



## **KELER's Trade Reporting and LEI code application service offering**



**2015**



## ***Table of content***

Executive Summary.....	3
The KELER Group.....	4
Trade Reporting services under REMIT .....	5
Trade Reporting services under EMIR .....	6
LEI code.....	8
Why KELER? .....	8
Contracting .....	9
KELER Group regulatory documents .....	10
KELER Group fees related to Trade Reporting and LEI code services .....	10

## ***Executive Summary***

On behalf of KELER Group, we appreciate the opportunity to introduce our Trade Reporting services under REMIT and EMIR to your esteemed company.

REMIT reporting obligations on transactions traded on a power exchange have become effective on 7th October 2015, while reporting of OTC transactions conducted outside of Organised Market Places will follow suit as of April 2016. In the upcoming months market participants can analyse the most effective options to fulfil their obligation and make a conscious decision on their service provider.

The purpose of KELER's Trade Reporting (hereinafter KELER TR) service is to assist market participants in meeting their reporting obligation stipulated by REMIT and EMIR. KELER's intention is to act as a reporting agent collecting and forwarding the required details of derivative and energy trades concluded by its clients (market participants) to the selected trade repository or authority.

In order to act as a reporting agent, KELER has developed its own trade reporting system, selected Regis-TR as trade repository for EMIR reporting and became a Registered Reporting Mechanism (RRM) under REMIT. Thus it can ensure that all reports reach the respective regulatory body. KELER's TR service offers the very same platform for meeting both REMIT and EMIR reporting obligations making the data submission easy and straightforward for our clients.

We would like to provide you with the most comprehensive offering in order to facilitate for a one-stop-solution of all the reporting-related matters, so in addition to the terms for reporting under EMIR and REMIT, please also find our conditions for Legal Entity Identifier (LEI code) application included in the current offer. LEI code shall, in due course, become a mandatory element of all the obligatory reports and we are here to manage the application procedure for your esteemed company.

The key values of our KELER TR platform:

- ✓ it provides our clients with the service level they are accustomed to, while
- ✓ integrating all technical, secure and convenient functions already successfully applied in other KELER systems established for our various intermediary services.

We sincerely trust that our offering meets your expectations and we will be able to facilitate for your obligatory reporting thus taking this burden easily off your shoulder. KELER would be proud to partner with your esteemed company in the future.

Your sincerely,  
KELER Group

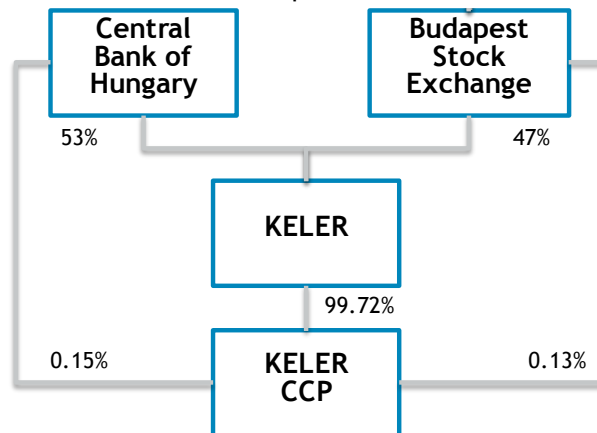
## The KELER Group

KELER Group consists of two legal entities: KELER Ltd. acting as central depository, banking and trade reporting entity; and KELER CCP Ltd. providing clearing and guarantee undertaking services.

KELER was established in 1993 by the Central Bank of Hungary (50%), the Budapest Stock Exchange (25%) and the Budapest Commodities Exchange (25%) with the principal goal to facilitate and support the Hungarian capital market. Currently, KELER’s shareholders are the Central Bank of Hungary (53.33%) and the Budapest Stock Exchange (46.67%). (The Budapest Stock Exchange is majority owned by the Central Bank of Hungary).

