

## **Technical Rule no. 16 Rev. 04 MGAS**

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

<b>Title</b>	<b>Invoicing of payables/receivables and settlement of payments</b>
Reference Legislation	Article 8, para. 8.1; Article 18, para. 18.5; Article 27, para. 27.1; Article 64, para. 64.2; Article 65,; Article 66,; paras. 66.1, 66.3, 66.4 and 66.5; Article 68; Article 73; Article 74, paras. 74.1 and 74.2; Article 75; Article 76, paras. 76.2, 76.3, 76.4 and 76.6; Article 78, para. 78.2, subpara. a) and para. 78.5, subpara. c); Article 81, para. 81.1; Article 82, para. 82.2, subpara. b) and para. 82.4; Article 93 - Natural-Gas Market Rules

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## **1. Foreword**

Article 8, para. 8.1 of the Natural-Gas Market Rules provides that the procedures and time limits for GME's collection of the contribution to the resources to be used for the default management shall be defined in the Technical Rules.

Article 18, para. 18.5 of the Rules provides that the request, for entry of data and information referred to in Article 17, para. 17.2, subpara. e), in the list of Market Participants shall be accompanied, as provided in the Technical Rule, by a statement authorizing GME to withdraw the amounts directly from his/her/its current account held at a credit institutions that have enabled the SEPA Direct Debit Business to Business instrument (SDD B2B).

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

Article 64, para. 64.2 of the Rules provides that the procedures and time limits for determining the sums of the purchases and sales concluded by each Market Participant in the MGAS and notifying them to each Market Participant at the end of each invoicing period shall be defined in the Technical Rules.

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

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

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

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

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

Article 76, paras. 76.2, 76.3, 76.4 and 76.6 of the Rules provides that GME shall make payments to Market Participants that are net creditors towards GME in accordance with the procedures and time limits defined in the Technical Rules.

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

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

Article 78, para. 78.5, subpara. c) of the Rules provides that GME shall apply a penalty in case of failure to register the net delivery position at the PSV, in accordance with procedures and time limits defined in the Technical Rules, and that GME shall allocate the payments resulting from the application of the penalty to the MGAS guarantee fund.

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

Article 82, para. 82.2, subpara. b) of the Rules provides that, for late payments in respect of the net position mentioned in Article 73, para. 73.2, subpara. b) of the Rules, the default interest rate shall be defined in the Technical Rules.

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

Article 93, para. 93.1 of the Rules provides that the Market Participant can dispute the results of the invoicing procedures referred to in Title IV, Chapter II, or the outcomes referred to in Title V, Chapter II by sending a notification to GME within the terms defined in the Technical Rules.

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

## **2. Offsetting, settlement of payments and invoicing of the purchase and sale transactions concluded in the MGAS**

### **2.1. Settlement period**

The *settlement* period of the payables/receivables relating to all purchase and sale transactions concluded on the MGAS is the week (W+1):

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

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

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

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

## **2.2. Time limits for notifications referred to the net position regarding the payables/receivables on MGAS**

In accordance with Article 73, para. 73.2, subpara. a) of the Rules, in the week W+1 on the first working day by 11:30 am, GME will define and notify to each Market Participant its own debit or credit net position, resulting from the purchase and sale transactions concluded on the MGAS and delivered in the week W, including VAT, where chargeable.

## **2.3. Settlement of the net position resulting from the MGAS**

### **2.3.1. Payments provided by net debtor Market Participants, defined as Public Administration Market Participants**

After the individuation of net positions described in para. 2.2 above and the invoicing process described in the following para. 2.4.4, GME will settle PA Market Participants<sup>1</sup> net debt positions by using the non-interest bearing cash deposit granted by the PA Market Participants as a guarantee, pursuant to Section 70 paragraph 70.2 bis, accordingly to Technical Rule 15 MGAS.

### **2.3.2. Payment instrument of the non-PA Market Participants on the MGAS.**

In accordance with Article 18, para. 18.5 of the Rules, each Market Participant subscribes and sends the financial Institute in charge of the Gas Market treasury services a declaration by means of which GME is authorized to withdraw directly from his/her current account, held at credit institutions adopting the SEPA Direct Debit B2B, the amounts due by the participant to GME.

