

Warsaw, 23 March 2020

IRGiT closes open positions of insolvent Clearing House Member

Statement

On 18 March 2020 one of the Clearing House Members has been deemed to be in breach of the rules concerning fulfilment of obligations resulting from concluded transactions. As a result IRGiT declared the Clearing House Member insolvent. IRGiT proceeded with the process of closing the open positions according to its procedures of conduct in the event of insolvency of an Exchange Clearing House Member, which resulted in closing of each of this Member's open positions.

The insolvent Clearing House Member was active in the Commodity Exchange Market in the area of electricity (Intra-Day Market, Day-Ahead Market, Commodity Forward Instruments Market), gas (Gas Intraday Market, Gas Day-Ahead Market, Commodity Forward Instruments Market) and property rights (Property Rights Market), and at the moment of declaring insolvency still had open positions in forward contracts in the area of electricity.

All of his positions has been closed on the same day – except for transactions on electricity with delivery to be executed on the same week, which were closed on spot markets up to 21 March 2020.

Due to the market conditions the cost of closing the positions is currently higher than margins lodged to Clearing guarantee system by this Member. IRGiT called the insolvent Clearing House Member to cover the loss and will endeavour to execute this call. If it fails, however, IRGiT will use Guarantee Fund's resources in order to proceed with clearing of transactions, for which the insolvent Clearing House Member holds responsibility. The amount of the loss is worth approximately 2,76% of total Guarantee Fund's resources.

The insolvency shall not have any negative impact on IRGiT's functioning.

Contact:

dzt@irgit.pl