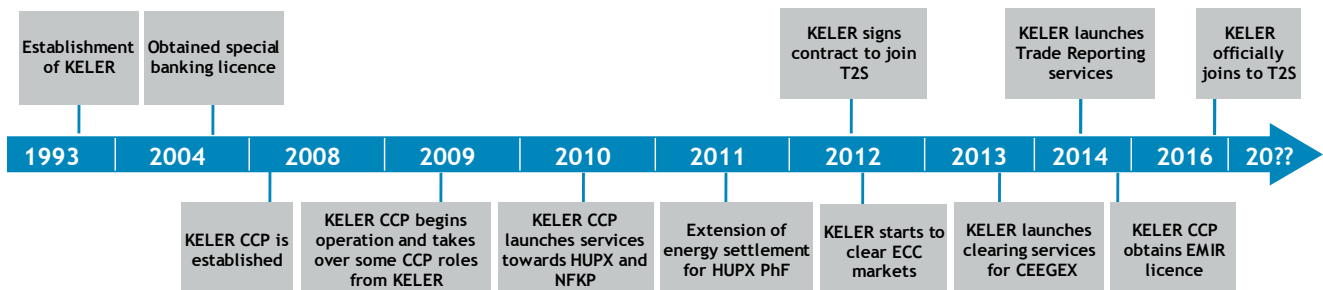
KELER CCP was founded more than a decade later in 2008 mutually by KELER and its owners, the Central Bank of Hungary and the Budapest Stock Exchange. Its major objective was, and still is, to act as a central counterparty in guaranteed markets towards clearing members.

The below chart illustrates the current ownership structure of KELER Group:



Our current product and market offering proves that as business opportunities arose and the market developed, KELER Group has emerged to be an innovative service provider, playing a leading role in the Central-Eastern European region these days. Currently our service offering ranges from the capital markets to the energy markets since we are able to provide solutions to our energy trader partners on ECC, and we also act as a central counterparty for the CEEGEX Central Eastern European Gas Exchange and Hungarian Gas Balancing Platform markets.

Nevertheless, KELER Group shall keep exploring new business opportunities. The evolution of our service offering is best shown on the chart below:



## ***Trade Reporting services under REMIT***

REMIT, the regulation on wholesale energy market integrity and transparency entered into force on 8<sup>th</sup> December 2011 with the objective to identify and prevent the use of insider information and other forms of market abuse. REMIT is establishing a new framework for the monitoring of wholesale energy markets to detect and deter market manipulation and insider trading.

REMIT affects everyone who participates in, or whose conduct affects wholesale energy markets within the European Union. It makes no difference whether or not the legal person is resident within the EU. All market participants are obliged by REMIT to report if entering into transactions including orders to trade in one or more wholesale energy markets in the Union.

Under REMIT, data must be reported to ACER (Agency for the Cooperation of Energy Regulators) through a Registered Reporting Mechanism (RRM). In order to meet the reporting obligation towards ACER, a market participant is free to appoint an RRM who facilitates for all its reporting needs, including orders and non-standard contracts traded bilaterally. KELER is officially registered with ACER as a third party RRM as of 2015. Both standard and non-standard products can be reported through our solution. **As a third party RRM, we are in a position to cover trade reporting for all of your power exchange trades, regardless how many different markets you are trading at.**

The obligation of transmission of the standardized orders and deals concluded on Organized Market Places, is effective from 7<sup>th</sup> October 2015. The obligation of transmission of the standardized and non-standardized contracts concluded outside the organized markets is effective from 7<sup>th</sup> April, 2016. Similarly to EMIR, REMIT also requires backloading, data must be submitted on trades already concluded but still valid on the effective date of the reporting obligation till 7<sup>th</sup> January 2016 for OMP deals and orders, and till 7<sup>th</sup> July 2016 for OTC deals.

KELER's Trade Reporting (TR) system has been developed by KELER itself originally to manage all types of reports under EMIR. It is a web-based, easy to access and straightforward platform and it has been further upgraded to meet the needs of our clients with REMIT reporting obligation too.

TR enables our clients to upload reports in CSV or XML format manually. Alternatively, via our so called web-service solution automatic upload is also an option.

The KELER TR offers three options for reporting:

