Valid as of 5 January 2026

DETAILED RULES OF TRANSACTION CLEARING (ORGANISED TRADING)

The provisions of the Detailed Rules of Transaction Clearing (organised trading) concerning deposits and margins, contributions to the clearing fund or the relevant guarantee fund, posted in securities referred to in § 47 subpara. 3 point 4 of the Rules of Transaction Clearing (organised trading), take effect, with respect to the given relevant depository system with which KDPW_CCP S.A. has signed a service agreement, two weeks after the day when KDPW_CCP S.A. notifies all of its participants in the manner referred to in § 4a subpara. 1 of the Rules of Transaction Clearing (organised trading) that it starts to accept deposits and margins in such securities.

The Detailed Rules of Transaction Clearing (Organised Trading), hereinafter the "Detailed Rules", referred to in § 2 subpara. 5 of the Rules of Transaction Clearing (Organised Trading), hereinafter the "Clearing Rules", set out the detailed rules of operation of the clearing system within the scope laid down in the Clearing Rules.

CHAPTER 1
GENERAL PROVISIONS

§ 1

1. The terms used in these provisions shall have the meaning defined in the Clearing Rules.
2. Whenever these provisions refer to:

1/ **day R** - this shall be understood to mean a working day of the clearing system on which a clearing session is held and transactions registered in the clearing system are cleared:

a) other than a holiday, a Saturday or another day excluded under a resolution of the KDPW_CCP Management Board – for transactions expressed in PLN (day R for PLN clearing); or

b) which is a working day of the TARGET2 system, unless such day is excluded under a resolution of the KDPW_CCP Management Board – for transactions denominated in EUR (day R for EUR clearing);

1a/ **day R+1** – this shall be understood to mean day R for a given transaction following the day of clearing that transaction in the clearing system;

2/ **settlement institution** – this shall be understood to mean Krajowy Depozyt Papierów Wartościowych S.A. (hereinafter "KDPW");

2a/ **relevant depository system** – this shall be understood to mean the depository system referred to in § 3 points 13a, § 15c and § 71 subpara. 1 point 2 of the Clearing Rules and in the Clearing Fund Rules, the Rules of the WSE BondSpot ATS Guarantee Fund and the On-demand Lending Guarantee Fund Rules, in which a relevant securities account is maintained for a participant or its collateral agent, through which the clearing member performs the obligation of depositing securities as margins or contributions to the relevant guarantee fund of such participant, this being Clearstream and Euroclear;

2b/ **Clearstream** – Clearstream Banking S.A. with its registered office in the Grand Duchy of Luxembourg;

2c/ **Euroclear** – Euroclear Bank SA/NV with its registered office in the Kingdom of Belgium;

3/ **liquidation period** - this shall be understood to mean a risk parameter used by KDPW_CCP to

calculate margins, referred to in Article 1(8) of Commission Delegated Regulation (EU) No 153/2013 of 19 December 2012 supplementing Regulation (EU) No 648/2012 of the European Parliament and of the Council with regard to regulatory technical standards on requirements for central counterparties (Official Journal of the EU L 52 from 2012, p. 41);

4/ **lookback period** - this shall be understood to mean a risk parameter used by KDPW_CCP to calculate margins, referred to in Article 1(9) of Commission Delegated Regulation (EU) No 153/2013 of 19 December 2012 supplementing Regulation (EU) No 648/2012 of the European Parliament and of the Council with regard to regulatory technical standards on requirements for central counterparties (Official Journal of the EU L 52 from 2012, p. 41);

5/ **client classification number (NKK)** – this shall be understood to mean an identifier of a client of a clearing member or a group of clients of a clearing member defined according to predetermined parameters or an identifier of a clearing member;

6/ **correlated positions** – this shall mean positions arising from financial instruments of the same class, registered in the same portfolio, whose total risk is lower than the sum of risks calculated separately for each position;

7/ **derivatives transactions portfolio** – this shall mean positions arising from transactions concluded in derivatives registered in the same clearing account;

8/ **cash transactions portfolio** – this shall mean positions arising from transactions concluded in securities registered in the same clearing account;

9/ **confidence interval** - this shall be understood to mean a risk parameter used by KDPW_CCP to calculate margins, referred to in Article 1(2) of Commission Delegated Regulation (EU) No 153/2013 of 19 December 2012 supplementing Regulation (EU) No 648/2012 of the European Parliament and of the Council with regard to regulatory technical standards on requirements for central counterparties;

10/ **trade repository** – this shall be understood to mean a trade repository defined in § 3 subpara. 21 of the Clearing Rules, i.e., KDPW;

11/ **clearing member** – this shall be understood to mean a participant holding the status of clearing member within the meaning of § 3 subpara. 11 of the Clearing Rules;

12/ **position indicator** – this shall be understood to mean registering in a clearing member's clearing account that member's credit or debit in relation to KDPW_CCP S.A. arising from a transaction originating from novation or a transaction concluded in the transaction clearing liquidity guarantee system operated by KDPW_CCP, which is marked as a long position on the side of the buyer of the financial instrument and as a short position on the side of the seller of the instrument;

13/ **account identifier** – this shall be understood to mean a unique identifier of the clearing account of a clearing member;

14/ **relevant guarantee fund** – this shall be understood to mean the clearing fund or the WSE BondSpot ATS guarantee fund or the on-demand lending guarantee fund;

15/ **relevant guarantee funds** – this shall be understood to mean jointly the clearing fund, the WSE BondSpot ATS guarantee fund and the on-demand lending guarantee fund;

16/ **taking or opening a position** – this shall be understood to mean concluding a transaction on the derivatives market whereby positions are registered in clearing accounts in the clearing system;

17/ **clearing system** – this shall be understood to mean the clearing system operated by KDPW_CCP for transactions concluded on regulated markets or in alternative trading systems;

18/ **entity which can be represented by a participant** – this shall be understood to mean an entity or

a group of entities marked with the same identifier (NKK);
19/ **service agreement** – this shall be understood to mean an agreement concerning the service of establishing collateral in favour of KDPW_CCP, concluded with an entity operating the relevant depository system, respectively, by:
a/ KDPW_CCP and separately by individual clearing members – for Clearstream, or
b/ individual clearing members or their collateral agents and KDPW_CCP – for Euroclear;
20/ **foreign custodian** – this shall be understood to mean a collateral agent which is a participant of the settlement system operated by Clearstream, for which Clearstream operates a separate securities account in the system, in which only such securities are registered which are held by the KDPW_CCP clearing member which is the agent's client;
21/ **margin** – this shall be understood to mean an initial deposit or an initial margin, including an initial deposit for loans or an initial margin for loans;
22/ **services** – this shall be understood to mean services provided by the entity operating the relevant depository system under a service agreement;
23/ **collateral account** – this shall be understood to mean a collateral account operated under a service agreement for KDPW_CCP as the party accepting collateral,
24/ **RMA service** – this shall be understood to mean the service referred to in § 35 subpara. 5 of the Clearing Rules, provided via the RMA Application, including the support service referred to in Appendix 10 which gives access on the terms defined in the Detailed Rules to a participant holding the status of clearing member for transactions concluded by an entity represented by the participant in clearing on the regulated market or in the alternative trading system operated by the Warsaw Stock Exchange:
a/ exclusively to the function of defining limits on orders submitted by an entity represented by the participant in clearing on the regulated market or in the alternative trading system in order to monitor the activity of such entity on such market or in such system (passive profile), or
b/ the function of defining limits on orders submitted by an entity represented by the participant in clearing on the regulated market or in the alternative trading system in order to monitor the activity of such entity on such market or in such system and the option of direct execution by the participant of orders to block transactions concluded by such entity or direct execution of orders to unblock such transactions (active profile);
25/ **RMA application** – this shall be understood to mean the online application "Risk Management Access" whose functionalities are described in Appendix 9, which supports the provision of the RMA Service, for which KDPW_CCP grants requesting clearing members the right of access on the terms defined in the Detailed Rules to the extent necessary to use the RMA service.
3. Whenever the Detailed Rules refer to a transaction in securities, this shall be understood to mean respectively also the delivery of the underlying consisting in securities registered in the securities depository operated by KDPW arising from the clearing of a transaction concluded on the derivatives market.

§ 2

1. Orders, declarations and information referred to in the Clearing Rules or in the Detailed Rules shall be provided in electronic form via the SEI system or the GUI system, unless the Detailed Rules or the Clearing Rules provide otherwise.
2. Subject to subpara. 3, orders referred to in subpara. 1 shall be effective in the clearing system once

KDPW_CCP confirms their execution, unless the Detailed Rules or the Clearing Rules provide otherwise.
3. Orders referred to in subpara. 1 for the opening or closing of an account in the clearing system or for modification of account attributes or provision of additional information about the account shall be effective in the clearing system as of the day following the day when KDPW_CCP confirms the execution of such orders.

§ 2a

The conversion referred to in § 7 of the Clearing Rules shall be made on the terms defined in § 35.

§ 2 b

1. In the cases referred to in the Clearing Rules, documents may be transmitted to KDPW_CCP, at the election of the participant, by email over the internet to the email addressed provided by KDPW_CCP on its website as dedicated for such purposes.
2. Participants using the method of document transmission referred to in subpara. 1 shall send documents from the email address previously provided to KDPW_CCP in the list of the participant's authorised contact persons for KDPW_CCP.
3. Documents sent according to subpara. 1 and subpara. 2 shall be deemed delivered at the time of receipt at the email address provided by KDPW_CCP.

§ 2c

1. Participants may additionally encrypt documents sent to KDPW_CCP via SEI or by email over the internet, subject to subpara. 2 and § 2d.
2. Document encryption referred to in subpara. 1 shall follow a method approved by KDPW_CCP. KDPW_CCP publishes the approved encryption methods and the description of document encryption procedures on its website.

