) ALPEX cancels it in accordance with these ALPEX Rules or the Procedures;
 - (c) the Exchange Member modifies the Order; or
 - (d) the Order is accepted, rejected or has expired.
- E.2.3.6 Exchange Members are responsible for ensuring that the Orders they submit are accurate and reflect their commercial intentions meanwhile ALPEX:
- (a) shall be under no obligation to follow up any Exchange Member that does not submit an Order or other item of information under these ALPEX Rules or the Procedures; and
 - (b) has no liability in respect of any:
 - (i) failure to submit an Order; or
 - (ii) Order or other information submitted under these ALPEX Rules or the Procedures which contains errors or defective or incorrect data, or does not reflect the intentions of the Exchange Member submitting it.
- E.2.3.7 TSO's shall submit the following information to ALPEX in relation to the relevant Interconnector:
- (a) available Cross Zonal Capacity; and
 - (b) other information as is required by the Procedures.

E.2.4 **Contracts**

E.2.4.1 There are two types of Contracts:

- (a) Contracts for the sale or purchase of electricity within Bidding Zone; and
- (b) Market Coupling Contracts concerning the sale or purchase of electricity between two different Bidding Zones.

E.2.4.2 Notification of a Transaction by ETSS to the EMCS in accordance with paragraph F.2.9.1 creates a Contract for the sale or purchase of electricity between the Exchange Member that submitted the relevant Order and the ALPEX.

E.2.4.3 A Contract created as referred in paragraph E.2.4.2 for the sale or purchase of electricity is a firm and irrevocable commitment in respect of a relevant MTU:

- (a) in the case of a Contract for the purchase of electricity, for the buyer to take delivery of the underlying electricity quantity and to settle the Contract at the specified price; and
- (b) in the case of a Contract for the sale of electricity, for the seller to deliver the underlying quantity electricity and to be settled the Contract at the specified price,

with delivery obligations met through the transferring of purchase and sale positions by the ALPEX to the TSO, for the purpose of Balancing Market, according to the Trading Procedures and Clearing and Settlement Procedures.

E.2.4.4 Notification by ETSS to the EMCS in accordance with paragraph F.2.9.2 creates a Market Coupling Contract with the quantity and price determined by the price coupling solution.

E.2.4.5 Settlement by way of payment to the OST and KOSTT of any Congestion Income under which the OST and KOSTT the Physical Transmission Rights for the relevant Interconnector transfers to the ALPEX,.

E.2.5 **Bidding Zones**

E.2.5.1 A Bidding Zone is the market area within which Exchange Members participate on the Exchange and they are able to exchange electricity without capacity allocation.

E.2.6 **Market Segments**

E.2.6.1 The following Market Segments exist on the Exchange:

- (a) Day-Ahead Auction;
- (b) Intraday Auctions; and
- (c) Continuous Intraday Trading.

E.2.6.2 Auction

- (a) During the Auction, all Orders submitted from the Gate Opening Time until the Gate Closure Time are accepted for execution by the ETSS. All Orders accepted under the applicable validation rules, as the case may be, are entered in the Order Book after receiving a relevant timestamp;

- (b) Upon the lapse of the Auction Gate Closure Time, all accepted Buy and Sell Orders are collected from the Order Book and then the algorithm calculates the market balance, the accepted quantities of the Buy and Sell Orders and the balance price in each Auction are calculated.

E.2.6.3 Continuous Trading

- (a) During Continuous Trading, all Orders that are submitted from the Gate Opening Time until the Gate Closure Time are accepted for execution by the ETSS. Upon their submission to the ETSS, the Orders accepted under the Continuous Trading method, are registered in the Order Book after receiving a relevant timestamp.
- (b) The Local Order Book includes Buy and Sell Orders which are registered according to their ranking criteria.
- (c) Orders which, at the time of their entry into the ETSS, do not fulfil the Matching criteria for automatically executed trades, unless otherwise stipulated by the type of Order, are registered in the Order Book. Orders are ranked by type of Order, Buy or Sell.
- (d) Each Order is ranked, by type, on the basis of the following criteria:
 - (i) Best price. Buy Orders are ranked in order of priority on the basis of the highest price, whilst Sell Orders are ranked on the basis of the lowest price.
 - (ii) Time. Orders with the same price are ranked according to their priority on the basis of their time of entry into the ETSS.
- (e) On the basis of the ranking criteria, Orders are executed as follows: At the time of its entry in the ETSS, the price limit of a Buy Order, must be equal to or higher than the best price among the registered Sell Orders and, in case of a Sell Order, its price limit must be equal to or below the best price among the registered Buy Orders.

E.2.6.4 Trading details for each Market Segment are described in the Trading Procedures.

F. TRADING

F.1 PURPOSE OF THIS CHAPTER

F.1.1 General

F.1.1.1 This Chapter F sets out:

- (a) the principles that apply to trading in all Market Segments on the Exchange;
- (b) exceptions to normal trading; and
- (c) general Exchange Member requirements for Trading.

F.1.1.2 Detailed trading provisions are set out in the Procedures and in technical documentation specified in the Procedures.

F.2 PRINCIPLES FOR TRADING

F.2.1 Energy Trading Spot System (ETSS)

F.2.1.1 ALPEX has the mechanisms and procedures for the seamless, smooth and safe operation of the ETSS in accordance with the specifications laid down by the applicable provisions and good market practices.

F.2.1.2 ETSS has a stand-by system, which is an independent electronic system and which will be activated in case of malfunction of the ETSS system as the main system.

F.2.1.3 Exchange Members have the right to access information on the ETSS databases directly concerning them.

F.2.1.4 The ETSS supports particularly the following operations:

- (a) the registration and management of Exchange Members' data;
- (b) the registration of Products and accepted types of Orders;
- (c) the processing and registration of Orders;
- (d) the processing and registration of Credit Limits in accordance with the provisions of the Clearing and Settlement Procedures;
- (e) its interface with the system managed by ALPEX in accordance with the Clearing and Settlement Procedures;
- (f) the interface with the market management system of the TSO;
- (g) its interface with the platform used by the Market Coupling Service Provider for the Day-ahead Auctions and the Intraday Auctions;
- (h) its interface with the electronic platform used as part of the operation of the Pan-European Continuous Intraday Trading (i.e XBID).
- (i) the creation of anonymized Aggregated Order Curves and submission to the Market Coupling Service Provider.

- (j) the receipt of the anonymous results of the market coupling, the decryption of the results in relation to the Exchange Members and the Assets to which they relate.
 - (k) the notification of the market results to the Exchange Members.
- F.2.1.5 For the purpose of conducting trades through the ETSS, the Exchange Members transmit the relevant Orders to the ETSS electronically from their workstations.
- F.2.1.6 The ETSS is also used in the event of implementation of the Fallback Procedures in accordance with the provisions of the ALPEX Rules.
- F.2.1.7 Access to the ETSS is provided by ALPEX to the authorized users of Exchange Members in accordance with the relevant provisions of the ALPEX Rules.
- F.2.1.8 ALPEX is entitled to discontinue the Exchange Member's connection in case of exceptional circumstances of technical malfunction of the ETSS or the Exchange Member does not comply with the technical specifications and instructions of ALPEX or where ALPEX detects unauthorized usage of the Exchange Member's connection or there is another reason for imposing measures.
- F.2.1.9 ALPEX keeps records on the Exchange Members' access to the ETSS.
- F.2.2 How Transactions and Trading occur**
- F.2.2.1 Trading on the Exchange involves the Matching of buy and sell Orders submitted by Exchange Members.
- F.2.2.2 The Portfolio allocation (i.e. the Order Acceptance Rules) could be included in the Trading Procedures
- F.2.2.3 A Transaction in Day-Ahead and Intraday Auction Market Segments occurs on the Exchange when an Order in an Order Book is Matched in accordance with is according to European algorithm (i.e., EUPHEMIA algorithm).
- F.2.2.4 Trades in Electricity Markets are conducted electronically and anonymously.
- F.2.2.5 Trades are conducted through the Energy Trading Spot System (ETSS) in accordance with the ALPEX Rules and the Procedures.
- F.2.2.6 The trading hours of ALPEX Markets are announced in the Trading Calendar by ALPEX on its website. The Trading Calendar is announced two (2) months before the end of each year for the following year and is updated, if required, by Technical Decision of ALPEX.
- F.2.3 Authorized Users**
- F.2.3.1 Use of the ETSS to submit orders in ALPEX Markets to execute trades is permitted only to Certified Traders authorized by Exchange Members.
- F.2.3.2 Exchange Members shall report to ALPEX their user information and any other information relevant to accessing the ETSS, as well as any change to such information.

F.2.4 User Control

F.2.4.1 Exchange Members are obliged to establish special internal audit procedures for monitoring the tasks performed by users of the ETSS.