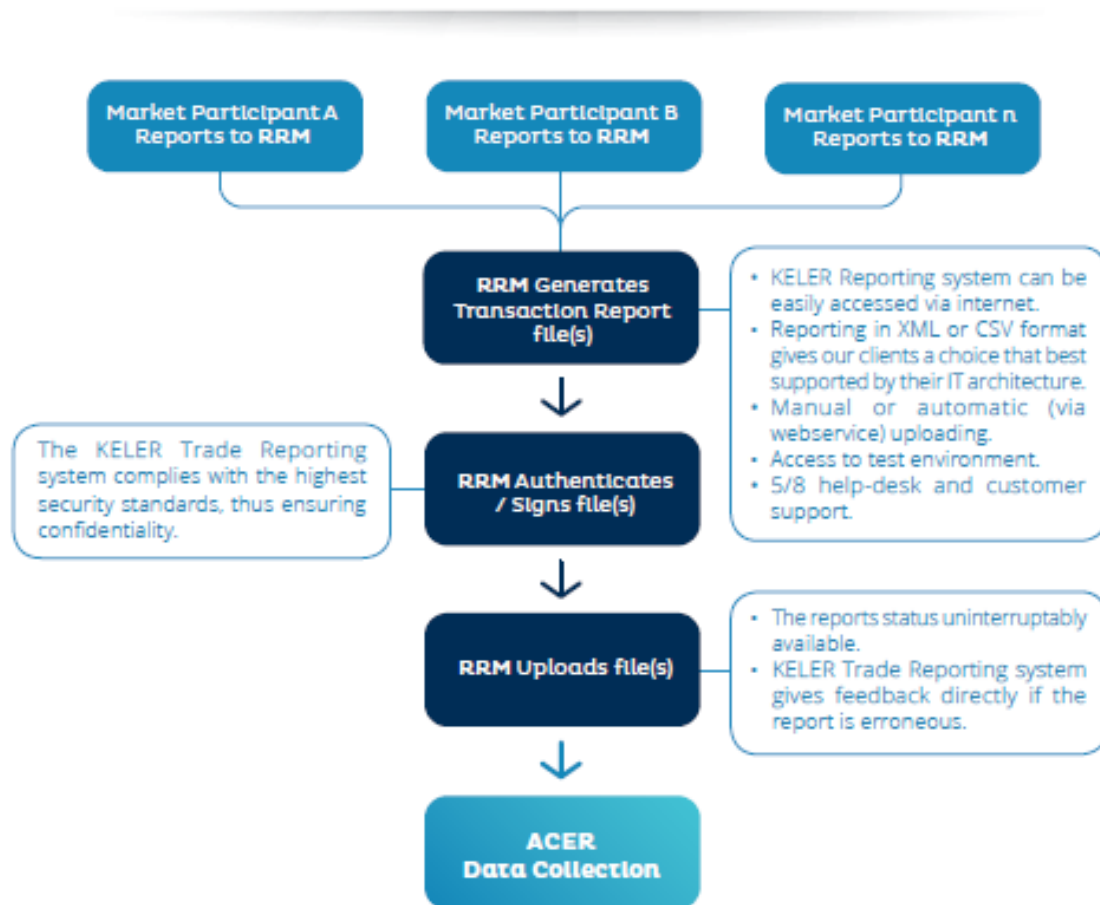
- ◆ **Manual upload:** The user shall fill in the file provided in a given format by KELER. Several files can be selected and uploaded at the same time.
- ◆ **Automatic upload:** Automatic upload is also possible through our so called "web-service" solution. In this case KELER TR is directly linked to the client's system which enables automatic report upload. This option is the most suitable to market participants with significant daily transaction volumes.

- ◆ Upload directly on the interface: REMIT reporting can be completed by entering trade details directly into KELER TR instead of uploading a previously completed file. In this case the report samples built into the system must to be completed. Clients with lower transaction volumes shall find this option convenient as it requires no file-based upload and there is no need to create an interface between TR and their own system.

We are pleased to announce that our dedicated site to REMIT has been launched where you can find further information on our service, including documentation requirements.