§ 2d

Documents containing inside information within the meaning of Article 7 of Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse, shall be marked by the participant as "inside information" and where they are sent to KDPW_CCP via SEI or by email over the internet, they shall be additionally encrypted in accordance with § 2c subpara. 2.

CHAPTER 2

PARTICIPATION IN KDPW_CCP

§ 3

Participants may be informed of the content of resolutions adopted by the Supervisory Board of KDPW_CCP or the Management Board of KDPW_CCP, which result in conclusion, amendment or termination of a participation agreement, and the content of other resolutions of those bodies concerning participants, using the electronic communication systems on the terms set out in the agreements referred to in § 4 subpara. 2 of the Clearing Rules.

§ 4

A participant may submit a request to amend a participation agreement or to terminate it by mutual agreement of the parties. In that case, the participant shall specify in the request the date agreed on a working basis as of which the participation agreement is to be amended or terminated, respectively.

§ 5

1. Subject to § 28 subpara. 6 of the Clearing Rules and subpara. 2 hereof, where documents required of participants or the applicant have been drawn up in a foreign language other than English, they should be submitted in Polish or English translation, written and endorsed by a certified translator.
2. An application for a participation agreement or for extension of the scope of participation, a declaration on membership of the relevant guarantee fund, as well as a statement on submission of disputes to the jurisdiction of the competent court, should be drawn up in Polish, and in addition they may be submitted in an English language version, however, the applicant should in such instances declare that the Polish language document shall be deemed the definite version.

§ 6

1. Official documents delivered by participants or entities applying for a participation agreement, which have been drawn up outside the Republic of Poland, shall become legally authorised in accordance with the relevant legal regulations under which they have been drawn up, subject to the provisions of subpara. 2.
2. If an official document has been drawn up in a country which is a signatory of the Hague Convention of 5 October 1961 which eliminated the need to legally authorise foreign official documents, such a document should contain an apostille issued by the relevant authority issuing the document.

§ 7

1. Subject to subpara. 4, for transactions in securities, a bank account indicated by a participant pursuant to § 20 subpara. 2 point 3 of the Clearing Rules shall be the bank account used to settle cash liabilities and receivables of the participant related to participation in a settlement institution.
2. If a participant is not a participant of a settlement institution, the bank account indicated by the participant pursuant to § 20 subpara. 2 point 3 of the Clearing Rules shall be the bank account used to settle cash liabilities and receivables related to the participation of the participant's settlement agent in that settlement institution.
3. If a clearing member or its settlement agent settles its cash debits and credits through two or more bank accounts held in the clearing bank, it shall additionally indicate in the declaration referred to in § 20 subpara. 2 point 3 of the Clearing Rules which of the accounts is the primary account within the meaning of regulations issued by KDPW.
4. If the applicant fails to indicate an account held for it in the TARGET2 system or its payment agent's account in the system and it intends to participate in clearing in EUR after starting operation in the clearing system, it shall submit the relevant declarations referred to in § 20 subpara. 2 points 3 and 4 of the Clearing Rules before starting operation in the system in order to be allowed to settle debits in EUR.
5. If the applicant intends to act in the participation type of general clearing member – representative in securities trading, for transactions concluded by the entity indicated by it in the application, it shall

indicate in the declaration referred to in § 20 subpara. 2 point 2 of the Clearing Rules the identifier in the settlement institution which has been assigned to the applicant or its settlement agent according to the regulations issued by the settlement institution provided that the applicant or the agent indicated by it, respectively, performs the settlement of transactions concluded by that entity in its settlement account or accounts maintained in the settlement institution. This provision shall apply accordingly to any extension of the scope of the participation agreement for such participation type.

§ 8

1. If there is a take-over of an enterprise, within the meaning of Article 55^1 of the Civil Code of 23 April 1964 (Journal of Laws from 1964, No. 16, item 93, as amended), or an organised part of such enterprise, whose operation is related to participation in the clearing system operated by KDPW_CCP, in the form of a sale of the enterprise or its organised part between participants, those participants who are parties to the action leading to the take-over shall immediately notify KDPW_CCP of this fact in a written application to which they shall attach documents that constitute the basis of the take-over of the enterprise or its organised part, as well as appropriate declarations in writing.
2. In the event referred to in subpara. 1, KDPW_CCP shall, on the joint application of the interested participants, set the date of the merger of their cash liabilities and receivables arising from participation in the clearing system (clearing system merger date).
3. The clearing system merger date shall be the date at the end of which KDPW_CCP ceases to clear the transactions of the participant whose enterprise or its organised part has been taken over to the extent arising from the documents that constitute the basis of the take-over of the enterprise referred to in subpara. 1 or its organised part.
4. As of the clearing system merger date, the status of clearing member, to the extent of the enterprise taken over referred to in subpara. 1 or its organised part, previously held by the participant whose enterprise or its organised part is being taken over, shall be transferred to the participant taking over the enterprise or its organised part.
5. The liabilities of a participant whose enterprise or its organised part is being taken over, resulting from transactions accepted for clearing to which the participant is a clearing counterparty and from its participation in the clearing system to the extent of the enterprise taken over or its organised part, shall be a liability of the participant and the participant taking over the enterprise or its organised part acting jointly and severally.

§ 9

1. In case of taking over all rights and obligations of a clearing member related to participation in the clearing system as a result of, respectively, that member's merger with another entity, transborder merger with another entity, or split of the clearing member, the clearing member shall immediately notify KDPW_CCP of the intention to merge or split and attach the merger plan or split plan agreed with the entity involved in the merger or split.
2. The clearing member which is the acquiring entity and the clearing member which is the acquired entity shall immediately notify KDPW_CCP, and attach relevant documents, of:
1/ adoption by the competent body of a resolution concerning the merger or split, amendment of the articles of association or partnership agreement;
2/ no opposition raised by the competent body if the requirement to obtain the consent of such body

derives from relevant provisions of the law;
3/ issue of a statement of competent bodies confirming that the merger or split conforms to the provisions of the law applicable to the clearing member or the entity involved in the merger or split if the requirement to obtain such statement derives from relevant provisions of the law;
4/ making an entry in the relevant register which has the effect of, respectively, a merger or split and, where other entries are made concurrently with or as a result of such entry, then also making such entries.
3. An entity which is not a participant of the clearing system and takes over the rights and obligations of a clearing member shall, before starting activities in the system, deliver written powers of attorney or declarations referred to in § 15 subpara. 1 points 4 – 5 and 7, § 15a subpara. 1 and § 20 subpara. 2 point 6 and subpara. 5 of the Clearing Rules and other documents referred to in § 20 of the Clearing Rules, if they have to be modified.
4. On the basis of information received from the clearing member or the entity involved in the merger of split, KDPW_CCP shall determine the clearing system merger date as of which it shall cease to clear transactions for the clearing member to the extent arising from documents which constitute the basis of the merger or split and the status of clearing member shall be transferred to the extent arising from, respectively, the merger or split.

§ 9a

The provisions of § 8 and § 9 shall apply accordingly where the rights and obligations of a non-clearing member are taken over in cases referred to therein.

§ 10

1. Fees set in the Table of Fees attached to the Clearing Rules, charged from a participant holding the status of clearing member which, under an agreement concluded with the operator of a regulated market or an alternative system, performs tasks of buying or selling specific financial instruments on own account for purposes related to the maintenance of liquidity or the organisation of trading on such market, or which represents in transaction clearing an entity which performs such tasks, may be reduced provided that such participant provides KDPW_CCP with the following:
1/ certificate issued by the organiser of the relevant market which indicates the start and end date of the performance tasks to the extent of maintaining liquidity or organising trading on such market;
2/ indication of a specific dedicated clearing account or accounts in which transactions concluded as part of the performance of the tasks referred to in point 1 shall be registered.
2. If the certificate referred to in subpara. 1 point 1 indicates that the tasks related to the maintenance of liquidity or the organisation of trading on the market are performed for an indefinite period, the participant shall notify KDPW_CCP of discontinuation of the performance of such tasks on the day they are discontinued.
3. A fee reduction shall be effective for fees charged by KDPW_CCP after the date of receipt of the documents referred to in subpara. 1.

§ 11

KDPW_CCP shall issue an identifier in the clearing system to each participant (institution code). Where an institution code is issued to a non-clearing member, the clearing member that represents it shall be

notified of the code by KDPW_CCP.

§ 11a

In order to obtain information on the applicant and to identify the risks of money laundering and terrorist financing associated with the business relationships undertaken by the applicant, participants or entities seeking participation shall submit to KDPW_CCP an up-to-date Correspondent Banking Due Diligence Questionnaire (CBDDQ) published by the Wolfsberg Group. The Correspondent Banking Due Diligence Questionnaire (CBDDQ) shall be updated by participants on an annual basis.

§ 11b

1. The clearing member shall, prior to commencing activities in the clearing system, conduct the following tests to confirm its readiness to commence such activities:
1/ tests of key aspects of clearing account management,
2/ tests of key aspects of collateral management and risk management,
3/ tests of key aspects of clearing of transactions for which the participant will be active in the clearing system,
4/ testing of key aspects of procedures in the event of default under obligations arising from transactions accepted for clearing.
2. The clearing member shall provide KDPW_CCP with information on positive results of completed tests referred to in subpara. 1 in accordance with the template available on the KDPW_CCP website.