By the financial Institute in charge of the Gas Market treasury services, GME, as the authorized creditor, collects and preserves the declarations signed and submitted by all Market Participants.

GME will take into account only those declarations transmitted directly by the Market Participants to the financial Institute providing the Gas Market treasury services, as shown in the present Technical Rules.

Once acquired the declaration pursuant to Article 18.5 of the Rules duly filled in all its parts, GME, through the financial Institute providing Gas Market treasury services, will perform an opening test<sup>2</sup> of the SDD B2B transmission channel with the bank identified in the declaration, by a charge of a

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

<sup>2</sup> The opening test will require a variable processing period based on possible bank adjustment needs of about fifteen working days from receipt of the declaration referred to in Art. 18.5, with possible postponements depending on the

token amount. Since the working day following the opening of the banking channel, the Market Participant can enter bids/asks in the MGAS; the amount used for the test purposes will be returned to the Market Participant by GME via Urgent SEPA Credit Transfer or Priority.

If in a following time, the declaration loses its value and/or effectiveness or there is the need to change the bank account identified therein, the participant shall promptly communicate via registered mail or telefacsimile such circumstance by sending a communication on the Participant's Company letterhead signed by the legal representative, accompanied by the ID document of the same representative to fax number 0039 06 80124589.

GME will send the Participant a new declaration- via registered mail or telefacsimile - that will have to be duly filled in all its parts and then to be transmitted both to the financial institution identified by the participant and to the financial Institute in charge of the GME's Electricity Market treasury services.

The new declaration, submitted pursuant to Article 18.5 of the Rules to replace the one already in force, will be considered accepted only once the SDD B2B channel opening test will be successfully concluded by GME. Only then, the Participants will be able to use the new account to operate in the market/platform managed by GME and financially settled through the SDD B2B scheme. During the time needed to open the banking channel, the Participant can operate using the previous declaration, provided that it is valid and/or effective.

### **2.3.3. Settlement of payments by the non-PA Market Participants that are net debtors**

After the individuations described in para. 2.2 above, Market Participants which are net debtors of GME, must provide the liquidity required to pay the amount due as per Article 74, para. 74.1, subpara. a) of the Rules, on the bank account identified in the declaration defined in para. 2.3.2 above; the amount will be drawn through the SDD B2B tool on the second working day, in the week W+1 and will be considered consolidated in the banking system after three working days from the debit date<sup>3</sup>.

Market Participants, not providing the necessary liquidity within the time limits valid to ensure the charge through SDD B2B, may send the payment of the due amount, in accordance with Article 74, para. 74.2 of the Rules, to the financial Institute in charge of the GME treasury service, not later

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results of the tests. Subsequent charges will be settled on the interbank day (Target) - usually on Tuesday - following the sending of the SDD B2B provisions by GME to the Institute in charge of the gas market treasury service.

than 4pm of the third working day from the debit date, through Urgent SEPA Credit Transfer or equivalent tool, increased by:

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

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

#### **2.3.4. Settlement of payments to Market Participants that are net creditors**

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

Without prejudice to the paragraph 2.3.3 above, on the fourth working day after the day of the charge with beneficiary value date on the same day, in accordance with Article 76, para. 76.2 of the Rules, GME shall pay its net creditors, (as provided in para. 6.4) for an amount equal to the ratio of the amount (as per Article 74, para. 74.1 of the Rules) paid by debtors Market Participants to the overall credits (as per Article 73, para. 73.2, subpara. a) of the Rules), that GME has accrued towards net debtor Market Participants.

If GME does not receive the payment described in Article 74, para. 74.2 of the Rules within the period defined in para. 2.3.3 above, in accordance with Article 78, para. 78.1, subpara. b) of the Rules, GME will enforce the guarantees set by the Market Participant in compliance with Article 70, para. 70.1, 70.2 and 70.2bis of the Rules within the following working day and will pay pro quota the residual net debt on the basis of the amount collected upon redemption, within 5 working days starting from the date of collection. Following the collection of the guarantees set forth in Article 70, para. 70.1, 70.2 and 70.2bis, of the Rules, GME will pay to the net creditor Market Participants the amount pertaining to the default interest and to the penalty paid to GME by the net debtor Participant pursuant to Article 82 of the Rules after receiving the related invoice.

