

Technical Rule no. 06 Rev 8 PCE

(under article 4 of the Rules Governing the OTC Registration Platform
– PCE Rules)

Title	Time periods and procedure for invoicing and settlement of payments
Reference Legislation	Article 24, para. 24.8; Article 52; Article 54 ; Article 64, para. 64.4; Article 65, para. 65.1; Article 66; and Article 67, paras. 67.2, 67.3 and 67.4 - PCE Rules

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1. Foreword

Article 24, para. 24.8 of the PCE Rules provides that the participant shall enclose a statement concerning his/her/its VAT taxation scheme (in accordance with the procedure described in the Technical Rules) to his/her/its request for entry of the data and information referred to in article 23, para. 23.2 i) thereof.

Article 52 of the PCE Rules provides that, for each invoicing period, GME shall issue invoices or notifications to participants for the amounts that have been billed. After such notifications, participants shall issue invoices to GME for the amounts stated therein under the modalities and within the time limits specified in the Technical Rules. Moreover, GME shall make available the invoices and notifications to participants in electronic form according to the modalities defined in the Technical Rules.

Article 54, para. 54.3 of the PCE Rules provides that the fees for the MWh covered by the registered transactions shall be invoiced in accordance with the modalities and within the time limits defined in the Technical Rules.

Article 54, para. 54.1 of the PCE Rules provides that the access fee, where applied, shall be invoiced in accordance with the modalities and within the time limits defined in the Technical Rules.

Article 54, para. 54.2 of PCE Rules provides that the yearly fixed fee, where applied, shall be invoiced in accordance with the modalities and within the time limits defined in the Technical Rules.

Article 64, para. 64.4 of the PCE Rules provides that the modalities and time limits for notifying the results of the clearing shall be defined in the Technical Rules.

Article 65, para. 65.1 of the PCE Rules stipulates that participants that are debtors towards GME shall pay the amounts due in accordance with the modalities and within the time limits defined in the Technical Rules.

Article 66, para. 66.1 of the PCE Rules provides that the modalities and time limits for the payment of fees shall be defined in the Technical Rules.

Article 67, paras. 67.2, 67.3 and 67.4 of the PCE Rules provides that GME shall make payments to participants that are creditors towards GME under the modalities and within the time limits established in the Technical Rules.

2. Time limit for notifications

For each invoicing period, by the end of the fourteenth day of the month following the last day included in the invoicing period (or if such day is not a working day, the immediately following working day), GME shall provide

- a. each participant that is debtor towards GME with one or more files, called “pro-forma invoice notifications”, with the sum of the transmission capacity fees (CCT) that the participant must pay to GME;
- b. each participant that is creditor towards GME with one or more files, called “pro-forma invoice notifications”, with the sum of the transmission capacity fees that GME must pay to the participant;
- c. each participant with one or more files, called “pro-forma invoice notifications”, with the sum of the fees due for all transactions registered onto the PCE.

3. Time limit for invoices to be issued by GME

For each invoicing period, by the end of the sixth working day of the second month following the last day included in the invoicing period, GME shall provide

- a. each participant that is debtor towards GME with one or more invoices with the sum of the transmission capacity fees that the participant must pay to GME;
- b. each participant with one or more invoices with the sum of the fees due for all transactions registered onto the PCE.

4. Time limit for invoices to be received by GME

For each invoicing period, by the end of the sixth working day of the second month following the last day included in the invoicing period, each participant that is creditor towards GME shall send to GME one or more invoices with the sum of receivables for transmission capacity fees that the same participant must receive from GME.

5. Offsetting of payments and notification of balances to be settled

Under Article 64 of the PCE Rules, GME shall determine the net position of debit or credit of each participant, based on the clearing of the amounts (including VAT, where applicable) referred to in paras. 3 a. and 4 above.

By the end of the tenth working day of the second month following the last day included in the invoicing period, GME shall notify each participant of the result of the determinations mentioned in this paragraph and based on which the payments referred to in para. 7 below must be made.

6. Time limit for invoicing of fees

The access fee referred to in Article 7, para. 7.1 a) of the PCE Rules shall be invoiced as a single payment within five days of admission of the participant to the PCE.

The yearly fixed fee referred to in Article 7, para. 7.1 b) of the PCE Rules shall be invoiced: i) for the first twelve months, by the end of the third working day of the month following the date of admission as per Article 20, para. 20.4 of the PCE Rules; and ii) subsequently, every twelve months.

The fee for the registered MWh (as per Article 7, para. 7.1 c) of the PCE Rules) shall be invoiced within the time limit indicated in para. 3 b. above.