CHAPTER 3
ACCOUNT SYSTEM

§ 12

1. The clearing account system shall comprise:
1/ own position accounts and client position accounts, which are clearing accounts referred to in § 43m subpara. 2 point 1 or 2 of the Clearing Rules respectively;
2/ aggregate accounts, referred to in § 43m subpara. 4 of the Clearing Rules;
3/ collateral accounts assigned to the accounts referred to in point 1 or 2.
2. Own position accounts shall be used to make entries referred to in § 43m subpara. 1 of the Clearing Rules resulting from transactions concluded by the clearing member on own account which have been accepted for clearing in the clearing system.
3. Client position accounts shall be used to make entries referred to in § 43m subpara. 1 of the Clearing Rules resulting from transactions accepted for clearing in the clearing system which have been:
1/ concluded by the clearing member on account of its clients, or
2/ concluded by another entity which is represented by the clearing member in clearing in the clearing system.

§ 13

1. A collateral account shall be maintained for each clearing account and for each aggregate account, subject to subpara. 2 and 3.
2. One collateral account shall be assigned to clearing accounts or aggregate accounts marked with the

same NKK number.

§ 14

1. Attributes of a clearing account, an aggregate account, and a client classification number (NKK) are set out in Appendix 6.
2. The client classification number (NKK) shall be a clearing account attribute, an aggregate account attribute and a collateral account attribute.
3. The client classification number (NKK) assigned to a participant may define only one collateral account maintained for a given participant.
4. If the client classification number (NKK) defines two or more clearing accounts, one collateral account maintained for the given participant shall be assigned to all such accounts and that client classification number (NKK) shall be its attribute.
5. Every aggregate account shall be defined by a separate client classification number (NKK).
6. Entries arising from transactions concluded by an entity which is represented by a clearing member in clearing in the clearing system or arising from transactions concluded on the derivatives market on account of a given client shall be made in clearing accounts defined by that member in the procedure referred to in subpara. 1 and 2 exclusively for the given client of that member. In that case, the client classification number (NKK) shall identify exclusively, respectively, the entity being a counterparty to a transaction concluded in securities trading or the given client of the member for which the member is requesting opening of a clearing account.

§ 15

1. KDPW_CCP shall register entries in clearing accounts for each position including the following information:
1/ identifier of the transaction registered in the clearing system,
2/ position indicator,
3/ transaction price and value,
4/ quantity of financial instruments in the transaction,
5/ ISIN code issued by KDPW to financial instruments referred to in point 4,
6/ transaction expiry date and time - for a derivative transaction,
7/ identifier of the counterparty of the transaction concluded on the market.
2. KDPW_CCP shall update the information referred to in subpara. 1 immediately on any change.
3. The provisions of subpara. 1 shall apply accordingly to registration of a transfer of positions whereby entries referred to in subpara. 1 in the clearing account of the participant transferring the positions shall be registered in the clearing account of the participant receiving such positions.

§ 16

1. KDPW_CCP shall register in collateral accounts information concerning:
1/ the amount of cash deposited in PLN or EUR credited as margins,
2/ the value of securities denominated in PLN or EUR credited as margins,
3/ the quantity of securities denominated in PLN and their ISIN code issued by KDPW;
4/ the amount of cash deposited in PLN or EUR credited as contributions to the relevant guarantee fund;

5/ the value of securities denominated in PLN or EUR credited as contributions to the relevant guarantee fund;
6/ the quantity of securities denominated in PLN and their ISIN code issued by KDPW.
2. KDPW_CCP shall update the information referred to in subpara. 1 immediately on any change.
3. The provisions of subpara. 1 shall apply accordingly to registration of a transfer of positions and collateral whereby entries referred to in subpara. 1 in the collateral account of the participant transferring the positions shall be registered in the collateral account of the participant receiving such positions.

§ 16a

1. Subject to § 15 subpara. 1 and § 16 subpara. 1, KDPW_CCP shall register the following information in the clearing system for transactions other than repos:
1/ the date and time of registration of a transaction in the clearing system;
2/ the detailed terms of a transaction concluded on the derivatives market, including the quantity of contracts, the transaction currency, the underlying and the reference rate,
3/ the transaction clearing mode,
4/ the terms and conditions of transaction settlement,
5/ the transaction settlement date,
6/ the date and time of conclusion of the original transaction,
7/ the original terms and counterparties of the contract,
8/ the identifiers of the clearing members participating in the position transfer,
9/ the identifier of the non-clearing member whose positions have been transferred in the position transfer,
10/ the position transfer date and time,
11/ the number of transferred positions,
12/ the date of entry of the position transfer instructions into the clearing system,
13/ the date of sending KDPW_CCP's confirmation that submitted position transfer instructions match,
14/ the prices, interest rates or other indicators used to calculate the value of the position in transactions concluded on the derivatives market.
2. KDPW_CCP shall register the following information in the clearing system for transactions which are repos:
1/ the date and time of registration of a transaction in the clearing system;
2/ the detailed terms of a repo transaction, including the security ISIN code, the quantity, the nominal amount of securities, the settlement amount of the opening leg, the amount of the closing leg, the transaction currency;
3/ the date of conclusion of the transaction;
4/ the settlement date of the opening leg;
5/ the settlement date of the closing leg;
6/ the repo rate.

§ 17

KDPW_CCP shall register in aggregate accounts entries which correspond to information for clearing accounts assigned to such aggregate accounts as designated by the member.

CHAPTER 4
OPENING AND CLOSING CLEARING ACCOUNTS, AGGREGATE ACCOUNTS AND COLLATERAL ACCOUNTS

§ 18

The first clearing account shall be opened on the basis of an account opening order delivered by the clearing member before starting operation in the clearing system, which specifies the account attributes, where the type of account which the participant may open depends on the status held by the member in the clearing system, including the type of operation.

§ 19

1. For the clearing of transactions concluded by an entity represented by a clearing member in clearing in the clearing system, the member shall apply for the opening of a clearing account referred to in § 14 subpara. 6 before such transactions are sent for clearing in the clearing system.
2. A clearing account shall be opened in the event referred to in subpara. 1 based on the declaration referred to in § 15a subpara. 1 of the Clearing Rules and an account opening order delivered by the clearing member to KDPW_CCP.
3. The clearing member shall specify in the declaration referred to in § 15a subpara. 1 of the Clearing Rules the client classification number (NKK) defined for the entity referred to in subpara. 1.

§ 20

A clearing member shall define account attributes according to Appendix 6 in the clearing account opening order.

§ 21

[revoked]

§ 22

1. In order to close a clearing account, the clearing member shall deliver to KDPW_CCP an account closing order wherein it shall specify the identifier of the clearing account to be closed.
2. Subject to subpara. 3, a clearing account shall be closed on the day when the clearing member submits the account closing order provided that:
1/ on the account closing day, no positions, operations or balances referred to in § 43m subpara. 1 of the Clearing Rules are registered in the account,
2/ on the account closing day, no assets deposited as margins are registered in the account,
3/ by the end of day on which the account is to be closed, KDPW_CCP has not received any clearing instructions designating this account for clearing in the clearing system.
3. The clearing account closing day shall fall no earlier than the day following the day of submission of the order referred to in subpara. 2 to KDPW_CCP. If the condition is not met, the order shall be executed on day R following the day of its submission to KDPW_CCP.
4. KDPW_CCP shall close a clearing account and concurrently close the collateral account assigned to that clearing account unless the collateral account is assigned to other clearing accounts.
5. KDPW_CCP shall send to the clearing member information that the clearing account has been, respectively, opened or closed which specifies the account identifier.

§ 23 - § 24
[revoked]

§ 25

1. The provisions of § 19 and § 22 shall apply accordingly to the opening and closing of aggregate accounts, subject to subpara. 2-3.
2. A clearing member shall define account attributes in an aggregate account opening order including a separate client classification number (NKK) according to Appendix 6.
3. When opening an aggregate account, KDPW_CCP shall concurrently open a collateral account assigned to that aggregate account.

CHAPTER 5
CLEARING TRANSACTIONS

§ 26

1. On the basis of a clearing instruction referred to in § 38 subpara. 1 of the Clearing Rules, no later than 23:00h on the transaction date, KDPW_CCP shall prepare and make available:
1/ to participants holding the status of clearing member and to their payment agents – documents stating the amount of cash liabilities and receivables of the participant in respect of clearing and guaranteeing the clearing of transactions;
2/ only to participants holding the status of clearing member – documents stating the quantity of securities arising from concluded transactions.
2. In case of transactions concluded on the stock exchange market or in the alternative trading system operated by the Warsaw Stock Exchange by entities which are not participants or by participants with the participant status type of non-clearing member, KDPW_CCP shall in addition make available to participants holding the status of clearing member within the scope of such transactions documents stating the amount of cash liabilities and receivables in respect of such transactions immediately upon the receipt of a clearing instruction referred to in § 38 subpara. 1 of the Clearing Rules.
3. An instruction to settle a transaction sent by KDPW_CCP to the settlement institution shall indicate that settlement shall take place in the accounts designated when defining the clearing account in which the transaction is registered, provided that this is consistent with the rules issued by the settlement institution.
4. Subject to subpara. 4a, if the clearing instruction referred to in § 38 subpara. 1 of the Clearing Rules does not indicate a clearing account, KDPW_CCP shall register the transaction as follows:
1/ in instances where the entity executing the transaction is represented in clearing by more than one participant holding the status of clearing member within the same scope – in the clearing account designated by the participant holding the status of default member within this scope, according to the provisions of subpara. 5;
2/ in instances where the entity executing the transaction is represented in clearing exclusively by one clearing member or is a participant holding the status of clearing member not represented by other entities in the clearing of this transaction – in the clearing account designated by that participant according to the provisions of subpara. 5;

3/ in instances where the participant, described respectively in point 1 or 2 above, has not designated the relevant clearing account, according to the provisions of subpara. 5, or has cancelled such designation and has not made a new designation – in the clearing account designated as the default account.

4a. KDPW_CCP shall register transactions concluded by an entity concluding transactions in the clearing account referred to in § 14 subpara. 6 of the clearing member who:

1/ represents that entity in clearing and

2/ is authorised, according to regulations issued by the settlement institution, to settle such transactions, or its settlement agent referred to in § 7 subpara. 5 is so authorised according to such regulations.