F.2.4.2 ALPEX may, at its discretion, prohibit user access to the ETSS, if there are cases of imposition of measures under the provisions of ALPEX Rules and the Procedures.

F.2.5 Order Books

F.2.5.1 An Order Book is an electronic list of buy and sell Orders. Order Books are maintained by ALPEX for each Market Segment, MTU and Delivery Day.

F.2.5.2 Order Books are opened and closed at the date and time determined in accordance with the Trading Procedures in respect of the Market Segment to which they relate. While an Order Book is open, Exchange Members may submit Orders for a specified Market Segment in accordance with the Trading Procedures.

F.2.5.3 Order Books and Transactions shall be anonymous.

F.2.6 Right to refuse Orders

F.2.6.1 Notwithstanding any other provision in the ALPEX Rules, ALPEX reserves the right, in its sole discretion, and without prior notice to an Exchange Member to reject, cancel or refuse to display or match any Order which in ALPEX's determination would contravene the ALPEX Rules and the Procedures or Applicable Law. Any such decision should be reasonably founded, and ALPEX shall notify the Exchange Member of such decision immediately.

F.2.7 Matching and post Matching Processes

F.2.7.1 When undertaking the processes under this section F.2.7, ALPEX shall:

- (a) apply the rules that are described in the Procedures;
- (b) not discriminate unduly among Exchange Members;
- (c) ensure that the prices of Transactions are visible in the ETSS only after the issuing of the Preliminary Market Coupling Results.

F.2.7.2 For the Day-Ahead Auction and Intraday Auction Market Segments:

- (a) ALPEX shall anonymise and submit Orders contained in a closed Order Book and available Cross Zonal Capacities and allocation constraints to the relevant Market Coupling Service Provider;
- (b) the Orders and information submitted by ALPEX shall be inputs into the Market Coupling process together with Orders and information in respect of the same Market Segment submitted by other NEMOs, in accordance with rules and procedures applicable to the Market Coupling;
- (c) Exchange Members acknowledge that, in the case of coupled Market Segments, before ALPEX publishes Auction results, a Transmission System Operator of the coupled Bidding Zone may:

- (i) verify elements of the results; and
 - (ii) reject such elements as being inconsistent with Cross Zonal Capacity and allocation constraints provided by the Transmission System Operator; and
 - (d) applying the results provided by the relevant Market Coupling Service Provider, ALPEX shall determine the execution status of each Order and the Interconnector Transaction Information.
- F.2.7.3 For the Intraday Continuous Market Segment:
- (a) Exchange Members can submit Orders which shall be anonymised and displayed within the ETSS; and
 - (b) in order to Match Orders, the volume, price and any specified constraint of a Sell Order are Matched with a corresponding volume, price and constraint of a Buy Order for the same MTU.
- F.2.7.4 Where necessary, ALPEX may apply tie-break rules to results from the Day-Ahead Auction and Intraday Auction Market Segments, in accordance with the Procedures.
- F.2.7.5 ALPEX shall publish Auction results and other relevant data for each Market Segment in accordance with the Procedures.
- F.2.8 Publication of Data**
- F.2.8.1 ALPEX shall publish market Data in accordance with the Procedures.
- F.2.9 Notification of trade information to the EMCS**
- F.2.9.1 ETSS shall notify EMCS of such information on each Transaction as is required by the EMCS, including:
- (a) ALPEX Market Segment;
 - (b) EIC code of the Exchange Member;
 - (c) EIC code of the Asset for which the Transaction was concluded;
 - (d) Order Type;
 - (e) Buy or Sell Transaction;
 - (f) quantity and Clearing Price of electricity;
 - (g) Value of Transaction;
 - (h) Delivery Day of Trade;
 - (i) Market Time Unit(s) to which the Transactions relate;
 - (j) Trading currency in EUR;
 - (k) Clearing Account Code
- F.2.9.2 ETSS shall also notify the EMCS of the following information (**Interconnector Transaction Information**) arising out of an Auction in relation to each Interconnector:

- (a) ALPEX Market Segment;
- (b) relevant Interconnector and Shipping Agent.
- (c) scheduled quantity and direction of electricity transfer;
- (d) relevant MTU; and
- (e) such other information as the Procedures require.

F.2.10 **Currency**

F.2.10.1 Trading in the Day-Ahead Auction and Intraday Auction Market Segments will be in Euro for Orders submitted for Bidding Zones of Albania and Kosovo.

F.2.10.2 Trading in Intraday Continuous Market Segments will be in Euro for Bidding Zones of Albania and Kosovo.

F.3 EXCEPTIONS TO NORMAL TRADING, CLEARING AND SETTLEMENT

F.3.1.1 Notwithstanding the provisions of these ALPEX Rules or the Procedures, if circumstances arise, including but not limited to:

- (a) failure or unavailability of systems, processes, data or information;
- (b) buy and sell Orders not Matching;
- (c) decoupling;
- (d) failure by the EMCS (for whatever reason) to clear and settle Contracts; or
- (e) manifest error in data submission,

and those circumstances could:

- (f) materially affect Exchange Members' ability to submit Orders or to transmit or receive data to or from the ETSS;
- (g) prevent closure of an Order Book;
- (h) impede the ability to conduct an Auction under normal circumstances and deliver Auction outcomes within applicable Minimum or Maximum Price Thresholds;
- (i) prevent Clearing and Settlement of a Contract;
- (j) result in manifestly incorrect Auction or transaction outcomes; or
- (k) otherwise prevent, restrict or disrupt the proper operation of an Auction or of the Intraday Continuous Market Segment, or threaten the integrity or orderly and fair operation of the Exchange,

then ALPEX may take any measures set out in paragraph F.3.1.2.

F.3.1.2 Under circumstances set out in paragraph F.3.1.1, ALPEX may take such of the following measures as it considers appropriate to remedy the situation:

- (a) conduct a local Auction for the Bidding Zone, without Market Coupling;
- (b) postpone or modify the time at which the Order Book is closed or the result is published;

- (c) authorise Exchange Members to place new Orders or to modify existing Orders, and if it does so, ALPEX shall provide Exchange Members with a new closing time for the Order Book;
- (d) conduct a second Auction in accordance with the Procedures;
- (e) implement Fallback Procedures in accordance with the Procedures;
- (f) cancel one or more Orders or an Auction; or
- (g) take any other measure that reasonably will most effectively mitigate the circumstances arising under paragraph F.3.1.1.

F.3.1.3 If the Order Book Closure Time is substantially delayed, then ALPEX will notify Exchange Members as soon as possible.

F.3.2 Suspending Trading in a Product / Order Type

F.3.2.1 ALPEX may suspend trading in a specific Product / Order Type or Products/ Order Types if it considers that orderly trading on the Exchange is jeopardized for technical reasons (including where considered prudent to conduct further testing) or if it considers it necessary to in light of the ALPEX Objective or the ALPEX Principles.

F.3.2.2 If ALPEX suspends trading in a Product/ Order Type:

- (a) ALPEX shall notify Exchange Members of the suspension in a Market Notice without delay;
- (b) no new Orders shall be entered in the Order Book using the suspended Product / Order Type; and
- (c) ALPEX will cancel all existing Orders using the suspended Product / Order Type.

F.3.2.3 In case of limited liquidity or irregular operation of a certain Product / Order Type, which may disrupt the operation of the relevant Market or render its operation inefficient, ALPEX shall notify the Regulatory Authority for suspending its operation for a certain period of time.

F.3.2.4 Regulatory Authority, by its decision, may suspend the operation of the Product or Order type and determine the period of suspension.

F.3.2.5 A corresponding procedure is also followed to waive the suspension of operation of Products / Order types.

F.3.2.6 ALPEX may reinstate a previously suspended Product / Order Type so that it becomes available for trading, provided that:

- (a) ALPEX considers that reinstating the Product / Order Type will not jeopardize orderly trading on the Exchange; and
- (b) ALPEX has issued a Market Notice to Exchange Members with an Effective Date for reinstatement of the Product / Order Type that will provide for the appropriate Delivery Day and MTU, taking into account the characteristics of the Product and the circumstances that gave rise to its suspension.

F.4 EXCHANGE MEMBER REQUIREMENTS AND CONDITION FOR TRADING

F.4.1 Active Membership

F.4.1.1 Trading on the Exchange shall only be carried out by an Exchange Member that is not subject to a Trading Halt under section C.2.4 or a Suspension Order under section C.2.

F.4.2 Technical requirements

F.4.2.1 In order to ensure the orderly operation of the Exchange, each Exchange Member shall:

- (a) comply with rules pertaining to technical requirements, facilities and access set out in Chapter I, in the Procedures, or in technical documentation stipulated in the Procedures;
- (b) have sufficient technical facilities at its disposal to guarantee correct trading via the ETSS of the Exchange and correct clearing via EMCS in case of the Direct Clearing Member;
- (c) keep its technical facilities in good condition, and guarantee their continuous readiness for operation; and
- (d) ensure that it has sufficient appropriately qualified personnel available for Trading and Clearing.

