Technical Rule no. 4 rev.8 MCV

Technical Rule no. 04 rev. 8 MCV

(under Article 4 of the Integrated Text of the Electricity Market Rules,
approved by the Decree of the Minister of Productive Activities of 19 December 2003,
as subsequently amended and supplemented)

Title   INVOICING OF PAYABLES/RECEIVABLES AND
                         SETTLEMENT OF PAYMENTS ON THE MCV

Reference Legislation   Article 17, para. 17.9 ; Article 100, para. 100.1; Article 107; Article
                         108, paras. 108.1, 108.3 and 108.4; Article 109; and Article 110,
                         Integrated Text of the Electricity Market Rules

Published on 26 January 2015

Foreword

Article 17, para. 17.9 of the Integrated Text of the Electricity Market Rules (hereafter "Electricity Market Rules") provides that the Participant shall enclose a statement concerning his/her/its VAT taxation scheme to his/her/its request for insertion of data and information as per Article 16, para. 16.2 j) thereof.

Under Article 100, para. 100.1 of the Electricity Market Rules, the Technical Rules shall define procedures and time limits regarding the invoicing of fees owed for trading on the Green Certificates Market (MCV) and the payment of the same fees by Market Participants to GME.

Article 107 and Article 108, paras. 108.1, 108.3 and 108.4 of the Electricity Market Rules provide that the invoicing period for transactions made on the MCV, as well as the invoicing modalities and time limits shall be defined in the Technical Rules.

Article 109 of the Electricity Market Rules provides that the modalities and time limits for payments from debtor Market Participants to GME shall be defined in the Technical Rules.

Article 110 of the Electricity Market Rules provides that the modalities and time limits for payments from GME to creditor Market Participants shall be defined in the Technical Rules.

1. Invoicing period

The invoicing period for transactions made on the MCV will be each market session.

2. Notifications issued by and invoices to be received by GME

For each invoicing period, by the end of the working day following the closing of the reference session, GME will provide each Market Participant that is in credit towards GME with a notification of the amounts of the sale transactions made by the same Market Participant on the MCV. The notification will consist of an xml file, ready to be converted into the corresponding invoice. The invoice will have the layout shown in para. 3 below.

2.1 Invoicing by an Italian Market Participant

After receiving the notification, the Italian Market Participant will issue the invoice to GME by the end of the second working day following the closing of the reference session.

2.2 Invoicing by a foreign (EU and non-EU) Market Participant

After receiving the notification, the foreign Market Participant will issue the invoice to GME by the end of the second working day following the closing of the reference session. However, if such day coincides with the last working day of the month or with the first working day of the following month, the same Market Participant will issue the invoice on the first working day of the month following the one in which the session has been held.

3. Layout of the xml file representing GME's notification for issuing the invoice

```
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```
```
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`<HeaderFattura>`	
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<CITY_FROM>Città</CITY_FROM>	[Market Participant's address]
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<CITY_TO>Rome</CITY_TO>	[GME's address]
<PROVINCE_TO>RM</PROVINCE_TO>	[GME's address]
<ZIPCODE_TO>00197</ZIPCODE_TO>	[GME's address]
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<TOTAL_AMOUNT>1920</TOTAL_AMOUNT>	[total value of the invoice]

<QUANTITY>170</QUANTITY>	[total volume of the transaction]
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<INVOICE_DATE>20080604</INVOICE_DATE>	[issuing date assigned by the Market Participant – yyyymmdd format]
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<TOTAL_AMOUNT>1920</TOTAL_AMOUNT>	[total value of the invoice]

	[volume of the transaction subject to the VAT regime applied to the transactions]
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</Linea>	
</ElencoLinee>	
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4. Invoices issued by GME

For each invoicing period, by the end of the second working day following the closing of the reference session, GME will provide each Market Participant that is debit towards GME with an invoice (whose layout is shown in the next paragraph) for the amounts of the purchase transactions that the same Market Participant has made on the MCV. If such day coincides with the first working day or the second working day of the following month, GME will issue the invoice in the month in which the reference session has ended.

Moreover, on a monthly basis, by the end of the eighth working day of the month following the one in which the reference sessions have taken place, GME will provide each Market Participant with an invoice with the sum of the fees owed for all transactions made on the MCV.

5. Layout of GME's invoice file

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<?xml-stylesheet type="text/xsl" href="FatturaNew.xslt"?>	
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<HeaderFattura>	
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<SDC_CODE_FROM></SDC_CODE_FROM>	[GME's SDC code]
<STREET_FROM>Viale Maresciallo Pilsudski 122-124</STREET_FROM>	[GME's address]
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<PROVINCE_FROM>RM</PROVINCE_FROM>	[GME's address]
<ZIPCODE_FROM>00197</ZIPCODE_FROM>	[GME's address]
<COUNTRY_FROM>ITA</COUNTRY_FROM>	[GME's address]