According to Article 76, para. 76.6 of the Rules, GME also reserves the right to block payments to a Market Participant, if the same participant results net creditor for one or more periods under para. 2.2 above and/or para. 3.2.5 below and:

- a) the settlements of such payments arise an insufficiency of the relevant guarantee, or;

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<sup>3</sup> The timing of the consolidation in the banking system is provided in the Rulebook approved by the European Payments Council.



b) the Market Participant has not adjusted the guarantee as a result of an insufficient collateral 's amount.

GME shall provide these payments once the guarantees amount has become again sufficient, on the following working day.

The date and time of the above payments to GME's bank account will be those recorded by the information system of the bank in charge of the Gas Market treasury services.

## **2.4. Time limits for invoicing of GME**

### **2.4.1. Invoicing period**

The invoicing period of all the purchase and sale transactions concluded in the MGAS is the calendar month in which such transactions are financially settled, pursuant to paragraph 2.3 above, notwithstanding the following para. 2.4.4 for PA Participants.

### **2.4.2. Time limits for notifications**

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

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

default procedure provided in Article 78, para. 78.1, subpara. c) and Article 81, para. 81.1, subpara. a) of the Rules for each week financially settled during the same calendar month.

#### **2.4.3. Time limits of invoicing of GME in case of enforcement**

Regardless of the *settlement* and invoicing period, if GME proceeds enforcing the collateral guarantee under Article 78, para. 78.1, subpara. b) of the Rules, it will issue an advance invoice for the case outlined in Article 77, para. 77.1, subpara. c) of the Rules, equal to the amount paid including VAT, if chargeable. The invoice for payment is issued on the same day of the accreditation, on GME's bank account, and for the same amount of the sum collected from the financial institute issuing the guarantee and/or from the Market Participant.

In regards of the PA Market Participant the advance invoice for payment will be sent through the Sistema di Interscambio (SDI) or through alternative channels to SDI if there are the conditions provided for by law no.244 of 24 December 2007 and related implementations, together with the activation of the procedure for the payments of guarantees.

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

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

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

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

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

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

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

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

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

- a. with the sum of the receivables in respect of all the sales concluded by Market Participants on the MGAS;
- b. with the sum of the receivables in respect of all the sales attributed by GME to the Market Participant in the management of the default procedure provided in Article 78, para. 78.1, subpara. c) and in Article 81, para. 81.1, subpara. a) of the Rules.

### **3. Default management**

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

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

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

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

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

Any amounts recovered by the judicial proceedings instituted by GME under Article 78, para. 78.4 of the Rules will restore the amounts used under the risk pooling mechanism, for the portion corresponding to the payments made to net creditors Market Participants.

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

- a. GME’s yearly maximum amount; in case the recovery takes place by 31 December of the calendar year in which the request for guarantee redemption has been made, these sums will allow a re-adjustment of the same amount of the annual ceiling; and as regard as the remaining amount, if any,
- b. for the remaining amount, the resources available in the MGAS guarantee fund.

If GME does not recover or partially recovers the redeemed amounts collected in the case of default by the Market Participant pursuant under Article 77, para. 77.1, subpara. c) of the Rules, GME will manage the remaining debt of the defaulting Market Participant in accordance with the paragraphs 2.2, 2.3.1 and 2.3.3 above.

According to Article 76, para. 76.6 of the Rules, GME reserves the right to block the payments in favor of the defaulting Market Participant if the same Market Participant qualifies as net creditor for one or more periods of *settlement*, until the defaulted payment is settled by using the credits of the defaulting Market Participant to totally or partially or cover the Market Participant's debt.

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

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

The invoicing period for the items payables and receivables assigned to defaulting Market Participant pursuant to Article 81, para. 81.1 b) of the Rules is the calendar month.

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

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

- a. each Market Participant which is debtor towards GME, with one or more files called "proforma invoice notifications" with the sum of the items on all purchases attributed by GME to Market Participant in the management of the default procedure under Article 81, para. 81.1, b) of the Rules;
- b. each Market Participant which is creditor towards GME, with one or more files called "proforma invoice notifications", with the sum of the receivables in respect of all the sales that GME has assigned to Market Participant in the management of the default procedure under Article 81, para. 81.1, subpara. b) of the Rules.