F.4.2.2 In order to effectively implement the provisions of the ALPEX Rules, ALPEX may issue Technical Decisions regulating purely technical issues of a non-regulatory nature for the Exchange Members.

F.4.2.3 Technical Decisions are made public on ALPEX website and are entered into force from their publication. If it is deemed appropriate for the smooth application of the arrangement, a later entry into force may be set or additional transition conditions may apply which affect the validity of this Technical Decision. In this case, a special reference is made in the Technical Decision.

F.4.2.4 In the event of conflict between the Technical Decisions of ALPEX and the provisions of the ALPEX Rules and Procedures, the provisions of the ALPEX Rules and Procedures shall prevail.

F.4.3 Certified Traders

F.4.3.1 Each Exchange Member must appoint one (1) Certified Trader for the Exchange Member's Trading on each of ALPEX Markets in which it participates, subject to the approval of ALPEX not to be unreasonably withheld. Exchange Member may appoint the same person as a Certified Trader on multiple ALPEX Markets.

F.4.3.2 Unless otherwise agreed with ALPEX, the Certified Trader will have full access to the ETSS in respect of all Trading Portfolios of the respective Exchange Member for each of ALPEX Markets for which he are appointed. Each Exchange Member shall ensure that its Certified Trader shall be fully authorized to represent the Exchange Member towards ALPEX in all matters related to the Exchange

Member's Trading on each of ALPEX Markets for which he are appointed. Certified Trader shall be capable of taking such action in a manner consistent with the daily time schedules and other requirements established by or pursuant to this ALPEX Rules and the Procedures in their entirety.

- F.4.3.3 Following receipt by ALPEX of a written notification from the Exchange Member on the revocation of the appointment of a Trader, ALPEX shall send a written confirmation of the receipt of such Exchange Member's notification and terminate the Trader's access to the ETSS as soon as possible. Notwithstanding receipt of ALPEX's written confirmation of the receipt of the Exchange Member's notification, the Trader shall remain bound by and liable for all actions or omissions of the Trader in respect of Trading during the period that the Trader has ETSS access, until such time as ALPEX has confirmed in writing that the Trader's ETSS access has been terminated.
- F.4.3.4 In case the Trader is revoked, ALPEX shall deliver a new User Account for the access to the ETSS for a specific ALPEX Market to the Exchange Member, after the Exchange Member appoints a new Trader and informs ALPEX about the appointment.
- F.4.3.5 The Exchange Member is bound by and liable for the User Account for the access to the ETSS for ALPEX Markets, and for all actions and activities that are carried out regarding the User Account, from the moment the Exchange Member receives the User Account details until the moment ALPEX terminates the User Account from the Exchange Member pursuant to the ALPEX Rules and the Exchange Membership Agreement. The responsibility for the User Account includes the liability for damages (for ALPEX or the Member) from the unauthorized use of the User Account.
- F.4.3.6 Additionally, the Exchange Member may request the opening of a User Account for the API service to access the ETSS. In order for ALPEX to open a User Account for the Exchange Member for the API service for access to the ETSS, the Exchange Member is obliged to submit to ALPEX a completed relevant request for API service.

F.4.4 **Trading Portfolios**

- F.4.4.1 Exchange Members, subject to prior approval by the ALPEX (not to be unreasonably refused) shall be granted the number of Trading Portfolios requested by them from the ALPEX Markets.

F.4.5 **Representations by the Member**

- F.4.5.1 Each Member represents and warrants to the ALPEX on each date on which an Order is submitted or a Transaction is entered into that:
- (a) **Power:** It has the power to perform its obligations under these ALPEX Rules, or Procedures or, Exchange Membership Agreement and each Transaction;
 - (b) **Status:** It is duly organized and validly existing under to the laws and jurisdiction on entrepreneurs;

- (c) **Organization:** It is properly staffed and organized to enable it to carry out, and its personnel have the necessary competence and knowledge for Trading;
- (d) **Risk assumption:** It is aware of and understands the characteristics of each of the Products and the risks related thereto, and it has submitted Orders after a full opportunity to review their terms and conditions, and has an adequate understanding of those terms and conditions and of their risks, and is capable of assuming those risks;
- (e) **No Violation or Conflict:** The execution, delivery and performance of the relevant Exchange Membership Agreements or the ALPEX Rules and Procedures do not violate or conflict with any Applicable Law or any provision of its constitutional documents applicable to the Member or any of its assets, or any contractual restriction binding on or affecting it or any of its assets.
- (f) **Required Authorizations:** All required authorizations under Applicable Law have been obtained and are fully valid, and it is complied any condition of the authorities and there are no further licenses or filings with or other acts to be obtained by the member in conformity with any Regulatory Authority or the Court regarding Trading or Clearing;
- (g) **Accurate Information:** All applicable information that is send in writing by or on behalf of the Exchange Member which is identified as being subject to or connected to the ALPEX Rules and Procedures and Exchange Membership Agreement is, as of the date it is send to ALPEX, true, accurate and complete on each material aspect; and
- (h) **Compliance:** No Non-Compliance Event, Material Non-Compliance Event or event that with notice or lapse of time or both would constitute a Non-Compliance Event or Material Non-Compliance Event has occurred with respect to it and no such event would occur as a result of it entering into or performing its obligations under the ALPEX Rules and Procedures and Exchange Membership Agreement.

F.4.5.2 The Exchange Member is, when carrying out Trading, deemed to repeat the Representations specified above as well as any further representations specified as such in the ALPEX Rules, or Procedures or Exchange Membership Agreement.

F.4.5.3 The Exchange Member acknowledges that it is under a duty to notify ALPEX in writing in case of any breach or suspected breach of its Representations immediately upon the Exchange Member becoming aware of the same.

F.4.6 **Representations by ALPEX**

F.4.6.1 ALPEX represents and warrants to each Exchange Member in relation to each Transaction which is entered into on its ETSS that:

- (a) **Power:** It has the power to perform its obligations under the ALPEX Rules and Procedures and each Transaction;
- (b) **Status:** It is duly organized and validly existing under to the laws and jurisdiction on entrepreneurs;

- (c) **Organization:** It is properly staffed and organized to enable it to carry out, and its personnel have the necessary competence and knowledge to enable it to carry out its obligations under the ALPEX Rules and Procedures;
- (d) **No Violation or Conflict:** The execution, delivery and performance of the relevant Exchange Membership Agreements or the ALPEX Rules and Procedures do not violate or conflict with any Applicable Law or any provision of its constitutional documents applicable to ALPEX or any of its assets, or any contractual restriction binding on or affecting it or any of its assets;
- (e) **Required Authorizations:** All required authorizations under Applicable Law have been obtained and are in full force and effect, and all conditions of any Required Authorizations have been complied with, and there are no further licenses or filings with or other acts by or in respect of any Regulatory Authority or the Court that are required to be obtained, or performed by ALPEX in connection with its performance under the ALPEX Rules and Procedures;
- (f) **Accurate Information:** All applicable information, sent in writing by or on behalf of the ALPEX, which is identified as being subject to or connected to the ALPEX Rules and Procedures are, as on the day of its first delivery to Members and, except when it is defined otherwise on the effective information, reliable that it is true and accurate on each material aspect; and
- (g) **Compliance:** In relation to ALPEX, no default, or event that with notice or lapse of time or both would constitute a default would occur as a result of it entering into or performing its obligations under the Exchange Membership Agreements or ALPEX Rules, or Procedures.

G. CONTRACTUAL MATTERS

G.1 EXCHANGE MEMBERSHIP AGREEMENT

G.1.1 Rules enforced through Exchange Membership Agreement

- G.1.1.1 As set out in sections B.3.1 and B.3.2, each legal entity shall become a party to the Exchange Membership Agreement under which it becomes bound by these ALPEX Rules and the Procedures.
- G.1.1.2 ALPEX or an Exchange Member shall enforce these ALPEX Rules and the Procedures in accordance with the terms of the Exchange Membership Agreement.

