

Amendments to IRGiT's regulations

Summary

Izba Rozliczeniowa Giełd Towarowych S.A. ("IRGiT") has amended the Detailed Clearing and Settlement Rules of the Exchange Clearing House ("Detailed Clearing and Settlement Rules") by deleting the provisions on the rules for accepting non-cash collateral, which were introduced as of 1 June 2020 in connection with the coming into effect of the Act of 14 May 2020 amending certain acts with respect to protective measures related to the spread of SARS-CoV-2 virus.

The amendments will come into force as of 1 October 2020.

Detailed description of the amendments

Deletion of provisions setting forth the rules for accepting non-cash collateral introduced in connection with the coming into effect of the Act of 14 May 2020 amending certain acts with respect to protective measures related to the spread of SARS-CoV-2 virus

Given that on 30 September 2020 the IRGiT's obligation to accept non-cash collateral expires insofar as prescribed by the Act of 14 May 2020 amending certain acts with respect to protective measures related to the spread of SARS-CoV-2 virus ("Act"), introducing important deviations from the previously used risk management model, as of 1 October 2020 IRGiT will no longer accept the following forms of non-cash collateral:

- 1) statement of submitting to enforcement following the procedure under Article 777 § 1 item 5 of the Act of 17 November 1964 – Code of Civil Procedure (Journal of Laws of 2018, item 1360, as amended), and
- 2) surety extended by the parent company in a capital group having an appropriate credit rating.

At the same time, the provisions of § 35 and § 36 of the Detailed Clearing and Settlement Rules pertaining to non-cash collateral concentration limits will cease to apply as of 1 October 2020 with respect to:

- a) introducing a limit for collateral provided in the form mentioned in item 1 and 2) above at 50% of the required collateral margin level,
- b) abolishing concentration limits for non-cash collateral provided in the form of Property Rights from Certificates of Origin and CO₂ emission allowances for entities with an appropriate credit rating issued by recognized rating agencies (or for entities from groups of companies having such rating).

Accordingly, non-cash collateral provided in the form of a statement of submitting to enforcement or a surety extended by a parent company in a capital group, as well as non-cash collateral provided over and above the concentration limit will not be taken into account in the calculation of coverage of the value of collateral margins required as at 1 October 2020. Where the collateral level must be replenished, Clearing House Members will be requested, through the standard



procedure, to cover the value of collateral margins as required under the rules described in the Detailed Clearing and Settlement Rules. Until the margins are replenished, the non-cash collateral, whose value has ceased to be taken into account in determining the value of the collateral provided by the pertinent Clearing House Member, may be used in accordance with their initial purposes.

You are welcome to contact us with any questions that you may have.

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