#### **3.2.3. Time limits of invoicing of GME assigned to the defaulting Market Participant as per Article 81, para. 81.1, subpara. b) of the Rules**

For each invoicing period, within the fifteenth calendar day of the third calendar month following the invoicing period, GME will issue one or more invoices to the Market Participant with the sum of the

payables owed in respect of the purchases that GME has assigned to the same Market Participant in managing the default procedure pursuant to Article 81 para. 81.1 subpara. b) of the Rules.

If the above time limit falls on a non-working day, GME will issue the invoice within the next first working day.

**3.2.4. Time limits for invoices to be received by GME with in respect of receivables assigned to the defaulting Market Participant as per Article 81, para. 81.1, subpara. b) of the Rules**

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

**3.2.5. Offsetting of payables/receivables in the MGAS and notification of balances to be settled as per Article 81, para. 81.1, subpara. b) of the Rules to the defaulting Market Participant**

Under Article 73 para. 73.2, subpara. b) of the Rules, GME will identify the net debit or credit position of each Market Participant after offsetting the amounts (including VAT, where chargeable), invoices according to the para. 3.2.3 and 3.2.4 above.

The settlement period of payables and receivables billed by GME in the default management procedure under Article 81 paragraph 81.1 subpara. b) of the Rules is identified in paragraph 3.2.6 below. Within the fifteenth day of the third calendar month following the invoicing period, GME will notify each Market Participant the outcome of the outcomes mentioned in this paragraph, based on which, payments referred to in paragraph 3.2.6 below will be made.

If the time limits defined in this paragraph 3.2.5 falls on a non-working day, GME will notify the net debit or credit position of each Market Participant within the next first working day.

**3.2.6. Settlement of payments for payables/receivable assigned under Article 81, para. 81.1, subpara. b) of the Rules, to the defaulting Market Participant**

### **3.2.6.1 Settlement of payments under Article 81, para. 81.1, subpara. b) of the Rules to defaulting Market Participants qualifying as net debtors**

After the outcomes described in para. 3.2.5 above, Market Participants that qualifies as net debtors towards GME will pay the amount due in accordance with Article 74, para. 74.1, a) of the Rules, to the financial Institute in charge of the gas market treasury services (with value date the same day) by 10.30 am on the fourteenth calendar day following the GME 's notification of the outcomes referred to in para. 3.2.5 above.

Net debtors Market Participants which fail to pay the amount due within the aforesaid time limit may pay the amount due, in accordance with Article 74, para. 74.2 of the Rules, to the bank in charge of the treasury service by 10:30 am of the fifth working day following the above-mentioned time limit; the latter amount will be increased by default interest specified in the Grid Code in force at the time of the issuing of the invoices referred to the late payment.

The date and time of the crediting of the above payments to GME's account will be those recorded by the information system of the bank in charge of the gas market treasury services. Where net debtor Market Participants fail to pay or partially pay the amounts referred to in para. 3.2.5 above within the above-mentioned time limits, GME will apply the default procedure provided in para.3.1 above.

### **3.2.6.2 Settlement of under Article 81, para. 81.1 subpara. b) of the Rules, to defaulting Market Participants qualifying as net creditors**

GME will make payments to Market Participants that qualify as net creditors towards GME as result of the outcomes referred to in para. 3.2.5 above, provided that GME has received the relevant invoice.

Within the thirty first calendar day following the GME's notification related to the outcome of the outcomes referred to in para. 3.2.5 above and with the beneficiary value date on the same day, GME, under Article 76, para. 76.2 of the Rules, will pay to its net creditors an amount equal to the ratio - Article 74, para. 74.1, a) of the Rules - of the amount, paid by net debtor Market Participants, to the total credits, (as per Article 73, para. 73.2, subpara. b) of the Rules) that GME has accrued towards net debtors Market Participants.

If GME receives the related invoice beyond the time limits set out in para.3.2.4 above, payments will be made in respect of each creditor Market Participant within the thirty calendar day (with

beneficiary value date on the same day) following the day on which the relevant invoice has been received.

Under Article 76, para. 76.3 of the Rules, GME will pay with value date on the working day following the collection, its net creditors for an additional amount equal to the ratio of the amount - Article 74, para. 74.2 of the Rules – paid by net debtor Market Participants, to the overall credits as per Article 73, para. 73.2, b) of the Rules, that GME has accrued towards net debtors Market Participants.