5. In order to perform the designation, as described in subpara. 4 above, the clearing member shall provide KDPW_CCP with a declaration according to a template defined by KDPW_CCP, in which the member designates a clearing account as the default account to be used for the clearing of transactions concluded by the member or by another entity which the member represents for in clearing:

1/ on own account,

2/ on account of clients,

3/ for the purpose of supporting liquidity or organising trading on the regulated market or in an alternative trading system under an agreement concluded with the market operator and indicating a separate account for the settlement of transactions concluded by each entity for these purposes.

6. In instances where the status of clearing member for derivatives transactions, indicated in the clearing instruction referred to in § 38 subpara. 1 of the Clearing Rules, is held by a counterparty and another entity, and the document does not indicate the relevant clearing account, nor does it indicate the participant holding the status of clearing member in this scope, it shall be assumed that this status shall be held by the transaction counterparty. In other instances, where the clearing instruction referred to in § 38 subpara. 1 of the Clearing Rules does not contain such information, the counterparty for this transaction shall be an entity indicated by KDPW_CCP which holds the status of clearing member for such transaction.

§ 27

1. KDPW_CCP shall accept a clearing instruction referred to in § 38 subpara. 1 of the Clearing Rules to the clearing system in order to clear such transactions on each day when a trading session is held on the exchange or trading is organised in an alternative trading system, respectively, within time limits set in the agreement concluded with the regulated market operator or alternative trading system organiser.

2. The clearing of transactions on the days referred to in subpara. 1 shall start at the time indicated in the clearing day timetable defined in Appendix 7.

§ 27a

1. For a clearing member to determine the clearing mode of non-cash debits and credits arising from transactions to which it is a clearing counterparty concluded in trading in securities in the regulated market or the alternative trading system, it shall provide to KDPW_CCP an instruction which specifies the transaction clearing mode referred to in § 37a subpara. 1 point 1, 2 or 3 of the Rules and the

clearing account identifier in which transactions so cleared are to be registered, subject to subpara. 4.
2. KDPW_CCP shall execute the instruction referred to in subpara. 1 on the date of receipt but no later than the end of the clearing session on the date of delivery. Instructions executed on a given day shall have an effect in the clearing system as of the next day.
3. KDPW_CCP shall inform the clearing member, respectively, whether an instruction referred to in subpara. 1 has been executed, specifying the identifier of the account specified therein.
4. If a clearing participant specifies the transaction clearing mode referred to in § 37a subpara. 1 point 1, 2 or 3 of the Rules when opening the clearing account in which transactions so cleared are to be registered, it shall specify such clearing mode in the clearing account opening instruction.
5. If a clearing participant does not specify the clearing mode referred to in § 37a subpara. 1 point 1, 2 or 3 of the Rules for transactions registered in clearing accounts specified by it which are maintained for it, KDPW_CCP shall perform gross non-cash clearing of transactions registered in such accounts.
6. An instruction shall be sent to modify or cancel an instruction referred to in subpara. 1 and the provisions of subpara. 1-4 shall apply accordingly to such instruction.

§ 27b

A clearing participant may specify in an instruction referred to in § 27a subpara. 1 or 4 which is sent to KDPW_CCP that clearing of non-cash debits and credits arising from transactions in securities concluded in the regulated market or the alternative trading system shall follow the principle referred to in § 37a subpara. 1 point 2 or 3, respectively, based on a minimum threshold of the number of such transactions registered in a given clearing account. In that case, KDPW_CCP shall clear such transactions in the manner specified by the participant referred to in § 37a subpara. 1 point 2 or 3, respectively, provided that:
1/ the number of positions arising from such transactions registered in a given clearing account concerned by a provided instruction to be cleared in the clearing system is at least 9 (minimum transaction number threshold),
2/ such transactions are to be settled on the same date,
3/ the securities under such transactions are marked by KDPW with the same identifier in the depository system.

§ 27c

1. Repos shall be settled on dates set in the terms of the repo, subject to subpara. 2 – 6. The terms of a repo are set out in Appendix 12.
2. The settlement date of the opening leg of a repo may be from T+0 to T+2.
3. The settlement date of the closing leg of a repo may be from T+1 to T+365.
4. If the settlement date of the opening leg of a repo is T+0, KDPW_CCP shall, 30 minutes after receiving an instruction from the alternative trading system, submit a settlement order to the settlement institution. The transaction shall be settled at the nearest settlement session in the settlement institution.
5. The opening leg of a repo with a settlement date T+0 may be submitted by the operator of the alternative trading system to KDPW_CCP no later than 14:50.
6. A separate settlement order shall be sent to the settlement institution for each opening leg of a repo and each closing leg of a repo.

7. In the extension period upon the settlement fail of an opening leg, which is 7 business days, the participant causing the fail may submit to KDPW_CCP, no later than 11:00 on the last day of the extension period, a written request according to the template defined by KDPW_CCP to settle the transaction in part.

§ 28

1. A clearing member shall be obliged, not later than 15 minutes before a session on the organised market opens on day R+1, to hold in the bank account maintained in the clearing bank designated pursuant to § 20 subpara. 2 point 3 of the Clearing Rules an amount in the relevant currency sufficient to settle liabilities to KDPW_CCP resulting from the clearing of transactions to which it is a clearing counterparty taking into consideration other liabilities of the member arising in connection with its participation in the clearing system.
2. The amount of cash liabilities in the relevant currency which the clearing member is obliged to pay in respect of the obligations referred to in subpara. 1 shall be defined in a daily report provided by KDPW_CCP.
3. If, after the expiry of the time limit referred to in subpara. 1, there is a shortage of balance in the bank account maintained in the clearing bank designated by the clearing member pursuant to § 20 subpara. 2 point 3 of the Clearing Rules, the value of the initial deposit deposited by the member as referred to in § 49 subpara. 1 of the Clearing Rules shall be reduced by the amount equivalent to the shortage of balance. The initial deposit shall be reduced before a session opens on the organised market on day R+1.

§ 28a

If the right to the payment of benefits attached to bonds subject to in a repo is determined during the clearing of the repo, the clearing member who is the clearing counterparty buying the securities shall ensure that there is cash in its bank account maintained in the settlement bank, indicated by it according to § 20 subpara. 2 point 3 of the Clearing Rules, at the settlement date of the closing leg sufficient to meet the obligations relating to the current payment of an interest coupon.

CHAPTER 5a

GUARANTEEING THE CLEARING OF TRANSACTIONS

§ 29

1. Margins shall secure the performance of the depositing participant's liabilities arising from its status of clearing member, including both liabilities which arise before the margins are deposited and liabilities which arise after the margins are deposited.
2. Margins shall be established on the day they are deposited according to the provisions of Title III Chapter IV "Transaction Clearing Liquidity Guarantee System" of the Clearing Rules and the Detailed Rules, and shall expire on 1 January 2100, subject to subpara. 3-5.
3. The term of a margin set in subpara. 2 may change prior to expiry.
4. A margin shall also expire on the day of:

1/ termination of participation in the clearing system, provided that positions in clearing accounts maintained for the entity whose participation is to expire have been cancelled or it has performed all obligations arising from participation in the system; or
2/ KDPW_CCP has returned assets deposited as a margin according to the provisions of Title III Chapter IV "Transaction Clearing Liquidity Guarantee System" of the Clearing Rules and this Chapter, up to the amount of returned assets.
5. The law governing the establishment of collateral in securities registered in the relevant depository system and governing contributions of such securities shall be:
1/ the applicable law in the state of the registered office of Clearstream – for securities registered in an account with Clearstream, or
2/ the applicable law in the state of the registered office of Euroclear – for securities registered in an account with Euroclear.

§ 30

1. KDPW_CCP shall, on each day R, calculate the amount of initial margins required from each clearing member in PLN according to the calculation algorithm referred to in Appendix 1 and 2, using the following risk parameters to ensure stable and prudent estimation of margin requirements:
1/ confidence interval not lower than 99%,
2/ position liquidation period not shorter than two working days,
3/ market data lookback window of at least the last 12 months.
KDPW_CCP shall publish on its website the determined risk parameters referred in points 1-3.
2. KDPW_CCP shall determine the initial margin requirement for a clearing member taking into account the correlation of the member's positions in different clearing accounts. Margin reductions shall be capped at the amount necessary to cover the risk of change in the correlation of positions.
3. Subject to subpara. 4, the amount of a participant's liabilities in respect of initial margins shall be equal to the sum of margins calculated for the participant separately for each portfolio of derivatives transactions and each portfolio of cash transactions for which the participant holds the status of clearing member.
4. Where securities are deposited, pursuant to § 33a subpara. 6, as an initial margin to secure the clearing of the exercise of a short position in an American-style call option consisting in the delivery of the underlying, which is formed by the same securities as the securities deposited as the margin: 1/ such securities shall be credited to the initial margin calculated for a given client classification number only to the extent of the indicated short position in the option, provided that the risk arising from the position may be fully covered,
2/ the risk arising from the short position in the option shall be fully covered with securities credited to the initial margin provided that the quantity of such securities is not lower than the quantity of the securities which constitute the underlying of the option,
3/ the value of liabilities arising from the initial margin covered according to points 1 and 2 shall no longer be included in the calculation of the value of the participant's liabilities in respect of initial margins referred to in subpara. 4.
5. The method of calculating initial margins is described in Appendix 1.
6. The method of calculating margins for the derivatives market is described in Appendix 2.

7. The method of calculating initial margins for the cash market, the repo market and negotiated loans is described in Appendix 3.
7a. The method of calculating liquidity and concentration add-ons is described in Appendix 4.
8. The method of calculating wrong way risk add-ons is described in Appendix 5.