<https://english.remit.keler.hu/>

## SERVICE OFFERED BY KELER



### **Trade Reporting services under EMIR**

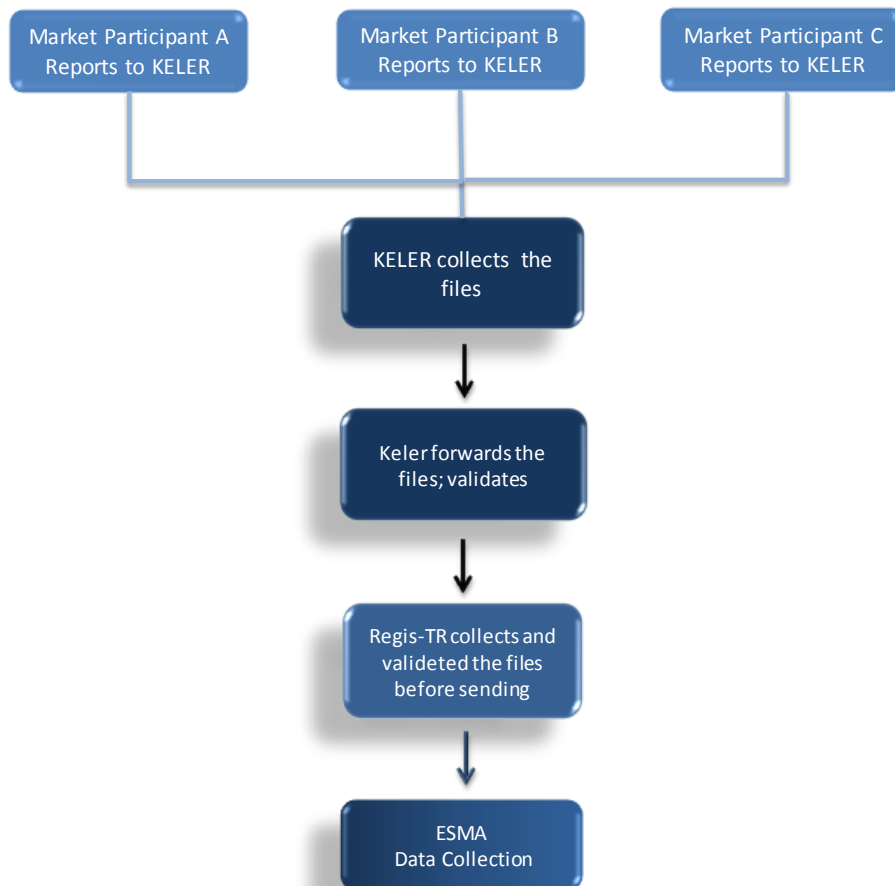
The rules and regulations specified by the European Market Infrastructure Regulation (EMIR) created to ensure the transparency of derivative markets first required the establishment of Trade Repositories (TR), then all market participants has been obliged to report the details of their trades to the TR-s.

ESMA (European Securities and Market Authority) is in charge of supervising the operation of TRs and the central registration of data. Its own Trade Reporting system enables KELER to maintain an intermediary role by managing the reporting procedure on behalf of its clients.

KELER as a trade reporting entity has partnered with RegisTR - a trade repository registered in Luxembourg and jointly owned by Clearstream and Iberclear - to offer best-in-class services to the markets.

Nevertheless, KELER provides its partners with additional services on top of the basic ones offered by the contracted trade repository. We collect, check and validate all the details of a report and forward it to RegisTR. In addition we manage the related confirmations, queries and offer additional supporting services to make the obligatory reporting as convenient for our clients as possible.

## SERVICED OFFERED BY KELER



The web-based KELER Trade Reporting system has been developed by KELER itself and allows all types of reports to be forwarded to KELER.

All functions are accessible from the main page of the system. TR enables our clients to upload reports in CSV or XML format manually. Alternatively, via our so called web-service solution automatic upload is also

an option. All details regarding file formats, IT specifications etc. could be provided to Clients via e-mail upon request.

Once uploaded, our system checks the report both in terms of format and content. If data is erroneous or incomplete, KELER informs the reporting entity accordingly, thus only correct reports are forwarded to the trade repository. Clients can continuously monitor the status of the report from its submission until receipt by the trade repository is confirmed. Clients shall be able to track the history of each trade reported. All data submitted to KELER can be queried and downloaded from the interface.

The Trade Reporting system run by KELER operates between 8:30 and 18:00 CET on working days.

## ***LEI code***

KELER also assists domestic and regional market participants with their application of LEI codes. LEI codes have become a requirement under EMIR, they are necessary, unique identifiers companies need to possess in order to fulfil their relevant reporting obligation. KELER's services include the application for and the maintenance (mandatory annual renewal) of a LEI code to our clients, both on behalf of the applicant or third parties.

In case your esteemed company has already obtained a LEI code, it can still choose to mandate KELER with the annual maintenance of it.

Thus the complete procedure from LEI code application to reporting under REMIT and/or EMIR becomes easy and straightforward through one service provider.

## ***Why KELER?***

- ✓ KELER offers a complex solution from LEI code application to reporting to Europe's leading trade repository REGIS-TR under EMIR, or directly to ACER under REMIT: compliance with the complete set of requirements for our clients are managed by one service provider.
- ✓ KELER Group as a leading service provider in the region constantly monitors regulations and market updates, our systems shall also be upgraded in line with any potential change in the reporting requirements. This also gives our clients the comfort that their obligations shall be met at any given time;
- ✓ Trades cleared by KELER CCP are reported automatically and free of charge (by KELER CCP) under EMIR (*does not apply to REMIT due to a wider range of required information*);
- ✓ KELER has a proven reporting expertise;
- ✓ Easy access to the KELER's Trade Reporting system which covers reporting service under both EMIR and REMIT - one 'stop-shop' service;
- ✓ Possibility for delegated reporting, on behalf of a third party and access to all parties to monitor the process and the data reported;
- ✓ Harmonized file and reporting formats across markets;
- ✓ Best value for money.



