



Make your bussiness in south-east Europe safer...

...use OTC clearing - new facility on BSP SouthPool.

In July 2009 BSP SouthPool added the facility to clear day-ahead OTC (over the counter) transactions.

NEW FACILITY IS THE ANSWER TO THE COSTUMERS' NEEDS ON THE MARKET.

In the market where still a larger share of transactions are concluded bilaterally OTC clearing facility is enabling safer trade and is also adding value to participants which are trading through PX because:

- Market participants are not always interested in the anonymity of trading,
- High volume orders are usually not entered in the order book because this can affect the price.

WHAT BENEFITS DOES OTC CLEARING OFER YOU?

- **Market position optimisation.**
In case that trading volume limit with certain partner is exceeded restriction of OTC trading with that partner can be avoided, trough this facility existing trading limits can be used more extensively;
- **Lower risks.**
Clearing member has the possibility to transfer the credit risk to the one counterparty (BSP SouthPool), the amount of securities can be lowered, if OTC clearing is used compared to bilateral settlement, standardized, very efficient and safe settlement with high degree of automation is used contrary to different processes used by partners
- **Lower costs.**
Less financial transactions because transactions between different partners, for different products and delivery periods are netted against each other, credit inquiry for partners is not needed in the same extent, less management of securities is needed,



HOW TO USE NEW FACILITY?

For using the new facility no administration procedure is necessary. BSP SouthPool exchange members get direct access to the OTC clearing facility in the markets they participate in during the continuous phase of trading. That is between **8:00 a.m. and 12:00 p.m on the Serbian** day-ahead market **and** from 8:30 a.m. until 10:00 a.m on the Slovenian day-ahead market.

UNIFORM CLEARING FEE

In order to promote trading, BSP SouthPool has set **uniform clearing fee for OTC transactions to €0.08/MWh**, with no additional costs charged to the BSP SouthPool market participants.

MORE INFORMATION

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