§ 31

1. The value of securities or cash credited as initial deposits, initial margins or contributions to the relevant guarantee funds in the form of:
1/ securities, including securities denominated in EUR,
2/ cash in EUR
shall be determined on the basis of the applicable haircut rate referred to in § 33.
2. A 100% haircut rate assigned to securities bearing a specific identifier or cash in EUR shall mean that, in the period of such assignment, no part of the value of such securities or cash shall be recognised in determining the value of collateral deposited by the participant. KDPW_CCP shall assign a haircut rate of 100% to securities which are deposited with KDPW_CCP as margins or as contributions to the relevant guarantee fund but do not meet the criteria of acceptable securities.
3. Assets designated as initial margin shall be credited as such margin as follows:
1/ cash, including cash in EUR, shall be deposited and credited in the amount of the difference between the initial margin calculated for the relevant client classification number (NKK) and the value of securities credited to the margin, deposited in the collateral account assigned to the clearing account or accounts of the participant, subject to § 47a subpara. 1-3 of the Clearing Rules;
2/ securities referred to in § 47 subpara. 3 of the Clearing Rules shall be credited up to 60% of the initial margin amount calculated for the relevant client classification number (NKK) according to § 48 subpara. 7 of the Clearing Rules, subject to § 47a of the Clearing Rules.
4. Securities referred to in:
a) § 4 subpara. 1 points 2 and 3 of the Clearing Fund Rules,
b) § 4 subpara. 1 points 2 and 3 of the WSE BondSpot ATS Guarantee Fund Rules,
c) § 4 subpara. 1 points 2 and 3 of the On-demand Lending Guarantee Fund Rules
shall be credited to the participants' contribution to the guarantee fund up to 90% of the sum of updated amounts of its contributions to the fund.
5. KDPW_CCP shall credit to relevant margins indicated by the participant only such securities which are deposited for such purpose according to the Clearing Rules unless crediting them causes the concentration limits referred to in § 50b of the Clearing Rules to be breached. KDPW_CCP shall credit to a contribution to the relevant guarantee fund only such securities which are deposited for such purpose according to the rules of the fund.
6. Securities deposited by a participant or its agent shall be credited to the initial deposit or the initial margin provided that the securities are transferred according to § 71 subpara. 1 of the Clearing Rules to the KDPW_CCP securities account no later than 18:00 on the day when the clearing member is notified by KDPW_CCP that the member is required to deposit or adjust the margin.
7. Cash shall be credited to the initial deposit or the initial margin provided that the account indicated by KDPW_CCP as referred to in § 33c subpara. 1 is credited no later than 18:00 CET on the day when the clearing member is notified by KDPW_CCP that the member is required to deposit or adjust the required margin.

8. Assets deposited as an initial deposit or an initial margin or as a contribution to the relevant guarantee fund shall be credited by registering the value of the deposited collateral in the clearing system, which shall take place no later than 18:00 CET on day R when such assets are transferred to KDPW_CCP. Until the time of the credit, the value of the deposited assets shall not be included in KDPW_CCP's calculation of the value of margins or contributions to the relevant guarantee fund deposited by the participant.
9. The provisions of subpara. 6-8 shall apply accordingly to an adjustment contribution to the relevant guarantee fund in securities or in cash.
10. A participant's liabilities in respect of margins shall be equal to the sum of margins required from the participant calculated separately for each collateral account.

§ 32

1. Acceptable securities referred to in § 4 subpara. 1 point 2 of the rules referred to in § 31 subpara. 4 shall only include Treasury bonds traded in the territory of the Republic of Poland.
2. Subject to subpara. 3, acceptable securities referred to in § 47 subpara. 3 point 4 of the Clearing Rules and § 4 subpara. 1 point 3 of the rules referred to in § 31 subpara. 4 shall only include bonds issued by European Union member states other than the Republic of Poland which meet the following conditions:
1/ for bonds registered in the relevant depository system – they are acceptable to the entity operating the system as securities eligible for a service agreement,
2/ the rating of the bonds, or
3/ the rating of the member state which issued the bonds
is not lower than:
a) AA- if rated by Standard & Poors Rating Services,
b) AA- if rated by Fitch Ratings,
c) AA3 – if rated by Moody's Investors Service.
Where both the bonds and the member state which issued the bonds are rated or where more than one rating agency referred to in items (a)-(c) issued a rating, the acceptability of the securities shall be assessed on the basis of the lower of the rating of the bonds or the member state.
3. Acceptable securities referred to in subpara. 2 shall only include securities registered in an account with:
1/ Clearstream,
2/ Euroclear,
3/ KDPW.
4. If a participant deposits securities referred to in subpara. 2 as margins or contributions to the relevant guarantee fund, this shall imply that:
1/ the securities are free of any encumbrances with the rights of third parties restricting the effective satisfaction of KDPW_CCP claims with such securities with precedence over other parties,
2/ the service agreement under which the securities are deposited has been executed by duly authorised representatives of the participant or its collateral agent,
3/ the orders to deposit the securities were submitted on the basis of valid and effective authorisations by duly authorised representatives of the participant or its collateral agent.

5. Acceptable securities referred to in § 47 subpara. 3 point 4 of the Clearing Rules and in § 4 subpara. 1 point 3 of the rules referred to in § 31 subpara. 4 shall be deposited as margins or contributions to the relevant guarantee fund through the entity operating the relevant depository system.
6. KDPW_CCP shall determine the value of acceptable securities registered in the relevant depository systems through the entities operating such systems under service agreements concluded with them. KDPW_CCP shall determine and communicate to the entities operating such systems the haircuts of acceptable securities to apply when determining the value of such securities.
7. The entities referred to in subpara. 6 shall determine the value of acceptable securities on the terms laid down in the service agreements, using current data available from the agencies named in the agreements or other sources named therein.

§ 33

1. The list of securities referred to in § 47a subpara. 4 of the Clearing Rules and the assigned haircuts:
1/ shall be published for information of clearing members through the SEI system in a message,
2/ shall be effective as of the time of publication for information of clearing members according to point 1.
2. The list of securities referred to in subpara. 1 shall also include acceptable securities which may be contributed to the relevant guarantee fund.
3. If a security is excluded from the service agreement by the entity operating the relevant depository system, it shall no longer be an acceptable security. In that case, KDPW_CCP shall immediately update the list of securities referred to in subpara. 1.
4. The provisions of subpara. 1 shall apply accordingly to KDPW_CCP's publication of the haircut for cash deposited in EUR as:
1/ margins,
2/ contributions to the relevant guarantee fund.

§ 33a

1. For a clearing member to deposit a margin in acceptable securities registered in the system operated by KDPW or to contribute such securities to the relevant guarantee fund, the clearing member which is a participant of KDPW shall submit to KDPW_CCP an instruction to post the securities as a margin. Upon receipt of an instruction, KDPW_CCP shall immediately issue on its basis a relevant settlement instruction to KDPW. As a result of the execution of the instruction, under an agreement concluded to that effect with KDPW, the securities subject to such instruction shall be recorded by KDPW in the securities account maintained by KDPW for KDPW_CCP.
2. For a clearing member to deposit a margin or make a contribution to the relevant guarantee fund in acceptable securities registered in the system operated by KDPW through a settlement agent, the agent shall submit directly to KDPW a settlement instruction as a result of whose execution the securities are transferred from the securities account of the settlement agent to the account of KDPW_CCP maintained for it in the institution. In that case, the instruction shall be submitted according to the rules of the settlement institution provided that the instruction contains the information referred to in subpara. 3. If securities are to be deposited as margins through a settlement agent, the clearing member shall obligate the agent, before submitting the first instruction, to submit to KDPW_CCP a written declaration which designates the clearing member for which the margins are

to be deposited in securities through the agent. Margins and contributions referred to in the first sentence may be deposited through a settlement agent also on the basis of the participant's instructions submitted by it to KDPW_CCP on the terms defined in subpara. 1.

3. A margin shall be deposited by a participant acting through a settlement agent in securities recorded in the account maintained by KDPW for KDPW_CCP.

4. To deposit margins or contributions to the relevant guarantee fund in acceptable securities registered in the relevant depository system, the participant shall:

1/ conclude a service agreement:

a) for Clearstream – with the entity operating the system and, where it has access to the system through a foreign custodian, additionally an agreement with the entity operating the system and the foreign custodian, or

b) for Euroclear – with the entity operating the system and with KDPW_CCP (tri-party agreement)

and authorise directly, or through the foreign custodian, the entity operating the system, to the extent required by that entity, to take all actions in the system necessary for effective transfers of securities from the participant's account to the collateral account maintained for KDPW_CCP in the system when depositing margins or contributions to the relevant guarantee fund by the participant;

2/ notify KDPW_CCP, which is not a party to the agreement referred to in point 1, of the conclusion of the service agreement in order to enable it to activate the service of establishing collateral in the relevant depository system for such participant and, respectively, of its participant identifier or account identifier in the system.

