

HUPX MARKET RULES INTRODUCTION

The current version v12 of the Organized Electricity Market Rules (hereinafter Market Rules) was approved by the Hungarian Energy and Public Utility Regulatory Authority (hereinafter: MEKH or Supervisory Authority) on 15 January 2019 (hereinafter referred to as the Decision) with validity until 28 February 2021. The modification of the Market Rules v12.1 was approved in October 2019 and became effective from 19 November 2019 with the same validity date until 28 February 2021. Another modification has been published (with new Contract Specifications) and became effective from 11 December, 2020. The last version is the 12.2.

As Market Rules v12.2 will expire in early 2021, the renewal has become necessary.

The new version of the Market Rules has undergone a structural transformation in order to make it more transparent and easier to interpret as it will become similar to other Market Rules of the HUPX Group. Many of the HUPX Members are members of HUDEX and/or CEEGEX as well, and we hope this standardization will make the Market Rules more understandable and make the operation as simple as possible.

Another advantage of the new structure is that technical and operational details have been included in the annexes of the Market Rules as they are changing frequently. The annexes (with one exception) can be amended by HUPX by means of a contractual notice without the prior approval of the Supervisory Authority. The content of the annexes covers mainly those parts of the Market Rules, which were allowed to be amended via Market Notice in the old Market Rules regime. This new structure allows HUPX to adapt more quickly and flexibly to the changes in the market and the communication to the market participants will become more transparent and easier to monitor.

Previously HUPX Market Rules only used the Market Notice term for both information sharing and contract amendment. In order to differentiate these legally different types of notices, we introduce HUPX Contractual Notice about the changes of Market Rules and amendment of its annexes. Operational Notice will be introduced to provide information about trading issues concerning market participants. Other relevant information will be sent under the Market Notice, as it was the case before.

CONTENT PART – MAIN CHANGES

- Structural changes, simplifications, clarifications and elimination of duplication
- necessary grammatical and stylistic corrections
- clarification and standardization of concepts and word usage
- definitions clarification

Main changes in the content part:

- The date of publication and entry into force has been standardized for several annexes and documents at group level.
- The member admission process and the list of documents to be submitted for new HUPX Members has become more simplified and streamlined.
- The system of restriction of membership rights has been clarified: Next to the suspension of membership, we introduced a restriction on the right to trade. This is a temporary suspension in those cases where there is a temporary situation (for example temporary unavailability of cover or lack of trader)
- Clarification of OMC rules, creation of OMC annex
- Clarification and separation of SIDC and SDAC
- Shipping fee regulations: still subject to MEKH approval
- General legal terms and conditions were unified at HUPX group level Fees discounts and invoicing rules will be added to annex as well in order to be able to flexibly change the billing period

ANNEXES OF THE MARKET RULES:

	Name of the Annex	Description
I.	HUPX Membership Fee Schedule	All financial provisions are placed in one Annex. (previously issued in a Market Notice)
II.	HUPX Technical Requirements	Previously part of the body text, while the new Market Rules will contain only general rules, and the annex will contain more precise and detailed rules.
III.	HUPX Spot Products List and Specifications	Previously part of the Market Rules, could have been modified with Market Notice. Now as an Annex stores all information about all products in one place.
IV.	HUPX Operational Procedures	Contains more detailed and accurate process descriptions.
V.	HUPX Membership Agreement	Previously annex to the Market Rules as well. The membership contract is shortened, since the legal conditions will be included in the body of HUPX Market Rules.
VI.	HUPX OTC Rules	Rules for over-the-counter transactions, important in HUPX Intraday Market.
VII.	HUPX Organized Market Committee Regulation	The rules for the operation of the OMC that apply to the relationship between HUPX and the OMC have remained in the Market Rules, however those parts that define the internal operation of the OMC have been added to this Annex. These are mostly electoral voting procedures and formalities for internal operation. This Annex should be developed by OMC and can be changed without the approval of HUPX. HUPX and the Office, as members / invitees of the OMC, can shape these internal procedures through the internal rules of the OMC.
VIII.	Shipping fee	This is the only annex where MEKH approval is required in case of annex amendment.