The payment to net creditors Market Participants of the quote which is related to interest paid to GME by the net debtor Market Participant in accordance with Article 74, para. 74.2 of the Rules, will be made by GME as a result of the reception of the invoice.

If the payment referred to in Article 74, para. 74.2 of the Rules is not received within the terms defined in this paragraph, GME, as per Article 78, para. 78.1, subpara. b) of the Rules, will, before the next working day, enforce the guarantees set forth in Article 70, para. 70.1, 70.2 and 70.2bis, of the Rules, paying pro quota its residual net debt on the basis of the amount collected upon redemption, including the default interest, within 5 working days following the collection.

According to Article 76, para. 76.6 of the Rules, GME also reserves the right to block payments to Market Participant, if the same qualifies as net creditor for one or more months in accordance with paragraph 2.2 and/or paragraph 3.2.5 above and if:

- a) the settlement of such payments arises an insufficiencies of the relevant guarantees or
- b) the Market Participant has not adjusted the guarantee as a result of an insufficient collateral amount.

GME will make the above-mentioned payments on the working day following the one on which the guarantees become sufficient.

The date and time of the debiting of the above payments to GME's account will be those recorded by the information system of the bank in charge of the gas market treasury services.

#### **4. Settlement, invoicing and payment of fees, contribution and penalty**

##### **4.1. Invoicing period of fees, contribution and penalty**

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

##### **4.2. Time limits of the notifications of the fees, contribution and penalty due by non-PA Market Participants**



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

- a. each Market Participant which is debtor towards GME with one or more files called "proforma invoice communications" with the sum of penalties, if any applied to the Market Participant as per Article 78, para. 78.5, subpara. c) of the Rules;
- b. each Market Participant with one or more files called "proforma invoice notifications" with the sum of the fees (including VAT, if chargeable) and of the contribution (not subject to VAT), owed for all transactions, both purchases and sales, carried out in the MGAS, including the transactions that GME has assigned to the Market Participant in the default management procedure referred to in Article 78, para. 78.1, c) and in Article 81, para. 81.1, a) and b) of the Rules;
- c. each Market Participant requiring enabling to the management of errors procedure with one or more files called "proforma invoice notifications" in accordance with Article 46, para. 46.9 of the Rules with the sum of the fees due.

#### **4.3. Time limits of the notifications of the fees, contribution and penalty due by PA Market Participants**

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

- a. each PA Market Participant which is debtor towards GME with one or more files called "proforma invoice notifications" with the sum of penalties, if any applied, to the Market Participant as per Article 78, para. 78.5, subpara. c) of the Rules;
- b. each Market Participant with one or more files called "proforma invoice notifications" with the sum of the fees (including VAT, if chargeable) and of the contribution (not subject to VAT), owed for all transactions, both purchases and sales, carried out in the MGAS, including the transactions that GME has assigned to the Market Participant in the default management procedure referred to in Article 78, para. 78.1, subpara. c) and in Article 81, para. 81.1, subparas. a) and b) of the Rules;

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

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

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

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

GME will provide each Market Participant with the invoice:

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

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

- a. one or more invoices with the sums of the fees plus VAT, where chargeable, and of the contribution (not subject to VAT), due for all purchase and sale transactions in the MGAS and for those assigned by GME to the Market Participant in the default procedure management under Article 78, para.78.1,subpara. c) and Article 81, para. 81.1,subparas. a) and b) of the Rules;
- b. one invoice to each Market Participant for the penalty assigned in accordance with Article 78, para. 78.5, subpara. c) of the Rules.

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

GME will provide each PA Market Participant the invoice:

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

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

- a. one or more invoices with the sum of the fees and VAT, if chargeable, and the contribution not subject to VAT, due for all purchase and sale transactions, carried in the MGAS as well as those attributed by GME to the Market Participant in the default procedure management foreseen in Article 78, para. 78.1, subpara. c) and Article 81, para. 81.1, subparas. a) and b) of the Rules;
- b. one invoice for the penalty assigned in accordance with Article 78, para. 78.5, subpara. c) of the Rules.