G.2 DISPUTE RESOLUTION

G.2.1 Types of Disputes and the Dispute Process Timetable

- G.2.1.1 A “**Dispute**” means any claim, dispute or difference of whatever nature howsoever arising under, out of or in relation to these ALPEX Rules, the Procedures or the Exchange Membership Agreement (including the existence or validity of the same)
- G.2.1.2 There are the following categories of Dispute under these ALPEX Rules:
- (a) an **Admission Dispute**: being a Dispute relating to the Admission Process;
 - (b) a dispute **relating to a Trading Halt or Suspension or Termination** of membership;
 - (c) a **Conflict Dispute**: being a Dispute in relation to a claimed conflict between these ALPEX Rules and other relevant Legal Requirements; and
 - (d) a **General Dispute**: being a Dispute which does not fall within any of the preceding categories in this paragraph G.2.1.2, including a Dispute in relation to payments under these ALPEX Rules or the Procedures.
- G.2.1.3 Disputes in relation to the General Clearing Member shall be dealt with in accordance with contracts between the Exchange Member and its General Clearing Member, and not in accordance with the provisions of this section G.2.
- G.2.1.4 The “**Dispute Process Timetable**” in relation to each category of Dispute will be the process and timetable determined by ALPEX from time to time which, among other things, will specify deadlines and timeframes for taking actions under this section G.2 in relation to a Dispute in each category. ALPEX shall publish the Dispute Process Timetable.
- G.2.1.5 A decision by ALPEX to amend the Dispute Process Timetable shall not:
- (a) take effect until the expiry of a period of 15 Days following the decision, or such longer period as may be specified by ALPEX; and
 - (b) affect any Dispute which is the subject of a Notice of Dispute that has already been served.

G.2.1.6 This section is not intended to preclude Disputing Parties meeting to seek to resolve a Dispute at any time.

G.2.2 Notice of Dispute and good faith negotiations

G.2.2.1 A Dispute is deemed to exist when one Party notifies another Party or Parties in writing of the Dispute by way of a Notice of Dispute in accordance with the Dispute Process Timetable.

G.2.2.2 A Notice of Dispute may be served on any number of Parties. Where ALPEX reasonably determines that the resolution of a Dispute will impact a third Party who has not been served a Notice of Dispute, ALPEX shall inform that third Party of the existence, nature, and progress of the Dispute, while maintaining the confidentiality of the Disputing Parties.

G.2.2.3 The Notice of Dispute shall set out the nature of the Dispute (including the event or events the subject of the Dispute and the category of Dispute) and the issues involved and shall be in the form published from time to time by ALPEX.

G.2.2.4 A copy of the Notice of Dispute shall be sent to ALPEX ,

(a) where ALPEX is a party to the Dispute, and

(b) to the Regulatory Authority

G.2.2.5 The provisions set out in this Dispute Resolution Process shall not prejudice or restrict any Party's entitlement to seek interim or interlocutory relief directly from the appropriate Court or Courts having competent jurisdiction.

G.2.2.6 The obligations of the Parties under these ALPEX Rules or the Procedures shall not be affected by reason of the existence of a Dispute, save as provided for in any decision of ALPEX or a Court having competent jurisdiction. Disputing Parties shall continue to perform all of their obligations and functions as required by these ALPEX Rules and the Procedures including, for the avoidance of doubt, fulfilling all payment obligations as payment falls due.

G.2.3 Objectives of the Dispute Resolution Process

G.2.3.1 ALPEX and Exchange Members acknowledge the intention that the Dispute Resolution Process set out in or implemented in compliance with these ALPEX Rules and described in detail in the following paragraphs of this section G.2 shall, to the extent possible:

(a) be simple, quick and inexpensive;

(b) preserve the relationship between the Disputing Parties;

(c) resolve and allow for the continuing and proper operation of these ALPEX Rules having regard to the ALPEX Objective;

(d) resolve Disputes on an equitable basis in accordance with the provisions of these ALPEX Rules having regard to the ALPEX Objective;

(e) take account of the skills and knowledge that are required for the relevant Dispute; and

- (f) encourage resolution of Disputes without formal legal representation or reliance on legal procedures (other than as set out in this section G.2).

G.2.3.2 Where a Notice of Dispute has been served, a representative of each of the Disputing Parties, each with authority to resolve the Dispute, shall meet in accordance with the timeframe specified in the Dispute Process Timetable to seek in good faith to resolve the Dispute.

G.2.3.3 If the parties fail to reach the settlement of the Dispute according to paragraph G.2.3.1, it shall be settled by relevant Regulatory Authority, as the case might be, according to the Applicable Law and ALPEX Rules.

G.2.4 Regulatory Authority Proceedings

G.2.4.1 Regulatory Authority shall handle and settle the issues raised on the request or by complaint according to the regulation of Regulatory Authority.

G.2.4.2 If the parties fail to reach the settle of the Dispute according Section G.2.3, it shall be settled by Court according to the Applicable Law and ALPEX Rules

G.3 LIMITATION OF LIABILITY

G.3.1 Limitations on Liability

G.3.1.1 Nothing in the ALPEX Rules and the Procedures excludes or limits the liability of any Party for:

- (a) fraud or fraudulent misrepresentation;
- (b) death or personal injury caused by its negligence;
- (c) any other liability which cannot be excluded or limited by Applicable Law; or
- (d) the indemnity in paragraph G.3.2.

G.3.1.2 ALPEX shall not be liable for any loss or damage caused directly or indirectly by:

- (a) malfunctions of a service when such malfunction is attributable to circumstances beyond its control arising from inter alia the unavailability, failure or interruption of telecommunication networks or from constraints or limits imposed by telecommunication operators or other service providers;
- (b) inaccuracy, partial or total unavailability or incompleteness of the technical information or data originating from third parties; or
- (c) degradation of computerized data during transfer over the Internet, the computer hardware used to communicate between the Exchange Member and ALPEX.

G.3.1.3 Furthermore, ALPEX shall not be liable for any loss or damage caused directly or indirectly by:

- (a) impossibility or difficulty for the Exchange Member to access the ETSS owing to access hardware or equipment for which the Exchange Member or a third party is responsible;

- (b) objection to a trade executed by the Exchange Member, where such objection is raised after any cancellation period provided for in these ALPEX Rules or the Procedures; or
 - (c) non-compliance by the Exchange Member with these ALPEX Rules and the Procedures.
- G.3.1.4 ALPEX shall have no liability (whether in contract, negligence, misrepresentation, tort, restitution or otherwise) under or in connection with these ALPEX Rules, the Procedures or the Exchange Membership Agreement in respect of any:
 - (a) indirect, consequential, incidental or special losses, damages, costs or expenses;
 - (b) loss of actual or anticipated profits;
 - (c) loss of contracts, loss of business or loss of opportunity;
 - (d) loss of use of money;
 - (e) loss of anticipated savings;
 - (f) loss of revenue, profits or ex gratia payments;
 - (g) loss of goodwill or reputation;
 - (h) loss of operation time; or
 - (i) loss resulting from the liability of the Exchange Member to any other person however and whenever arising save as provided in section G.3.2.
- G.3.1.5 ALPEX shall under no circumstances be liable for any loss or damage to an Exchange Member caused by any action or inaction from the other Exchange Member including loss or damage caused to an Exchange Member.
- G.3.1.6 ALPEX shall not be liable for any loss or damage to an Exchange Member that may arise out from Trading and the Trading Procedures as a result of any action or inaction by ALPEX, provided that ALPEX has not acted negligently, fraudulently or in willful default.
- G.3.1.7 Except where ALPEX has acted fraudulently or is in willful default, ALPEX shall under no circumstances be liable to the Exchange Member for indirect loss and consequential damage including loss of profits or contracts.
- G.3.1.8 Failure to meet the Exchange Member' obligations in relation to its trades in ALPEX as a result of the enforcement of measures against the Exchange Member by judicial or administrative authorities or irregular performance of ALPEX Market operations due to the implementation of such measures shall constitute strict liability on objective basis for an Exchange Member. In order to address the above conditions, the relevant measures are taken against the Member, pursuant to the provisions in the ALPEX Rules and the Procedures.
- G.3.1.9 ALPEX shall not be liable for any loss or damage to a Member, which may arise out of a Market Decoupling event in the Day-Ahead Market and/or Intraday Auction Market accordance with the applicable procedures.

G.3.1.10 The Exchange Members are liable towards ALPEX for the fulfillment of any obligations arising from this ALPEX Rules. This responsibility includes any act or omission of the bodies that represent them, their vicarious agents, their servants, in particular the persons used to access, or to whom they allow access to ALPEX Market systems in order to execute trades.

G.3.2 **Exchange Member Indemnity**

G.3.2.1 Each Exchange Member agrees to indemnify and hold harmless ALPEX, from and against any losses, claims, demands, damages or liabilities of any kind, including expenses reasonably incurred by such ALPEX in connection with investigating, preparing or defending any investigative, administrative, judicial or regulatory action or proceeding in any jurisdiction (collectively, "**Liabilities**"), relating to or arising out of any breach by the Exchange Member of its obligations under these ALPEX Rules and the Procedures and each Contract to which it is a party. An Exchange Member shall not be liable under the indemnity in this paragraph G.3.2.1 to the extent that any Liabilities result from any negligence by any ALPEX or any breach by any Indemnified Person of its obligations under these ALPEX Rules and the Procedures.