## Contracting

Clients shall submit the following documents in order to establish a contractual relationship.

Important to note that KELER's official language is Hungarian and English, therefore all supporting documents must be submitted in either of these languages. If translation is needed, it shall be conducted by an official translator. Please make sure the documents are duly notarized or apostilled in line with the applicable rules.

MEMBERS SHOULD SUBMIT THE DOCUMENTS AS FOLLOWS	FORMS	FORM AND COPIES
Excerpt from the Trade Registry - not older than 30 days - certifying that the customer is duly registered		Original, legalized copy
Signature Specimen of the authorized signatories signing the agreements, signature cards or any other document		Original, legalized copy
Signature registration form of signatories reported to KELER Ltd.	Signature registration form of signatories reported to KELER Ltd.	Original, duly signed 2 copies
Document certifying the right of representation of the representative of the customer if it cannot be established based on the instrument on registration		Original or copy certified by public notary or electronic document with authentic electronic signature
Document certifying tax number, statistic code if these are not stated in the instrument on registration		Original, legalized copy
Beneficial owner declaration (Pursuant to the Anti-money laundering Act, declaration of owner, Section 8.)	Beneficial owner declaration	Original
For the identification of the representative of the customer - company representatives and KID users	Address card and identity card or passport	Copies of the documents of each person signing the cards and agreements certified by notary public
CONTRACTS	CONTRACT NAME	FORM AND COPIES
Trade Reporting service contract	Contract on the authorization to forward data determined by article 9 of EMIR to trade repositories	Original 2 copies
REMIT service contract	Contract on REMIT service	Original 2 copies
LEI (Legal Entity Identifier) application or maintenance	Contract on cooperation related to LEI code application	Original 2 copies

## KELER Group regulatory documents

The documents regulating the services are available on <http://www.keler.hu/> and <http://www.kelerkszf.hu/> websites.

All necessary information about KELER Group's services are published in the following documents.

- ◆ KELER
  - [General Business Rules](#)
  - [Fee Schedules](#)
  - [CSD Announcements](#)
  
- ◆ KELER CCP
  - [General Business Conditions](#)
  - [Fees Schedules](#)
  - [Announcements](#)
  - [Conditions of acceptance of securities and currencies collateral](#)
  - [Conditions of acceptance of bank guarantee](#)

## KELER Group fees related to Trade Reporting and LEI code services

Note	Item	Amount	Basis	Amount in EUR (approximate calculation with EUR:HUF 1:310)
EMIR reporting	General Membership Fee	80,000	HUF/month	258
	Individual Membership Fee	40,000	HUF/month	129
	Reporting Fee	6	HUF/UTI	0.02
	Maintenance Fee	10	HUF/month/open trades	0.03
REMIT reporting	General Membership Fee	80,000	HUF/month	258
	Individual Membership Fee	40,000	HUF/month	129
LEI	LEI application Fee	-	EUR/LEI/pieces	100
	Maintenance Fee	-	EUR/LEI/year	100

Fees are determined in HUF by default, but our clients are free to choose invoicing in EUR too. In case of EUR invoicing, the official mid-rate announced by the National Bank of Hungary effective on the issuance date of the invoice shall be applied. The above indicated EUR fees are calculated for information purposes only with the exchange rate of EUR/HUF 1:310.

The fees of KELER Group's other services can be found in the official Fee Schedules of KELER and KELER CCP.

### Definition of the different types of memberships for Trade Reporting (covering both EMIR and REMIT)

- ✓ **General membership fee** is charged by KELER to the clients who send reports to KELER both in their own name and on behalf of their contracting party;
- ✓ **Individual membership fee** is charged by KELER to the clients who send reports to KELER solely in their own name;
- ✓ **Indirect membership fee** is charged by KELER to the clients of a General Member who do not report directly to KELER but wish to monitor the trades reported on their behalf (i.e. KELER provides them with query rights only).

## **Contacts**

Should you have any further questions on our reporting services, please contact the following KELER Group colleagues:

**Ms. Ágnes Temesvári**

Client Relations and Sales Manager

Tel: (+36 1) 483 - 6205

E-mail: [temesvari.agnes@keler.hu](mailto:temesvari.agnes@keler.hu)

**Ms. Mária Fülöp**

Client Relations and Sales Manager

Tel: (+36 1) 483 - 6261

E-mail: [fulop.maria@keler.hu](mailto:fulop.maria@keler.hu)

Central e-mail address: [tradereporting@keler.hu](mailto:tradereporting@keler.hu)