In the notification referred to in point 2, the participant shall:

a/ represent that it has taken the actions referred to in points 1, 4-5 and 7-9 according to the requirements of the Clearing Rules and the Detailed Rules;

b/ specify its participant identifier or account identifier in the relevant depository system;

c/ give the consent referred to in point 10; and

d/ authorise KDPW_CCP to take actions necessary to activate for the participant the option of establishing collateral in acceptable securities registered in the relevant depository system;

3/ submit to KDPW_CCP orders which specify the value equal to the value of acceptable securities (after the application of the haircut) deposited by the participant in the system as margins or contributions to the relevant guarantee fund;

4/ take actions required under the service agreement, necessary for the entity operating the relevant depository system to activate services, and submit to the entity operating the relevant depository system instructions according to the orders referred to in point 3;

5/ deposit securities under the service agreements executed by duly authorised representatives of the participant or its collateral agent;

6/ submit orders to the relevant depository system according to the service agreement, through duly authorised representatives of the participant or its collateral agent acting on the basis of valid and effective authorisations;

7/ authorise the collateral agent or the entity operating the relevant depository system, respectively, to flag securities which:

a/ are to be deposited by the participant as margins or contributions to the relevant guarantee fund; and

b/ are to be released by KDPW_CCP from the collateral account maintained by the entity for

KDPW_CCP;
c/ are to be substituted on the terms of the service agreement
where the entity operating the relevant depository system shall be authorised in the service agreement or on the terms defined by that entity;
8/ ensure the service of establishing and using collateral according to the Clearing Rules and the Detailed Rules;
9/ take other actions required under the service agreement or other rules or regulations defined by the entity operating the relevant depository system where necessary for the proper implementation of the service agreement according to the Clearing Rules or resolutions of the Management Board issued under the Clearing Rules;
10/ give its consent for KDPW_CCP to notify the entity operating the relevant depository system of an event of default of the participant as the basis of the use of collateral in securities deposited by it for KDPW_CCP in the system.
5. A participant depositing margins referred to in subpara. 4 through a collateral agent who is not a foreign custodian shall ensure that its agent takes the actions referred to in subpara. 4 point 1, 3-6 and 8-9. A participant depositing margins referred to in subpara. 4 through a collateral agent who is a foreign custodian shall ensure that its agent takes the actions referred to in subpara. 4 point 3-6 and 8-9.
6. A margin or contribution to the relevant guarantee fund shall be deposited by a clearing member in securities deposited in the collateral account maintained for KDPW_CCP in the relevant depository system through the entity operating the system and, where the participant acts through a collateral agent, additionally through the agent.
7. A clearing member shall not appoint as its collateral agent any entity which:
1/ is a participant of the relevant depository system and has been appointed as a collateral agent for another clearing member, or
2/ a clearing member who is a participant of the relevant depository system and deposits with KDPW_CCP securities registered in the system as margins or contributions to the relevant guarantee fund.
8. Instructions referred to in subpara. 1-2 and orders of a participant referred to in subpara. 4 point 3 shall specify, respectively:
1/ the type of margin for which the securities are deposited,
2/ the participant for whom the margin is deposited, where the instruction is submitted by the settlement agent,
3/ the settlement agent or the collateral agent, where the instruction is submitted by a participant depositing collateral through such agents,
4/ the participant's relevant clearing account for which the collateral is deposited,
5/ the quantity of securities and their ISIN code – for securities registered in KDPW,
6/ the code of the entity operating the relevant depository system,
7/ the value of contributions to each relevant guarantee fund, indicating the type of contribution to a fund and the type of activity for which such contributions are made –
where the instruction is submitted by a participant referred to in subpara. 4.
Where the clearing of exercise of a short position in an American-style call option consisting in the delivery of the underlying, which is formed by securities registered in KDPW, is collateralised by

depositing the same securities as an initial margin, the instruction referred to in subpara. 2 shall in addition specify the identifier of the options in KDPW (ISIN code).

9. Securities deposited as margins or contributions to the relevant guarantee fund shall be transferred according to § 71 subpara. 1 of the Clearing Rules to the KDPW_CCP securities account from the account indicated by the clearing member according to § 20 subpara. 2 point 2 or 6 of the Clearing Rules.

10. Assets deposited in securities as a margin or contribution to the relevant guarantee fund shall be credited by being registered in the clearing system. From the moment securities are credited to a margin or contribution, their value after valuation shall be included in the calculation of the participant's debits in respect of the adjustment of margins or contributions to the relevant guarantee fund.

11. A participant shall be notified in a relevant message that the following have been credited to a relevant margin or contribution to the relevant guarantee fund:

1/ specific securities, and their value after the application of the haircut – for securities registered in KDPW, or

2/ a specific value of securities (calculated before and after the currency conversion) – for securities registered in the relevant depository system.

At the written request of the participant, KDPW_CCP shall notify the participant in writing of the securities referred to in point 2 which have been deposited by the participant or credited to margins or contributions to the relevant guarantee fund. In the request, the participant shall specify the period of such notification.

§ 33b

1. A return transfer of securities registered in KDPW, deposited as margins or contributions to the relevant guarantee fund, shall take place on request of the clearing member submitted to KDPW_CCP as an order or as a result of KDPW's execution of a settlement instruction submitted to it by the settlement agent, matched with the corresponding instruction submitted to KDPW by KDPW_CCP. An order or instruction should specify: :

1/ the securities to be returned,

2/ the date of return of securities, in a way that allows to execute the order or instruction in the settlement system operated by KDPW,

3/ the identifier of the relevant clearing account of the participant, for which the collateral is established.

2. On the day R following the day of receipt of an order referred to in subpara. 1, KDPW_CCP shall submit to the settlement system operated by KDPW an instruction to transfer the securities specified in the order to the account maintained in the system from which the securities were deposited as a margin or contribution to the relevant clearing fund. If a participant of the settlement system operated by KDPW is no longer the settlement agent of the clearing member, KDPW_CCP shall submit to the system an instruction to transfer the securities referred to in subpara. 1 to the account maintained in the system for such participant or for its new settlement agent, indicated to KDPW_CCP by the participant in the update of the data referred to in § 20 subpara. 2 point 6 of the Clearing Rules.

3. Establishing a margin or making a contribution to the relevant guarantee fund by a clearing member through a settlement agent shall be tantamount with the participant's consent for the securities

deposited by the participant in the KDPW_CCP account to be returned to the participant to the securities account of the settlement agent from which the securities were deposited with KDPW_CCP.
4. Subject to subpara. 1 point 2, a return transfer of securities shall take place on the date specified in the order or instruction referred to in subpara. 1 provided that:
1/ they do not need to be used in order to settle liabilities of the clearing member secured with the margin deposited by the participant in the form of such securities,
2/ the conditions set out in § 71 subpara. 5 of the Clearing Rules are fulfilled or the participant who deposits the margin no longer holds the status of clearing member,
3/ the order was submitted to KDPW_CCP before 18:00 CET on the day preceding the day of the return transfer of the securities.
5. Subject to subpara. 6, securities registered in the relevant depository system, deposited with KDPW_CCP as margins or contributions to the relevant guarantee fund, shall be returned at the request of the participant on the basis of an order submitted by the participant to KDPW_CCP which specifies the value of securities up to which, following the application of the haircut, the securities are to be returned to the participant. If such value does not represent an integer number of securities to be returned, the order shall be executed in the value corresponding to the maximum integer number of securities which may be returned to the participant on the terms of the service agreement. The provisions of § 33a subpara. 8 shall apply accordingly to such orders. On the basis of an order received from the participant, KDPW_CCP shall submit a relevant instruction to the relevant depository system to ensure the execution of the instruction on its due date.
6. Securities registered in the relevant depository system, deposited as margins or contributions to the relevant guarantee fund, to the extent that their value exceeds the value specified by the participant in the instruction referred to in § 33a subpara. 4 point 2 or subpara. 5, shall be released through the entity operating the relevant depository system, under the service agreement, on the basis of settlement instructions issued by such entity. The provisions of the second sentence of subpara. 5 shall apply accordingly.
7. If the entity operating the relevant depository system terminates the service agreement with the clearing member or its collateral agent, effective immediately, KDPW_CCP may submit to the relevant depository system an instruction which specifies the value of securities to be deposited in the KDPW_CCP collateral account equal to zero. On the execution of such instruction, securities deposited by the participant in the collateral account shall be returned to the participant or its agent through the entity operating the relevant depository system and the participant shall be unable to deposit such securities as new margins or contributions in the collateral account. In that case, the participant shall immediately adjust margins and contributions to the relevant guarantee fund with other assets acceptable to KDPW_CCP. If KDPW_CCP waives the right referred to in the first sentence, KDPW_CCP shall return securities to the participant, in cases referred to in subpara. 5-6, after the participant once again fulfils the conditions referred to in § 33a subpara. 4-7.
8. Establishing a margin or making a contribution to the relevant guarantee fund by a clearing member through a collateral agent shall be tantamount with the participant's consent for the securities deposited by the participant in the collateral account to be returned to the participant to the securities account of the collateral agent from which the securities were deposited with KDPW_CCP.

9. If KDPW_CCP becomes aware of credible information about circumstances referred to in § 8h(1) of the Rules of Transaction Clearing (Organised Trading) occurring in relation to a participant or its client, KDPW_CCP may withhold, in accordance with that provision, instructions relating to a request made by that participant for KDPW_CCP to return assets posted by that participant as a margin or a contribution to a clearing fund or other guarantee fund.

§ 33c

1. An initial deposit shall be deposited in cash:
1/ in EUR, and
2/ in PLN
by debiting the relevant bank account indicated by the participant according to § 20 subpara. 2 point 3 of the Clearing Rules and by crediting the KDPW_CCP bank account maintained for KDPW_CCP by the National Bank of Poland.
2. Assets referred to in subpara. 1 shall be deposited according to an order of the clearing member which shall specify the following:
1/ the currency and the amount of deposited assets,
2/ the type of margin for which the assets are deposited,
3/ the identifier of the participant in the system or the identifier of the clearing account for which the collateral is established,
4/ the payment agent if the payment takes place through the payment agent's bank account,
5/ the date of depositing the assets.
An order for cash:
in EUR – should be submitted no later than 12:00 on day R when the order is to be executed,
in PLN – should be submitted no later than 18:00 on day R when the order is to be executed
(cut-off time). Orders submitted after the cut-off time shall be rejected.
3. Cash referred to in subpara. 2 shall be credited to an initial margin provided that KDPW_CCP approves the order referred to in subpara. 2 after ascertaining that the order complies with KDPW_CCP regulations.
4. The provisions of subpara. 1-3 shall apply accordingly to contributions to the relevant guarantee fund made in EUR. In that case, the order should additionally specify the guarantee fund to which the contribution is made, the type of contribution, and the type of activity for which the contribution is made.
5. Assets in PLN shall be deposited as an initial deposit or an additional margin by debiting the relevant bank account indicated by the participant according to § 20 subpara. 2 point 3 of the Clearing Rules up to the amount of the clearing member's liabilities in respect of such margins determined by KDPW_CCP. The account shall be debited by KDPW_CCP or KDPW acting to such extent by order of and according to instructions issued by KDPW_CCP.
6. A participant's order, referred to in subpara. 2, and an order concerning a contribution to the relevant guarantee fund shall be executed on the date specified in the order.
7. Cash referred to in subpara. 1 shall be credited to a margin by being registered in the clearing system. A participant shall be notified in a relevant message that cash has been credited to a relevant margin or contribution to the relevant guarantee fund. From the moment cash is credited, the value of cash deposited as a margin or contribution to the relevant guarantee fund shall be included in the

calculation of the participant's debits in respect of the adjustment of margins or contributions to the relevant guarantee fund.