G.3.2.2 Each Exchange Member fully indemnify all costs which could arise for ALPEX regarding VAT, customs duties, cross border capacities or other similar giving for the electricity, which was traded on the ALPEX Markets, as these costs are sole responsibility of the Exchange Member in question.

G.3.3 **Proprietary rights to Transaction Information**

G.3.3.1 Whenever an Exchange Member provide data in the form of Orders or otherwise to ALPEX via the ETSS or other communication provided ALPEX Rules such data shall belong to ALPEX. 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 ALPEX. Nothing in this paragraph limits ALPEX to freely dispose and use, economically or otherwise, such data and intellectual property or proprietary rights, subject to applicable confidentiality requirements.

G.3.4 **Publication**

G.3.4.1 ALPEX shall be entitled to use, copy, adapt, supply, distribute, publish, 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 Exchange Member, so long as such information does not identify any individual Exchange Member. Exchange Members shall have no right of remuneration in relation to such activities.

G.3.4.2 ALPEX may pass on information to public authorities, Transmission System Operators if so, required by Applicable Law. ALPEX will inform the Exchange Member of such provision of information, to the extent it is permitted to do so under Applicable Law. Such conduct by ALPEX will not in any event be considered a

breach of confidentiality or breach of Exchange Member's Intellectual Property Rights.

G.3.4.3 For the purpose relevant Market Coupling, ALPEX will forward to cooperating NEMOs, aggregated and anonymized Order information per Bidding Zone.

G.3.4.4 In addition to the provisions of this paragraph, ALPEX shall be entitled to disclose and publish information as set out in the Market Conduct.

G.4 FORCE MAJEURE

G.4.1 Definition

G.4.1.1 Force Majeure Event means any event which is provided in the respective Force Majeure Event defined by Applicable Law in Albania and Kosovo as the case might be.

G.4.2 Requirements and consequences

G.4.2.1 To the extent that a Party is rendered wholly or partially unable to perform all or any of its obligations under these ALPEX Rules, the Procedures or the Exchange Membership Agreement by reason of a Force Majeure Event, the Party's relevant obligations shall be suspended and the Party shall be relieved from liability, subject to paragraph G.4.2.2, in respect of such obligations provided that such liability and suspension shall be of no greater scope and of no longer duration than is required by the Force Majeure Event.

G.4.2.2 The Party shall be relieved from liability only for so long as and to the extent that the occurrence of the Force Majeure Event.

G.4.2.3 An Exchange Member affected by a Force Majeure Event must give ALPEX a written notice containing the details set out below. If ALPEX is affected by a Force Majeure Event, it must publish a Market Notice containing the details set out below. The details to be included in a notice under this paragraph are:

- (a) details of the Force Majeure Event;
- (b) the nature and extent of the obligations affected by the Force Majeure Event;
- (c) the period of time during which the affected party estimates that it will not be able to perform or will be delayed in performing its obligations; and
- (d) details of the action that it has taken or proposes to take to remedy the situation.

G.4.2.4 A Party affected by a Force Majeure Event must:

- (a) use all possible diligence to avoid, remove or limit the effects of the Force Majeure Event on its performance of the suspended obligations as quickly as possible;
- (b) promptly re-commence performing the suspended obligations as soon as reasonably possible;

- (c) if the affected Party is an Exchange Member, keep ALPEX informed as to the status of the Force Majeure Event and promptly notify ALPEX after recommencing performance of the suspended obligations; and
- (d) if the affected Party is ALPEX, promptly publish a Market Notice after recommencing performance of the suspended obligations.

G.5 GENERAL MATTERS

G.5.1 Waiver

G.5.1.1 No failure to exercise, nor any delay in exercising, on the part of any Party any right or remedy under these ALPEX Rules, the Procedures or the Exchange Membership Agreement operates as a waiver thereof, nor shall any single or partial exercise of any right or remedy prevent any further or other exercise thereof or the exercise of any other right or remedy under these ALPEX Rules, the Procedures or the Exchange Membership Agreement.

G.5.2 Severance

G.5.2.1 Each of the provisions of these ALPEX Rules, the Procedures and the Exchange Membership Agreement is severable. If at any time any provision or part of a provision of these ALPEX Rules, the Procedures or the Exchange Membership Agreement is or becomes illegal, invalid or unenforceable in any respect for the purposes of any Applicable Law or by the decision of any Competent Authority, it shall be deemed severed and the legality, validity or enforceability of the remaining provisions (in whole or in part) of these ALPEX Rules, the Procedures or the Exchange Membership Agreement shall not in any way be affected or impaired thereby.

G.5.3 Assignment, transfer or novation

G.5.3.1 An Exchange Member shall not transfer, assign, novate, charge or undertake any other form of dealing, or purport to transfer, assign, novate, charge or undertake any other form of dealing in relation to:

(a) all or any of its rights or obligations under these ALPEX Rules, the Procedures or the Exchange Membership Agreement; or

(b) all or any of its rights or obligations under any Contract,

without the prior written consent of ALPEX, with such consent not to be unreasonably withheld or denied, or as otherwise expressly provided in these ALPEX Rules.

G.5.3.2 For the avoidance of doubt, these ALPEX Rules do not allow secondary trading.

G.5.3.3 Any request to transfer all or any of an Exchange Member's rights under these ALPEX Rules, the Procedures or the Exchange Membership Agreement shall be subject to the prior consent of ALPEX but not of any other Party. In giving consent under this paragraph, ALPEX may impose such conditions as it determines are necessary for the purposes of the proper functioning of the Exchange

H. SECURITY, USE OF DATA, CONFIDENTIALITY

H.1 PURPOSE OF THIS CHAPTER

H.1.1 General provisions

H.1.1.1 This Chapter describes the principal obligations of ALPEX and Exchange Members in relation to system security and Internet usage, the categories of data required for the Exchange, rights to collect and use data, and confidentiality.

H.1.1.2 Detailed requirements may be set out in Trading Procedures.

H.2 SECURITY

H.2.1 Concepts

H.2.1.1 These ALPEX Rules and the Trading Procedures set out physical and logical security measures intended to protect the integrity of each Party's systems.

H.2.1.2 ALPEX has its ETSS and each Exchange Member has its own Systems for which each is responsible. However, all the information transmitted between those two systems is carried over the Internet.

H.2.1.3 Each Exchange Member is responsible for designing, implementing and maintaining effective policies and practices that support security and system integrity of its Systems and the ETSS.

H.2.2 Obligations on Exchange Members

H.2.2.1 Exchange Members shall:

- (a) comply with physical and logical security measures intended to protect the integrity of their Systems and the ETSS including:
 - (i) site and access code protections; and
 - (ii) in the case of their own Systems, keeping software up to date, by downloading applicable patches and updates promptly, and by implementing back-up procedures for instructions, data and files.
- (b) take measures to avoid the propagation and dissemination of computer malware over their own or other Exchange Member Systems or the ETSS in accordance with best industry practice including:
 - (i) employing anti-malware controls for all communications with the ETSS;
 - (ii) upon observing that the security controls operated by their Systems have been compromised, immediately alerting ALPEX;
 - (iii) providing assistance to seek the cause of any compromise of security controls of their Systems or the ALPEX systems;
 - (iv) taking appropriate remedial or mitigation action in addressing data breaches;

- (c) maintain the confidentiality of data,
in accordance with these ALPEX Rules, the Procedures, and any technical documentation stipulated in the Procedures.

H.2.2.2 Each Exchange Member shall:

- (a) be responsible for the design and implementation of its policy and procedures of administering authorizations for logical access to the ETSS;
- (b) comply with the requirements of relevant legislation on security of network and information systems;
- (c) implement policies, rules, methods and procedures to maintain and improve the protection of its Systems in compliance with these ALPEX Rules, the Procedures, and any technical documentation stipulated in the Procedures;
- (d) organize internal logical and physical security measures, including restriction of access to the site in which its equipment is located, in order to protect its access codes from unauthorized third parties;
- (e) update its Systems as required, to continue to meet the technical requirements set out in Chapter I, the Procedures, and any technical documentation stipulated in the Procedures.

H.2.3 **Responsibility**

H.2.3.1 ALPEX and each Exchange Member:

- (a) attests its familiarity with the Internet and understands the performance constraints and characteristics associated with accessing internet-based systems or applications.
- (b) shall be responsible for its choice of IT service providers including, its Internet access providers.
- (c) acknowledges that the technical reliability of Internet-based data transmission is relative, since such data is carried over heterogeneous networks with varying technical characteristics; and
- (d) acknowledges that it is responsible for taking the appropriate measures to protect its own data, software and hardware from access by unauthorised third parties and contamination by malware, by means of logical and physical security measures, including firewalls, implemented according to accepted practice.