<LEGAL_NOTES_FROM> Capitale Sociale Euro 7.500.000 i.v. R.I.RM C.F.n.06208031002,REA RM n.953866 s.u. GSE S.p.A. ex art.5 D.Lgs.79/99</LEGAL_NOTES_FROM> Capital stock € 7,500,000 fully paid up, "R.I. RM" (Registry of Companies of Rome), taxpayer's code, "REA RM" (Economic Administrative Index of Rome) no. 953866, sole shareholder GSE S.p.A. as per art.5, Legislative Decree 79/99	[GME's legal reference data]
<PHONE_FROM>06/80124082</PHONE_FROM>	[GME's telephone no.]
<FAX_FROM>06/80124589</FAX_FROM>	[GME's fax no.]
<EMAIL_FROM>contab@mercatoelettrico.org</EMAIL_FROM>	[GME's e-mail address]
<DOCUMENT_OBJECT>Operazioni svolte sul mercato dei certificati verdi</DOCUMENT_OBJECT> Transactions made on the MCV	[object of the invoice]
<TAX_INFO> Operazione non soggetta ad IVA art. 17, co. 6, D.P.R. 633/72 – inversione contabile</TAX_INFO> Transaction not subject to VAT as per art. 17, para. 6, Decree of the President of the Republic 633/72 – reverse charge	[VAT regime applied]
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<ZIPCODE_TO>CAP</ZIPCODE_TO>	[recipient's address]

<COUNTRY_TO>ITA</COUNTRY_TO>	[recipient's address]
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<TAX_AMOUNT>320</TAX_AMOUNT>	[VAT amount of the invoice]
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	[volume of the transaction on the MCV]
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<LINE_AMOUNT>11</LINE_AMOUNT>	[value]
</Linea>	
</ElencoLinee>	
</Fattura>	

6. Offsetting of payables/receivables

If, within the same market session, the Market Participant has concluded both purchase and sale transactions, the amounts of the related payables/receivables, including VAT (where applicable), will be offset, provided that GME has received the Market Participant's invoice within the time limit referred to in para. 2. above.

7. Settlement of payments by Market Participants that are net debtors

Pursuant to Article 109 of the Electricity Market Rules, GME will satisfy its receivables from net debtor Market Participants upon the closing of the reference session, by utilising their available deposit until reaching the amount of such receivables and refunding the possible surplus in accordance with the modalities and within the time limits established in Technical Rule no. 02 rev. 1 MCV.

8. Payment of fees

Each Market Participant will pay the fees referred to in Article 100, para. 100.1 of the Electricity Market 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 day.

9. Settlement of payments to Market Participants that are net creditors

GME will make payments to each Italian Market Participant that is net creditor towards GME on the third working day (value date on the same day) following the closing of the reference session and after receiving the related invoice. The payment will be made under the "BIR - Bonifico di importo rilevante" bank transfer procedure.

If GME receives the invoice from the foreign Market Participant within the time limits indicated in para. 2, point 2.2 above, GME will make the payment by the end of the working day following the one of receipt of the invoice and with value date on the same day.

If the payment cannot be made under the BIR procedure (because banking rules do not permit the use of such procedure for the amount to be transferred), the payment may be made under the "Bonifico Urgente" urgent bank transfer procedure.

If GME does not receive the invoice within the time limit established in para. 2 above, the payment will be made by the end of the working day following the one of receipt of the invoice.

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

10. Sending of xml files

The xml files with the notifications and the invoices will be made available on the "MESettlement" electronic platform under the procedures described in the specific user manual posted on GME's website (ww.mercatoelettrico.org).

11. VAT application

The following statements, where applicable, must be enclosed to the request for insertion of data and information:

a) if the Market Participant established in Italy intends to exercise 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 ("DPR") 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, and the documents to be enclosed thereto, where applicable under the legislation from time to time in force.

To continue to exercise the option of making purchases without the application of VAT, the Market Participant is required to resubmit the statement and the documents, where applicable, upon expiration of their period of validity. If the statement and the enclosed documents, where applicable, are not resubmitted within the time limits mandated by law, GME will apply the standard VAT rate to the Market Participant;

b) if the entity (parent company or fixed establishment) that will materially carry out the purchase and/or sale transactions on the MCV is different from the entity (parent company or fixed establishment) admitted as Participant to the MCV- a statement (in the format posted on GME's website www.mercatoelettrico.org) where the Market 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 transactions on the MCV.

If the MCV Participant also participates in the Green Certificates Bilaterals Platform (PBCV), the statement must also be issued for the PBCV under the procedures and within the time limits defined in Technical Rule no. 3 rev5 PBCV.

Where the Market Participant requests or has already requested the application of the VAT scheme referred to in subpara. a) of this paragraph, the statement and the related documents, where applicable, will take effect only in respect of the fees referred to in Article 7, para. 7.1 of the Electricity Market Rules and to be invoiced by GME.

12. Effect of the statements

The insertion of the data and information contained in the statements referred to in para. 11 above will take effect within the second working day following receipt of the request by GME, in compliance with Article 17, para. 17.8 of the Electricity Market Rules,

provided that the submitted documents are correct and complete and that the requirements, if any, for updating the data and information provided by the Market Participant are satisfied.