§ 34

1. A return transfer of cash referred to in § 33c subpara. 1 and 4 shall take place on the basis of an order of the clearing member which specifies:
1/ the currency and the amount of returned assets,
2/ the type of margin for which the assets are returned and, for a release of assets deposited as a contribution to the relevant guarantee fund – the guarantee fund of the released contribution, the type of released contribution, and the type of activity for which the contribution is to be released,
3/ the identifier of the participant in the system or the identifier of the clearing account for which the collateral is returned,
4/ the payment agent if the assets are returned through the payment agent's bank account,
5/ the date of the return.
An order for cash:
in EUR – should be submitted no later than 14:00 on day R when the order is to be executed,
in PLN – should be submitted no later than 17:15 on day R when the order is to be executed
(cut-off time). Orders submitted after the cut-off time shall be rejected.
2. Cash referred to in subpara. 1 shall be returned to the account of the clearing member or its payment agent maintained in the relevant currency and indicated by the clearing member according to § 20 subpara. 2 point 3 or 4 of the Clearing Rules. Cash referred to in subpara. 1 shall be returned on the date specified in the order referred to in subpara. 1 unless it must be used to ensure the performance of obligations of the clearing member secured with its margin comprised of such cash.
3. Cash referred to in § 33c subpara. 4 shall be returned by crediting the relevant bank account indicated by the clearing member according to § 20 subpara. 2 point 3 or 4 of the Clearing Rules up to the amount of the surplus of assets deposited by the clearing member as such margins determined by KDPW_CCP.
4. If the entity indicated by a participant is no longer the payment agent, cash referred to in § 33c subpara. 4 shall be returned or released to the account of the participant or its new payment agent indicated to KDPW_CCP by the participant in the update of the data referred to in § 20 subpara. 2 point 4 of the Clearing Rules.
5. Establishing a margin in cash or making a contribution to the relevant guarantee fund in cash by a clearing member through a payment agent shall be tantamount with the participant's consent for the cash deposited in the KDPW_CCP account to be returned to the participant to the account of the payment agent from which the cash was deposited with KDPW_CCP.

§ 35

1. KDPW_CCP shall determine the market value of the currency EUR according to current market data available in the service of the following news agencies:
1/ Thomson Reuters, or
2/ Bloomberg.
2. In determining the market value of EUR, KDPW_CCP shall use in the first place data available from the Bloomberg service. If data from the service are incomplete on any clearing day, their availability is

limited or the adequacy of the data raises reasonable doubt in the opinion of KDPW_CCP, then KDPW_CCP shall use data available from the Thomson Reuters service.
3. KDPW_CCP shall determine the market value of the currency EUR at each day R by downloading at 17:00 the market data from the agency referred to in subpara. 1. If such data is not available, KDPW_CCP shall determine the market value of the currency EUR according to the mid exchange rate of EUR published by NBP at such day.
4. The valuation of cash deposited by clearing members in the currency EUR at day R, before the valuation on the terms defined in subpara. 3 at such day, shall be made at previous day's value.
5. The value of a foreign currency other than EUR shall be determined in the Polish currency on the terms defined in subpara. 1 – 4 accordingly.
6. The value of securities referred to in § 47 subpara. 3 point 4 of the Clearing Rules shall be determined by entities operating the relevant depository systems on the terms laid down in service agreements concluded with them and, where KDPW_CCP has no access to such valuation, by KDPW_CCP on the terms laid down in subpara. 1 – 4 which shall apply accordingly. Entities operating the relevant depository systems shall determine the value of securities referred to in the first sentence in EUR. KDPW_CCP shall convert EUR to PLN by using the rules laid down in subpara. 1 – 4 accordingly.

§ 36
[repealed]

§ 37
1. The degree to which the transaction limit is used by a clearing member shall be determined by comparing the calculated liabilities of that member arising from a given type of transactions concluded on the regulated market or in the alternative trading system at a given time during the session on the market or in the system with the initial deposit and the initial margin deposited by the member to such extent. During the session on the financial instruments market, KDPW_CCP shall actively monitor the degree to which the transaction limit has been used.
2. KDPW_CCP shall inform a clearing member of the degree to which the transaction limit is used:
1/ on the member's request, or
2/ when the level of use rises over 90% and 95% of the value of that margin.
3. A given transaction limit exceeded by the clearing member may result in being unable to conclude a given type of transactions concluded on the regulated market or in the alternative trading system to which the member would be a clearing counterparty.

§ 38
1. The exposure limit for derivative instruments of all series settled by delivery of the same underlying and of the same class of derivative instruments referred to in § 51 subpara. 4 of the Clearing Rules shall be determined in relation to the sum of the number of positions resulting from taking a short or long position, respectively (for options, a long position is the sum total of long positions in call options and short positions in put options while a short position is the sum total of long positions in put options and short positions in call options), cleared within the same class of derivative instruments, registered in clearing accounts defined by the clearing member by means of the same client classification number (NKK).

2. During the session on the derivative instruments market, KDPW_CCP shall actively monitor the degree to which the exposure limit referred to in § 51 subpara. 4 of the Clearing Rules has been used.
3. KDPW_CCP shall inform a participant holding the status of clearing member of the degree to which the exposure limit is used when the level of use rises over 90% and 95% of the limit.
4. An exposure limit exceeded by the clearing member may result in being unable to conclude on the derivative instruments market transactions to which the member would be a clearing counterparty.
5. Where a clearing member concludes transactions in the performance, under an agreement with the operator of a regulated market on an alternative trading system, of obligations consisting in buying and selling specific financial instruments, for purposes related to supporting liquidity or organising trading, the member's exposure limit shall be equal to three times the limit set by the Management Board in other cases.

§ 39

1. The provisions of § 38 subpara. 1-4 shall apply accordingly to the determination of an investor's exposure limit, subject to subpara. 2.
2. If clearing accounts are defined by means of the same client classification number (NKK) by more than one clearing member, the investor's exposure limit shall be determined in relation to the sum of the number of positions resulting from taking a short or long position, respectively, registered in all clearing accounts defined by means of the same client classification number (NKK).

§ 40

1. On each day when transactions are cleared, KDPW_CCP shall prepare daily reports and provide them to clearing members.
2. The daily reports referred to in subpara. 1 shall contain in particular:
1/ at the level of positions designed with a given ISIN code:
a/ the quantity of financial instruments and the value of transactions accepted to the clearing system by currency;
b/ the balance of derivative instruments;
c/ the amount of receivables or liabilities to be paid as part of marking to market and the premium;
d/ the amount of receivables or liabilities arising from the final clearing of liabilities related to the expiry or exercise of derivatives positions;
e/ projected securities flows arising from concluded transactions in securities accepted to the clearing system;
2/ at the level of clearing accounts and collateral accounts:
a/ the amount of receivables or liabilities to be paid as part of marking to market, the premium, and the final clearing of liabilities related to the expiry or exercise of derivatives positions;
b/ the amount of the calculated initial margin;
c/ the amount of the credited margin in cash;
d/ the amount of the credited margin in securities,
e/ the amount of receivables or liabilities to be paid in cash;
f/ the value and valuation of securities deposited as and credited to margins and contributions to the relevant guarantee fund;
g/ the balance of securities deposited as and credited to margins and contributions to the relevant

guarantee fund;
h/ projected receivables or liabilities arising from concluded transactions in securities accepted to the clearing system;
i/ projected securities flows arising from concluded transactions in securities accepted to the clearing system;
3/ at the level of a clearing member:
a/ the amount of contributions to the basic resource of the relevant guarantee funds or the amount of contributions in EUR;
b/ the value and valuation of securities deposited and recognised as contributions to the relevant guarantee funds;
c/ the balance of securities deposited and recognised as contributions to the relevant guarantee funds;
d/ the value and valuation of securities deposited and recognised as initial deposit;
e/ the balance of securities deposited and recognised as initial deposit;
f/ the value of receivables or liabilities arising from netting performed by KDPW_CCP.

§ 41

1. Subject to subpara. 2, the provisions of this Chapter shall apply accordingly in the case of margins referred to in § 72c subpara. 2 of the Rules provided that:
1/ wherever an initial margin is mentioned, this shall be understood as an initial margin for loans,
2/ wherever a maintenance margin is mentioned, this shall be understood as a maintenance margin for loans,
3/ wherever ad additional margin is mentioned, this shall be understood as ad additional margin for loans.
2. The method of calculation of margins referred to in § 72c subpara. 2 of the Rules is set out in Appendix 2.