H.3 INTELLECTUAL PROPERTY AND LICENSES

H.3.1 **Exchange Member Authorizations and other rights**

H.3.1.1 Each Exchange Member shall be responsible for connecting to the ETSS, and shall hold all authorizations, property rights, licenses and contracts for all the configurations, firmware and software necessary for trading.

H.3.1.2 Where a software application that is necessary for an Exchange Member to access the ETSS requires a license or other right, ALPEX shall provide details of relevant

provisions to the Exchange Member, and the Exchange Member shall comply with such provisions.

H.3.2 Limitations of rights granted to Exchange Members

H.3.2.1 Where ALPEX grants an Exchange Member rights to use the ETSS, such rights shall:

- (a) be a non-exclusive, non-transferable license to use the ETSS to the extent necessary for trading on the Exchange;
- (b) be limited to use for the specified Bidding Zones and to the extent necessary;
- (c) be valid only while the Exchange Member remains a Party to the Exchange Membership Agreement;
- (d) be limited to allow access to the ETSS only for the purpose of transmitting and receiving data allowed under these ALPEX Rules and the Procedures; and
- (e) exclude use for any other purpose whatsoever, other than in accordance with these ALPEX Rules and the Procedures.

H.3.2.2 The Exchange Member is not authorized to, and, to the fullest extent permitted by law, is prohibited from:

- (a) accessing, reproducing, or modifying, disassembling, decompiling or merging the ETSS's source codes or object code;
- (b) knowingly using the ETSS for the purposes of the Exchange Member's own testing activities, without the written approval of ALPEX; or
- (c) authorizing any other person to use the ETSS, (including by way of sub-license, assignment, or transfer), other than its Traders.

H.3.2.3 An Exchange Member's rights to use the ETSS may be revoked if the Exchange Member does not comply with the terms and conditions set out in paragraph H.3.3.1.

H.3.3 Exchange Member to respect Intellectual Property Rights

H.3.3.1 Each Exchange Member shall respect the Intellectual Property Rights of ALPEX and of all third parties providing a system or software application necessary to access the ETSS, including by:

- (a) taking all reasonable measures in relation to its staff, service-providers, sub-contractors and third parties to protect the Intellectual Property Rights;
- (b) refraining from altering references to the property rights and copyright specified on materials supplied by ALPEX;
- (c) not removing or modifying references to copyright, trademarks, trade names or any other sign of intellectual property.

H.4 COLLECTION AND USE OF DATA

H.4.1 Categories of Data

H.4.1.1 As part of the operation of the Day-Ahead and Intraday Market, ALPEX's processes the following categories of data (hereinafter "data")

- (a) Participation Data, which relate to the following data categories:
 - (i) required information to acquire and maintain the Exchange Members capacity;
 - (ii) authorized users' passwords for access to the ETSS;
 - (iii) list of Certified Traders.
- (b) Trading Data, which relate to the following data categories:
 - (i) Orders submitted to the ETSS;
 - (ii) Order Books / Aggregate Buy and Sell Curves;
 - (iii) Market Clearing Prices per Market Time Unit of Delivery Day and per Bidding Zone, accepted energy quantities of Aggregate Hourly Orders, list of acceptance of Block Orders and Net Position for each Bidding Zone and Market Time Unit;
 - (iv) Information about matched Orders, in terms of the matching quantity and the trading price;
 - (v) any other data published on ALPEX website and provided for by the Applicable Law, and
 - (vi) Clearing and Settlement data of Trades executed on ALPEX.

H.4.2 Ownership and use of Data

H.4.2.1 ALPEX and Exchange Members shall retain ownership of the documents, data and information of any sort that they provide to another Party under the ALPEX Rules and the Procedures, and to which either Party may have access.

H.4.2.2 Notwithstanding paragraph H.4.2.1:

- (a) ALPEX has exclusive rights and control over all Data listed under section H.4.1.
- (b) Each Exchange Member grants ALPEX the right to use, communicate, copy and process its Orders and membership data as described in these ALPEX Rules and the Procedures.

H.4.2.3 Where ALPEX publishes trading data, ALPEX shall retain ownership of that data. However, an Exchange Member may use such data within its organization strictly for purposes associated with these ALPEX Rules.

H.4.2.4 ALPEX rights in data

- (a) ALPEX owns the data of paragraph H.4.2.1, with the exception of the Participation Data (paragraph H.4.1(a)) and the Orders submitted to the

ETSS (paragraph H.4.1.1(i)), whose ownership belongs to Exchange Members.

- (b) ALPEX reserves the right to use a) the participation data and b) the Orders submitted to the ETSS, anonymously, for the purposes of the ALPEX Rules, in compliance with the provisions of the Applicable Law. ALPEX shall take all necessary organizational and procedural measures and internally develop appropriate audit mechanisms to ensure the correct use of the above data.
- (c) The use of the above Data by ALPEX and its service providers on a case-by-case basis is subject to business confidentiality.

H.4.2.5 Terms of Use of Trading Data by Exchange Members

- (a) Exchange Members may not extract and use any Trading Data without the prior consent of ALPEX. Exchange Members are not allowed to commercialize, resell or give access to the Trading Data to third parties without having concluded an agreement with ALPEX.
- (b) Exchange Members may extract and use limited non-critical data provided that such use remains accurate, non-repetitive and non-systematic and has been preceded by relevant notification to ALPEX.

H.4.2.6 Submission of data to the competent authorities

- (a) ALPEX shall report Data of paragraph H.4.2.1 to the competent authorities, as specified in the ALPEX Rules, either:
 - (i) in accordance with applicable national laws or regulations, and/or
 - (ii) at the request of the competent supervisory authorities.

H.4.3 Reporting Requirements

H.4.3.1 The reporting requirements referred to in this Section are complimentary to other reporting requirements set out elsewhere in the ALPEX Rules and in the regulatory framework and in particular the requirement of ALPEX to make information available on its website.

H.4.3.2 ALPEX shall publish at least the following market information per Market Time Unit of each Delivery Day before the Day-Ahead Market Gate Opening Time, subject to appropriate confidentiality issues, and shall maintain an archive of this information for five (5) years, accessible to all Exchange Members and other interested parties.

- (a) the List of the suspended Exchange Members, and
- (b) any other information that may be designated by a Regulatory Decision upon ALPEX's recommendation.

H.4.3.3 ALPEX shall publish at least the following market information per Market Time Unit of each Delivery Day sixty (60) minutes the latest after the Day-Ahead Market Results publication Time, subject to appropriate confidentiality issues, and shall maintain an archive of this information for five (5) years, accessible to all Exchange Members and other interested parties.

- (a) the aggregated and anonymized Sell and Buy Curves included in the Local Order Book;
- (b) statistics on the total number of submitted and accepted Block Orders, along with the sum of offered and accepted energy quantities in Block Orders;
- (c) the Market Clearing Prices per Bidding Zone, and
- (d) the aggregated Market Schedules for energy injections and energy withdrawals per Bidding Zone for each Market Time Unit, and
- (e) any other information that may be designated a Regulatory Authority Decision upon ALPEX's recommendation.

H.4.3.4 ALPEX shall prepare and publish on its website monthly reports with at least the above figures aggregated on a monthly basis.

H.4.3.5 Publication of information

- (a) ALPEX provides timely information on the Day-Ahead and Intraday Markets as per sections H.5.3 and according to relevant ALPEX Technical Decision in a transparent manner, recognizing that Exchange Members may use this information to participate in the Markets.
- (b) However, no liability arises when the required information is incomplete or inaccurate, provided that ALPEX has made reasonable efforts to provide timely and non-discriminatory provision of accurate information.
- (c) The primary source of published market information is ALPEX website. All market information on ALPEX website is publicly available in a readily accessible and editable format.
- (d) Additional information and technical details regarding the data provided by ALPEX may be specified by a Decision of ALPEX which is published on its website.

H.4.3.6 Transparency

- (a) ALPEX observes the principle of transparency and publishes the statistics it collects on the trades under the ETSS.
- (b) ALPEX provides information to the public, and in particular to Exchange Members, upon request, in accordance with the provisions of the ALPEX Rules. ALPEX shall ensure that disclosure of the details and information it holds does not give unfair commercial or competitive advantages to third parties and in particular to Exchange Members.
- (c) The obligation to provide information is subject to observance of the principle of commercial secrecy. ALPEX staff also has an obligation to observe the principle of confidentiality.
- (d) It is the responsibility of ALPEX to keep updated market information as transparent as possible.

H.4.4 **Collection of Data for Remit**

H.4.4.1 Where information or data is requested by a Relevant Authority in accordance with Chapter D, Exchange Members must provide such information or data in a timely, accurate manner.