7. Settlement of payments

7.1 Settlement of payments by net debtor participants

Participants qualifying as net debtors (except for Acquirente Unico - AU) towards GME as a result of the determinations referred to in para. 5 above shall pay the amount due (as per Article 65, para. 65.1 of the PCE Rules) to the bank in charge of the Electricity Market treasury services; the payment must be made by 10:30 of the fifteenth working day of the month in which the notification mentioned in para. 5 above has been made and with value date on the same day.

Net debtor participants failing to pay within the above-mentioned time limit may pay the amount due (as per Article 65 para. 65.2 of the PCE Rules) to the bank in charge of the Electricity Market treasury services; the payment must be made by 10:30 of the fifth working day following the above-mentioned time limit.

The date and time when the payments are credited to GME's account shall be those recorded by the information system of the bank in charge of the Electricity Market treasury services.

7.2 Settlement of payments to net creditor participants

GME shall make payments to participants qualifying as net creditors towards GME as a result of the determinations referred to in para. 5 above. If GME receives the invoice within the time limit mentioned in para. 4 above, GME shall make the payment to each creditor participant on the sixteenth working day (value date on the same day) of the month in which GME has received the invoices.

The date and time when the payments are debited to GME's account shall be those recorded by the information system of the bank in charge of the Electricity Market treasury services.

On the sixteenth working day of the month in which the notification mentioned in para. 5 above has been given and with value date on the same day, GME shall – under Article 67, para. 67.2 of the PCE Rules – pay to its net creditors an amount equal to: the ratio of the amount mentioned in Article 65, para. 65.1 of the PCE Rules and paid by debtor participants to the overall credits referred to in Article 64 para. 64.1 of the PCE Rules that GME has accrued towards net debtor participants.

By the end of the fifth working day following the above-mentioned time limit and with value date on the same day, participants shall fully or partially pay the amounts due under Article 65, para. 65.2 of the PCE Rules. Under article 67, para. 67.3 of the PCE Rules, GME shall pay to its net creditors an amount equal to (with value date on the working day following the day of collection): the ratio of the amount mentioned in Article 65, para. 65.2 of the PCE Rules to the overall credits referred to in Article 64, para. 64.1 of the PCE Rules that GME has accrued towards debtor participants.

If GME redeems the bank guarantee, GME shall – under Article 67 para. 67.4 of the PCE Rules – pay to its net creditors an amount equal to: the ratio of the redeemed amount to the overall credits referred to in Article 65 para. 65.1 of the PCE Rules that GME has accrued towards debtor participants; such amount shall be paid by the end of the working day following the one of receipt of the redeemed amount.

7.3 Settlement of payments by Acquirente Unico

Where, as a result of the determinations mentioned in para. 5 above, AU qualifies as net debtor towards GME, AU shall pay the amount due to the bank in charge of GME's treasury services; the payment must be made by 10:30 of the sixteenth working day of the month in which the notification referred to in para. 5 above has been made and with value date on the same day.

8. Time limits for payment of fees

Each participant must pay the amounts due under Article 66, para. 66.1 of the PCE Rules within the following time limits:

- for the fees referred to in Article 54, para. 54.3 of the PCE Rules: by the end of the sixteenth working day of the month in which GME has made available the related invoice and with value date on the same day;
- for the fees referred to in Article 54, para. 54.1 of the PCE Rules: within thirty calendar days from the date of issuing of the invoice and with value date on the same day;
- for the fees referred to in Article 54, para. 54.2 of the PCE Rules: by the end of the last working day of the month in which the invoice has been issued and with value date on the same date.

Within the same time limits, a copy of the document giving evidence of the payment must be sent to GME.

The date and time when the payments are credited to GME's account shall be those recorded by the information system of the bank in charge of the Electricity Market treasury services.

9. Payments

All payments (from GME to participants and from participants to GME) shall be made under the "BIR" ("Bonifici di Importo Rilevante") bank transfer procedure. GME's IBAN code for the bank transfer is posted on GME's website (www.mercatoelettrico.org). Where, under the applicable banking rules, the amount due is not allowed to be paid by BIR, the payment may be made under the "Bonifico Urgente" bank transfer procedure.

10. Layout of GME's invoice file

GME's invoice shall consist of an XML file (displayed via a "Style-Sheet") that GME shall make available on the "MESettlement" electronic platform.

The layout of the xml file representing GME's invoice is specified in the "PCE_XML_Implementation_Guide", which is posted on GME's website (www.mercatoelettrico.org).

11. GME's notification

To allow creditor participants to issue invoices, GME shall provide them with one or more xml files, ready to be converted into participants' invoices.