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

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

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

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

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

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

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

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

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

Each Market Participant must pay the amounts due under Article 75, , Article 8, para. 8.1 and Article 78, para. 78.5, subpara. c) of the Rules and, in the case of LP, if as a result of the determination referred to in paragraph 4.8 he/she is found to be net debtor, within the following time limits:

- within the sixteenth working day of the month in which GME has issued to the non LP participant the relevant invoice and with the beneficiary value date on the same day, for the fees and for the contribution referred to in Article 66, para. 66.1, subparas. c) and d) of the Rules;
- within the sixteenth working day of the month in which GME has issued the relevant invoice and with the beneficiary value date on the same day, for the penalty referred to in Article 78, para. 78.5, subpara. c) of the Rules;
- within the sixteenth working day of the month in which GME has notified the LP of the result of the determinations and with the beneficiary value day, day for the net position referred to in paragraph 4.8 above;

- within thirty calendar days since the date of the invoice issuance with the beneficiary value date on the same day, for the access fee referred to in Article 7, para. 7.1, subpara. a) of the Rules;
- within the last working day of the month in which the invoice has been issued with the beneficiary value date on the same day, for the yearly fixed fee referred to in Article 7, para. 7.1, b) of the Rules.

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

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

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

If the Market Participant partially pays the invoices with the sum of the fees (including VAT, where chargeable) and of the contribution (not subject to VAT), due, respectively, under Article 7, para. 7.1, c) and Article 8, para. 8.1 of the Rules, GME will allocate the collected amount, unless otherwise notified by the Market Participants, in the following ways:

- a) to the fees, for an amount equal to the ratio of the value of such payments to the overall invoiced amount, including both the fees and the contribution;
- b) to the contribution, for an amount equal to the ratio of the value of the contribution to the overall invoiced amount, including both the fees and the contribution.

In the event of partial payment by the LP of the net debit position referred to in paragraph 4.8 above, unless otherwise expressly notified by the LP, GME shall proceed to offset up to the

maximum capacity and to attribute, for the exceeding part, the invoices issued by the LP with their invoices in increasing order of amount.

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

## **5. Correction of errors**

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

Under Article 93, para. 93.1, of the Rules, the Market Participant may dispute the results of the communications relating to the net position to be settled as per paragraph 2.2 by sending a notification to GME within 5 PM of the working day on which such outcomes are disclosed.

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

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

Under Article 93, para. 93.1 of the Rules, the Market Participant may dispute the results of the operations of communication and invoicing operations referred to in paras. 2.4.2, 2.4.3, 2.4.4, 2.4.5, 3.2.2, 3.2.3, 4.2, 4.3, 4.6 and 4.6 by sending a notification to GME within 4 PM of the second working day following the date of invoice's issuing or the day of invoice's transmission referred to in Article 66, para. 66.1.

The LP participant may dispute the result of the notification procedure referred to in paragraph 4.4 above, by sending a communication to GME by 4 pm on the second working day following the day of the sending of the communications referred to in paragraph 4.4 above.

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

If the complaint on an invoice issued by GME under the paras. 2.4.3, 2.4.4, 2.4.5, 3.2.3, 4.6 and 4.6 above is accepted, GME will issue a debit/credit memo, according to Articles 94, para. 94.5, of the Rules.

If successful verification of the dispute concerns notifications sent by GME to the Market Participant pursuant to the para. 4.4 above, GME will, under Articles 94, para. 94.5, of the Rules, issue a new notice or integrate the previously issued one.

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

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

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

## **6. Common provisions**

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

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

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

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

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

GME's invoices for the access fee and for the penalties and interests referred to in the previous paragraphs, shall be sent to participants by email or regular mail, without prejudice to the

legislation in force from time to time in force on electronic invoicing and related implementing provisions.

## **6.2 How to settle the payments**

All payments from GME to Market Participants and vice versa, identified in paras. 2.3.4, 3.2.6.1, 3.2.6.2 and 4.9 will be made by SEPA Credit Transfer, Priority or equivalent procedures. GME's IBAN code to be used for the money transfer is posted on GME's website ([www.mercatoelettrico.org](http://www.mercatoelettrico.org)). If time limits for payments provided in paras. 2.3.4, 3.2.6.1 and 3.2.6.2 and 4.9 falls on a non-working day, both GME's payments to Market Participants and Market Participants' payments to GME will be made within the next first working day.