H.5 **CONFIDENTIALITY**

H.5.1 **Definitions**

H.5.1.1 **Confidential Information** means, in relation to any Party, information which is designated in writing by that Party as “confidential information”, or which would be considered as being confidential by its nature, and which is disclosed in connection with these ALPEX Rules, the Procedures, the Exchange Membership Agreement or the Disclosing Party’s activities in connection with these ALPEX Rules. Confidential Information shall not include:

- (a) the existence of and terms of these ALPEX Rules, the Procedures or the Exchange Membership Agreement; and
- (b) Data records or information which is at the relevant time required to be published in accordance with these ALPEX Rules or the Procedures.

H.5.1.2 The “Membership Application” and any other information exchanged as part of acquiring the capacity of Exchange Member, as well as the Exchange Member information included in the records kept by ALPEX are considered confidential subject to the more specific provisions of Section H.5.

H.5.1.3 ALPEX and each Exchange Member receiving confidential information in relation to the ALPEX Rules shall preserve the confidentiality of such information and shall not disclose, report, publish, communicate, transfer or use, directly or indirectly, any part of the confidential information for purposes other than the purposes for which such information was disclosed to them.

H.5.1.4 Subject to paragraph H.5.1.3, ALPEX or an Exchange Member may disclose confidential information of a party making the disclosure to a third party without the prior and explicit consent of the other party and provided that the receiving party has assured that the third party is bound by equivalent confidentiality obligations as defined in the ALPEX Rules.

H.5.1.5 Subject to paragraph H.5.1.3, ALPEX or an Exchange Member may disclose confidential information of a Disclosing Party:

- (a) to the extent expressly permitted or provided for by the ALPEX Rules and the Applicable Law;
- (b) to the extent necessary to comply with the applicable national legislation and regulation;
- (c) to the extent required by the court in proceedings before it to which the recipient is a party;

- (d) if required by their respective Transmission System Operators for the proper performance of their mission and their obligations under Applicable Law and the ALPEX Rules, either by themselves or through agents or advisors, or
- (e) where necessary to obtain authorizations or approvals by the competent authorities.

H.5.1.6 In addition, the obligations arising under this sub-section do not apply:

- (a) if the party receiving the information can demonstrate that at the time of the disclosure this information was already available to the public;
- (b) if the receiving party provides evidence that, from the time of disclosure, that information has been legally received by a third party or made available to the public;
- (c) to confidential information disclosed in accordance with the legal and regulatory arrangements, in an embedded form, from which no information concerning a particular Exchange Member can be inferred;
- (d) to information the publication of which is expressly provided for by the ALPEX Rules and the Applicable Law.

H.5.1.7 The acquisition of Exchange Member's capacity and the exchange of confidential information shall not give rise to any right to patents, know-how, knowledge or any other form of intellectual property with respect to information or tools made available or sent by one contracting party to another under the ALPEX Rules.

H.5.2 **Data Protection**

H.5.2.1 Without prejudice to the generality of any other provision of these ALPEX Rules, each Party shall:

- (a) comply with applicable requirements of Data Protection Legislation in respect of any Personal Data which it Processes in the course of its activities in connection with these ALPEX Rules;
- (b) ensure its compliance measures are up to date; and
- (c) use their reasonable endeavors to enter into any contract necessary to legitimize the Processing of Personal Data under Data Protection Legislation.

H.5.2.2 Any person submitting any Personal Data to ALPEX under these Rules or the Procedures (whether on its own or as part of another document or item of information or data) shall, before doing so, secure such consents as may be required under the Data Protection Legislation or any other Applicable Laws to enable that Personal Data to be used by ALPEX in accordance with, or as contemplated by, these ALPEX Rules, the Procedures. Without prejudice to the generality of this requirement, each Exchange Member shall procure that each member of its staff whose Personal Data it intends to transmit to ALPEX shall first consent to such transfer, and to the processing of that Personal Data by ALPEX for the purposes of carrying out its functions under these ALPEX Rules, the Procedures.

H.5.2.3 An Exchange Member shall notify ALPEX immediately of any breach of the provisions in this section H.5.2

I. TECHNICAL MATTERS

I.1 PURPOSE OF THIS CHAPTER

I.1.1 High level technical Requirements

I.1.1.1 This Chapter I describes the high-level technical requirements that Exchange Members must satisfy in order to participate on the Exchange. Exchange Members must also meet the detailed technical requirements set out in the Procedures.

I.1.2 Electronic transmission of Orders

I.1.2.1 Exchange Members submitting Orders to the ETSS shall do so in accordance with the Trading Procedures.

I.2 REQUIREMENTS FOR TECHNICAL ACCESS

I.2.1 Access arrangements as specified by ALPEX

I.2.1.1 Exchange Members shall access the ETSS solely through the electronic order and reception system specified by ALPEX and described in the Procedures.

I.2.2 Compliance with technical Requirements

I.2.2.1 For connection to the ETSS and access to ALPEX services, an Exchange Member's Systems shall comply with the technical requirements set out in:

- (a) these ALPEX Rules;
- (b) the Procedures; and
- (c) detailed technical and operational documents provided to Exchange Members by ALPEX pursuant to the Procedures.

I.2.2.2 Exchange Members must have and maintain a hardware and software environment that provides resilient and redundant hardware and internet connections, and complies with the technical specifications set out in these ALPEX Rules and the Procedures.

I.2.3 Testing

I.2.3.1 If requested by ALPEX, Exchange Members shall support and participate in technical testing in order to confirm compliance with technical requirements for access to the ETSS, to deliver changes or updates to the trading infrastructure or trading software if appropriate.

I.2.3.2 ALPEX acknowledges that an Exchange Member's technical performance during implementation of upgrades or technical changes by ALPEX will be on a reasonable endeavors basis.

I.2.3.3 All Exchange Members must pass conformance testing to be allowed to access to the Exchange ETSS, in accordance with the Procedures.

I.2.4 Inspection Powers

I.2.4.1 Each Exchange Member acknowledges that ALPEX (or its authorized service providers or sub-contractor) is permitted to undertake inspection and testing on the Exchange Member's premises to confirm compliance with this section I.2, in accordance with the Procedures.

I.2.5 Location of front-end Systems

I.2.5.1 An Exchange Member or an Applicant for admission may request, and ALPEX may allow the installation of front-end systems in the offices of the Exchange Member located outside the country in which the Exchange Member or Applicant has its registered office, provided that the application of and compliance with technical provisions of these ALPEX Rules and the Procedures are also ensured in the country in which the additional office is situated.

I.2.6 Order Routing Systems

I.2.6.1 If ALPEX permits an Exchange Member to use order routing systems in accordance with the Procedures, such Exchange Member shall be responsible for ensuring that:

- (a) the order routing facility is used properly, for the designated purpose and in accordance with the provisions of these ALPEX Rules and the Procedures; and
- (b) any Orders entered into the ETSS via order routing by third parties who are not admitted to the Exchange also comply with provisions of these ALPEX Rules and the Procedures.

I.2.6.2 If an Exchange Member fails to comply with the requirements in paragraph I.2.6.1, ALPEX may restrict or revoke its permission to use an order routing system.

I.2.7 Technical malfunctions

I.2.7.1 An Exchange Member must inform ALPEX without delay of any malfunction affecting its technical equipment or its ability to meet obligations under this section I.2.

I.2.7.2 Exchange Members authorise ALPEX to take appropriate measures to safeguard or resume proper trading and settlement following a malfunction.

I.2.8 Establishing Trading arrangements

I.2.8.1 ALPEX will provide to Exchange Members such user name and password details as are required in order to access the ETSS.

I.2.8.2 ETSS allows access only to authorized users of the Exchange Members.

I.2.8.3 To gain access, each user must receive from ALPEX a special password that is unique per user.

I.2.8.4 All Orders submitted to ALPEX by Exchange Members and transmitted to the ETSS for the purpose of executing trades, are binding for Exchange Members. In

any case, the Exchange Member shall be liable for the use of a password by unauthorized persons.

I.2.8.5 Exchange Members have the obligation to immediately inform ALPEX of any change involving users or any revocation of the capacity of user for any reason whatsoever, so that ALPEX can permanently or temporarily deactivate that user's password.

I.2.9 **Consequences of technical breaches**

I.2.9.1 In the event of a material breach of the technical requirements in section I.2 by an Exchange Member, ALPEX may temporarily Suspend the Exchange Member in accordance with section C.2.

J. MODIFICATIONS TO ALPEX RULES AND PROCEDURES

J.1 GENERAL PROVISIONS

J.1.1 ALPEX Power to modify ALPEX Rules and Procedures

J.1.1.1 ALPEX may modify these ALPEX Rules or the Procedures only in accordance with this Chapter J, and after satisfying the requirement for any Regulatory Authority approval and other preconditions set out in section J.4.

J.1.2 Notification, Publication and timing of Modifications

J.1.2.1 ALPEX shall notify Exchange Members and publish Modifications to these ALPEX Rules and the Procedures as soon as practical after a decision is made to modify them.