The layout of GME's notification file is specified in the "PCE_XML_Implementation_Guide", which is posted on GME's website (www.mercatoelettrico.org).

12. Sending of XML files

The XML files with notifications and invoices shall be made available on the "MeSettlement" electronic platform under the procedures described in the specific user manual posted on GME's website (www.mercatoelettrico.org).

13. VAT application

The following statements shall be enclosed to the request for entry of data and information:

- a) if the participant intends to use the option, available to persons having established their place of business in Italy and having made supplies for export or like transactions, of purchasing goods and services without the application of VAT, as per article 8, para. 1 c) of Decree of the President of the Republic no. 633 of 26 October 1972 – a statement of intent issued in accordance with article 1 c) of Law-Decree no. 746 of 29 December 1983, converted into Law no. 17 of 27 February 1984.

To continue to use the option of making purchases without the application of VAT, the participant is required to renew the statement upon expiration of its period of validity. If the statement is not renewed within the time limits mandated by law, GME shall apply the standard VAT rate to the participant;

- b) if the entity (parent company or permanent establishment) that will materially carry out the purchase and/or sale registrations onto the PCE is different from the entity (parent company or fixed establishment) admitted as participant in the PCE - a statement (as per the form enclosed hereto) where the participant (as parent company or fixed establishment) notifies GME of the entity (parent company or fixed establishment) that will materially carry out the purchase and/or sale registrations onto the PCE.

14. Effect of the statements

The entry of the data and information contained in the statements referred to in para. 13 above shall have effect within the second working day following the receipt of the request by GME, if the submitted documents are correct and complete and if the requirements, if any, for updating the data and information provided by the participant are satisfied.

1. VAT and Fixed Establishment Statement form referred to in para. 13 b) above

VAT AND FIXED ESTABLISHMENT STATEMENT¹ (*)

Gestore dei Mercati Energetici S.p.A.
Viale Maresciallo Pilsudski, 122-124
00197 Rome, Italy

I, the undersigned _____, born in _____, on _____, taxpayer's code _____, residing in _____, address _____, legal representative of the company _____ (NOTE: Market Participant), having its:

- registered office in (country) _____, (town/city) _____, address _____, VAT identification number _____;
- fixed establishment in (country) _____, (town/city) _____, address _____, VAT identification number _____, as per the certificate issued by the relevant tax authorities and enclosed hereto with the related sworn and apostilled translation (if it is not in the Italian language) for fixed establishments located in non-EU countries;

HEREBY STATE

in connection with registrations onto the PCE:

- that all the registrations will be carried out directly from the main place of business;
- that all the registrations will be carried out with the technical and human resources of the fixed establishment located in (country) _____, (town/city) _____, address, VAT identification number _____.

I, the undersigned, also undertake to submit a new statement in case of change of the above data. I, the undersigned, will be fully responsible and liable for the accuracy and truthfulness of the submitted statements and data, holding Gestore dei Mercati Energetici S.p.A. (hereafter "GME") harmless from and against any and all responsibilities and liabilities regarding the correct application of the taxes based on the above statements. If the above-mentioned data are untruthful, I will bear all the costs in connection with differences in taxes, pecuniary sanctions, interest and any other amount that GME may be required to pay to the financial administration and/or to any other entity involved, as well as court fees, regardless of the legitimacy of the claim filed against GME by the financial administration and/or any other entity involved. I, the undersigned, undertake to pay the requested amounts within 5 (five) days at the latest.

¹ Statement to be submitted on the company's letterheaded paper.

Where any defence filed by GME with the financial administration and/or any other entity involved, in order to protect its interests and make its arguments heard, has a demonstrated positive final outcome, then the undersigned will be entitled to the refund of the amounts paid in accordance with the above paragraph, to the extent that GME has obtained, for such reason, a refund from the financial administration and/or any other entity involved. GME will be held to refund the undersigned of the amounts that he/she has paid and that have been demonstrated not to be due to the financial administration and/or to any other entity involved, provided that the undersigned has asked GME - in due course and within the time limits mandated by law - to file a claim for refund of the aforesaid amounts with the relevant bodies. GME will fulfil the aforesaid obligation to the extent that it will obtain the aforesaid refund from the financial administration and/or any other entity involved.

Without prejudice to the above for the purposes of the application of VAT, I, the undersigned, also state that the registrations possibly carried out by a fixed establishment will produce the same effects, in terms of rights and obligations, also with regard to the guarantees posted to cover obligations, as if they had been carried out directly from the main place of business.

I hereby enclose a copy of my identity document.

Stamp and signature

(*) This is a courtesy translation. You must submit only the Italian version of the document.