J.1.2.2 A Modification takes effect on the date specified in the notification, provided that a Modification cannot have retrospective effect.

J.1.2.3 The ALPEX Rules and the Procedures as amended are binding on ALPEX and Exchange Members as specified under section B.4 of these ALPEX Rules.

J.1.2.4 If the Exchange Members does not agree with the amendments, the Exchange Members has the right to resign their membership according to Section C.2.3.

J.1.3 Modification Procedures

J.1.3.1 ALPEX may develop Procedures under section B.3.3 to set out further detailed processes and timelines for submitting and considering Modification Proposals.

J.2 MODIFICATIONS TO ALPEX RULES AND THE PROCEDURES

J.2.1 Who Can Propose Changes

J.2.1.1 A Modification Proposal may be put forward by any Party, the Exchange Committee, ALPEX or, while approval is required under paragraph J.4.1.1, the Regulatory Authorities.

J.2.1.2 A Modification Proposal shall be provided to ALPEX and shall:

- (a) be in the form, if any, published by ALPEX;
- (b) be clear and substantiated with sufficient detail to enable its consideration;

J.2.2 ALPEX must consider Modification proposals

J.2.2.1 ALPEX may decide to modify or combine Modification Proposals and, should it do so, shall inform the Exchange Committee of the changes made and the supporting rationale.

J.2.2.2 ALPEX may request additional information from the Proposer before consulting with the Exchange Committee.

J.2.3 Consultation with Exchange Committee

- J.2.3.1 ALPEX shall consult with the Exchange Committee on all Modification Proposals, and must consider the views, if any, expressed by the Exchange Committee in deciding whether or not to modify the ALPEX Rules or the Procedures.
- J.2.3.2 ALPEX shall allow a reasonable time for the Exchange Committee to consider a Modification Proposal, unless ALPEX identifies that the Modification Proposal is urgent, or is required pursuant to section J.5, in which case ALPEX may require expedited consideration by the Exchange Committee.
- J.2.3.3 ALPEX and the Exchange Committee shall use their reasonable endeavors to comply with any timelines for consultation set out in the Procedures.

J.3 ALPEX DECISIONS

J.3.1 Options available to ALPEX

- J.3.1.1 Subject to sections J.2 and J.4, in relation to a Modification Proposal, ALPEX shall decide whether to:
 - (a) modify the ALPEX Rules or the Procedures;
 - (b) not modify the ALPEX Rules or the Procedures; or
 - (c) request that the Exchange Committee undertakes further consideration in relation to the matters raised in a Modification Proposal.
- J.3.1.2 For the avoidance of doubt, before making its decision under paragraph J.3.1.1, ALPEX may undertake such additional consultation as it considers appropriate.

J.3.2 Reasons for decision

- J.3.2.1 Where ALPEX decides not to accept the views or recommendations of the Exchange Committee, ALPEX shall explain in writing to the Exchange Committee its reasons for not doing so.

J.4 PRECONDITIONS FOR MODIFICATIONS OF RULES OR PROCEDURES

J.4.1 Regulatory Authority Approval

- J.4.1.1 In addition to the preconditions set out in paragraph J.4.2, where required as a condition, a proposed Modification to the ALPEX Rules must be approved by the Regulatory Authorities.

J.4.2 Other preconditions

- J.4.2.1 ALPEX may modify these ALPEX Rules or the Procedures at any time, provided that:
 - (a) the resulting ALPEX Rules or the Procedures would be consistent with the ALPEX Objective and Principles;
 - (b) the changes have been submitted to the Exchange Committee for its views in accordance with section J.2.3 and section B.2.2;

- (c) in the case of Modifications to the Procedures, the change complies with any process set out in the Procedures themselves; and
- (d) the Effective Date of the change has due regard for any necessary changes to systems and processes to implement the Modification.

J.4.2.2 Notwithstanding paragraph J.1.2 amendments to the ALPEX Rules may be implemented with immediate effect following notice to affected Exchange Members and Regulatory Authority:

- (a) If so required by the effective legislation;
- (b) If such amendments in the opinion of ALPEX are necessary for either the continued Trading operations or the integrity of the relevant Markets;
- (c) If such amendments are necessary to correct errors in the ALPEX Rules; or
- (d) If such amendments are of editorial nature only and do not entail any substantive changes to the ALPEX Rules, including clarifications and changes in layout etc.

J.5 CHANGES TO REGULATION

J.5.1 General

J.5.1.1 Where ALPEX considers that Modifications to the ALPEX Rules or the Procedures are required in order to give effect to changes made to the transposition of EU Regulation, or to other transposition European regulations by Regulatory Authority decisions directly affecting the operation of the Exchange, then ALPEX may adopt an expedited consultation process, provided that such process shall include:

- (a) reasonable notice to Exchange Members of the required Modification;
- (b) consultation with the Exchange Committee in relation to implementation of the required Modification.

J.5.1.2 Where a required Modification under paragraph J.5.1.1 affect these ALPEX Rules, and approval is required under paragraph J.4.1.1, ALPEX shall notify the Regulatory Authorities as soon as practicable of the required Modification, the reasons for it, and the proposed implementation timing, and shall request timely approval by the Regulatory Authorities to prevent any inconsistency with European regulations.

J.6 OTHER MATTERS

J.6.1 Intellectual property associated with Modification proposals

J.6.1.1 Each Party submitting a Modification Proposal shall be deemed to have granted an irrevocable worldwide royalty-free license to any Intellectual Property Rights or other rights to, and to have waived any moral rights in, the content, form or other aspect of the Modification Proposal and such license and waiver shall be a precondition to the valid submission of a Modification Proposal.

J.6.1.2 Each Proposer, who is not a Party, shall be required to grant an irrevocable worldwide royalty-free license to any Intellectual Property Rights or other rights to

and waive any moral rights in the content, form or other aspect of the Modification Proposal and such license and waiver shall be a precondition to the acceptance of a Modification Proposal.

- J.6.1.3 ALPEX may make available on its website a form for Modification Proposals, with such form to include an irrevocable worldwide royalty-free license of Intellectual Property Rights, and waiver of moral rights in respect of the content, format or other aspects of the proposal.

K. INTERIM ARRANGEMENTS

K.1 INTRODUCTION

K.1.1 Purpose

K.1.1.1 This Chapter K specifies certain interim arrangements that will apply in respect of the Exchange following the Effective Date for a transitional period, which is specified in each case.

K.1.2 CHAPTER K Prevails

K.1.2.1 This Chapter has priority over the other Chapters of these ALPEX Rules and the Procedures, and, in the event of any inconsistency or conflict between a provision of this Chapter K and any other provision of these ALPEX Rules or the Procedures, the provision of Chapter K prevails to the extent of the inconsistency or conflict for the time period specified.

K.1.3 Commencement of Trading

K.1.3.1 The first MTU for the purposes of these ALPEX Rules and the Procedures shall commence at the Cutover Time.

K.1.4 Initial Exchange Committee Member terms

K.1.4.1 Notwithstanding paragraph B.2.3.4, initial appointments of Exchange Committee members shall be made for terms that include some appointments for a term of one year, and some for a term of two years. The staggering of expiry dates is aimed at promoting continuity for the Exchange Committee.

K.2 CHANGES TO RULES AND PROCEDURES BEFORE GO-LIVE

K.2.1 Circumstances that may necessitate changes

K.2.1.1 The results of product testing and market trials, or external approvals required in relation to commencement of trading, may necessitate one or more changes to the ALPEX Rules, or to the Procedures, during the period between the approval of the ALPEX Rules by the Regulatory Authorities and the Cutover Time.

K.2.2 Changes may follow consultation

K.2.2.1 If the circumstances in paragraph K.2.1.1 arise, then ALPEX may modify the ALPEX Rules or the Procedures accordingly, without completing the procedural steps set out in Chapter J of these ALPEX Rules, or the Exchange Committee Procedures, provided that ALPEX has:

- (a) consulted with stakeholders to explain the reasons for the changes, and the effect of the changes, and has taken into consideration any comments received through that consultation;

(b) advised the Regulatory Authorities of the changes, the outcome of the consultation referred to in paragraph (a) above, and provided an opportunity for the Regulatory Authorities to suggest any Modifications that:

(i) relate directly to the matters that are the subject of the changes considered; and

(ii) are within the ability of ALPEX to effect.

K.2.2.2 ALPEX shall notify Exchange Members and the Regulatory Authorities of any Modifications made pursuant to this section K.2, and shall publish such Modifications in accordance with section J.1.2.

K.2.3 **Transitional and final provisions**

K.2.3.1 These ALPEX Rules enter into force on **dd.mm.2022**. On the date of entry into force of these ALPEX Rules, previous Trading Rules and respective appendixes approved with ERE Decision Nr. 214/2017 from **dd.mm.2022** shall cease to have effect.