§ 41a

1. A request for partial settlement of a transaction in the settlement institution, referred to in § 55b of the Clearing Rules, may be submitted by a defaulting participant via the SEI system no later than 11:00 on the last day of the extension period according to the template defined by KDPW_CCP.
2. A request referred to in subpara. 1 shall include data necessary to identify the transaction, including the date of conclusion of the transaction, the expected settlement date of the transaction, the quantity of financial instruments in the transaction, and the transaction amount.
3. If a request referred to in subpara. 1 meets the execution criteria set out in the Clearing Rules and the Detailed Rules, KDPW_CCP shall submit, at the last settlement session the last day of the extension period, a settlement order in accordance with the accepted request taking into account the rules for partial settlement of transactions in the settlement institution.

§ 41b

In the case of a settlement fail of a transaction, referred to in § 55e of the Clearing Rules, the participant affected by default may submit a request to shorten the settlement date of the closing leg no later than 11:00 on the last day of the extension period and the defaulting participant may submit a

declaration opposing the shortening of the settlement date no later than 15:00 on the submission date of the request.

§ 41c

1. Auctions/buy-ins referred to in Section IV "Transaction Clearing Liquidity Guarantee System", Part 6 "Buy-in" and Part 8 "Auction in the event of termination of a participation agreement by KDPW_CCP effective immediately" of the Clearing Rules, including the submission of declarations and the transmission of information, shall be carried out by KDPW_CCP using the GUI system or SEI system messages.
2. In an auction/buy-in, KDPW_CCP shall submit an instruction containing a proposal to open positions/buy securities to clearing members clearing financial instruments in positions which are to be closed.
3. Clearing members shall submit offers via the GUI system or via the SEI system and shall be bound by the offers in the period set in the proposal to open positions/buy securities. Clearing members may submit more than one offer in the period set by KDPW_CCP; a member's later offer shall replace that member's earlier offer.
4. Information about the start and end date and time of an auction/buy-in shall be communicated by KDPW_CCP separately for each auction/buy-in to all eligible clearing members. Offers submitted after the end of the period set by KDPW_CCP shall be rejected and excluded.
5. After the end of an auction/buy-in, KDPW_CCP shall select the offer with the lowest price. KDPW_CCP shall immediately inform the clearing member whose offer has been selected of the selection and inform the other clearing members participating in the auction/buy-in of the selection of an offer other than their offers. If more than one offer has the lowest price, the offer which is submitted first shall be selected.
6. A request for deferral of a buy-in referred to in the Clearing Rules may be submitted by the eligible participant within the delivery period.
7. Clearing members participating in an auction/buy-in may submit a complaint to KDPW_CCP according to Title VII "Complaint handling process" of the Clearing Rules.
8. The detailed terms and conditions of auctions/buy-ins are set out in Appendix 11.

CHAPTER 5b
ADDITIONAL BUYER PROTECTION

1. A clearing member who intends to be covered by the additional buyer protection referred to in § 57 of the Clearing Rules to the extent of a cleared transaction to which it is the clearing counterparty buying securities shall submit to KDPW_CCP a declaration to that effect referred to in § 57 subpara. 1 (buyer protection application) via the SEI/GUI system no earlier than on the day on which the transaction is accepted for clearing but no later than:
1/ the business day preceding the day on which the person entitled to benefits attached to the securities in the transaction may exercise property rights attached to such securities in connection with an optional corporate event in question (inclusive), and
2/ the day on which the transaction is settled (exclusive).
2. A buyer protection application shall be prepared in accordance with the template available on the

KDPW_CCP website and shall include at least the following:
1/ the date of the application and identification of the clearing member submitting the application,
2/ the identification of the transaction in the clearing system concerned by the application,
3/ the identification of a FOP or RVP transaction,
4/ the ISIN code of the securities in the transaction concerned by the application,
5/ the quantity of securities in the transaction concerned by the application,
6/ the date of conclusion of the transaction concerned by the application and its settlement date,
7/ the currency of the transaction concerned by the application,
8/ the settlement amount of the transaction concerned by the application,
9/ information about the optional corporate event,
10/ the date by which the property rights attached to the securities in the transaction concerned by the application may be exercised by the person entitled to benefits attached to such securities,
11/ information about the property rights attached to the securities to be received by the person entitled to benefits attached to such securities, i.e.:
a/ the cash amount and currency,
b/ the quantity of securities, their ISIN code and value.

§ 41e

1. On the day of receipt of a buyer protection application, KDPW_CCP shall provide the clearing member which has submitted the application with a confirmation of its acceptance or refusal to accept it via the SEI/GUI system (formal check). KDPW_CCP shall refuse to accept an application if:
1/ it is submitted in breach of the Clearing Rules or the Detailed Rules, in particular after the deadline,
2/ it fails to meet all conditions set out in the template of the buyer protection application available on the KDPW_CCP website,
3/ it contains data inconsistent with the status in the clearing system,
4/ it is submitted after the transaction concerned by the application is settled.
2. KDPW_CCP shall reject a buyer protection application which has previously been accepted if:
1/ the clearing member which submits the application fails to meet the obligations arising from the transaction concerned by the application,
2/ the member's default is declared,
3/ data in the application are found to be contrary to facts or laws,
4/ the securities in the transaction concerned by the application no longer exist before the day when the entitled person may exercise the property rights attached to such securities in connection with an optional corporate event,
5/ the transaction concerned by the application is settled in time necessary to exercise the property rights attached to the securities in the transaction concerned by the application in connection with an optional corporate event,
6/ the transaction cannot be settled for reasons beyond the control of KDPW_CCP and the defaulting participant which is the clearing counterparty to the transaction.

§ 41f

Clearing members submitting a buyer protection application:
1/ shall be responsible for ensuring that data in the application are consistent with facts and laws,

2/ if the transaction to be cleared concerned by the application is concluded on its own account, by submitting the application, express the intention to exercise the property rights attached to the securities in the transaction concerned by the application in connection with an optional corporate event,
3/ if the transaction to be cleared concerned by the application is concluded on a client's account:
a/ shall ensure that the submission of the application is consistent with the client's intent,
b/ by submitting the application, declare that the client has the intention to exercise the property rights attached to the securities in the transaction in connection with an optional corporate event,
c/ shall settle with the client after receiving the benefit under the additional buyer protection.

§ 41g

1. On the day of accepting a buyer protection application, KDPW_CCP shall inform the clearing member which is the clearing counterparty to the transaction responsible for the delivery of the securities that the transaction enjoys the additional buyer protection via the SEI/GUI system.
2. After the defaulting participant referred to in subpara. 1 is informed, the buyer protection application may be recalled by the clearing member which submitted it unless the defaulting participant or its client exercises the property rights attached to the securities in the transaction concerned by the application in connection with a corporate event.
3. The defaulting participant shall notify KDPW_CCP, at its request, of the exercise of property rights attached to the securities in the transaction concerned by the application in connection with a corporate event.

§ 41h

If the transaction concerned by a buyer protection application accepted by KDPW_CCP is settled in part, the part of the transaction affected by the settlement fail shall continue to enjoy the additional buyer protection.

§ 41i

Where, as a result of the exercise of rights attached to securities in the affected transaction subject to a settlement fail, a property benefit is received in accordance with an optional corporate event without concurrent exchange or sale of such securities and the amount of such benefit is expressed in:
1/ the Polish currency or the euro, the amount of the benefit referred to in § 55c point 6 of the Clearing Rules shall be determined in that currency,
2/ a currency other than referred to in point 1 above, the amount of the benefit referred to in § 55c point 6 of the Clearing Rules shall be determined after conversion to the Polish currency at the average exchange rate of NBP at that date.

§ 41j

Where, as a result of the exercise of rights attached to securities in the affected transaction subject to a settlement fail, the security is exchanged or sold in accordance with an optional corporate event in exchange for a property benefits which is a security, the amount of such benefit which would be received by the participant affected by default or its client in the case of exercise of rights attached to the securities in the affected transaction shall be determined as follows:

1/ the market value of securities traded only on one organised market shall be calculated at their price on that market taken as the reference price,
2/ if no price taken as their reference price was determined on the organised market of trading in securities referred to in point 1 on a given day, their market value shall be calculated at the last such price before that day,
3/ the market value of securities traded on more than one organised market shall be calculated at their price on that market, assigned a priority higher than the priorities assigned to the other markets, taken as the reference price,
4/ if no price taken as the reference price was determined on the organised market identified according to point 3 on a given day, the market value of securities referred to in point 3 shall be calculated at the last such price determined on that day on another organised market on which such securities are traded or, if such price was determined on that day on more than one market, at such price determined on the market assigned a priority higher than the priorities assigned to the other markets,
5/ if no price taken as the reference price was determined on the organised markets on which securities referred to in point 3 are traded on a given day, their market value shall be calculated at the last such price on the market on which is was determined last or, if the criterion is met by more than one organised market, at the last such price on the market assigned a priority higher than the priorities assigned to the other markets.
2. The priorities assigned to the organised markets and the prices taken as the reference price for the calculation of the market price of securities are defined in Appendix 2 to the Clearing Rules.
3. The market value of securities whose price taken as the reference price is calculated as a percentage shall be equal to their current nominal value times the price calculated according to subpara. 1 and the value of incremental interest accrued at the day of calculating their market value if the entity operating the organised market provides KDPW_CCP with information indicating such value. However, it is assumed that the market value of securities on a day other than a trading day or a session day on any organised market on which such securities are traded shall be equal to their market value determined on the last trading day or a session day on such market.
4. If on a given day, due to a change of the nominal value of securities whose price taken as the reference price is not calculated as a percentage, KDPW has exchanged them for securities with a new nominal value, their market value on that day shall be calculated at the price taken as the reference price according to subpara. 1 and 2, however, for the purpose of the calculation, the price shall be multiplied by a ratio where the new nominal value is the numerator and the previous nominal value is the denominator.
5. The market value of securities which are not traded on any organised market shall be calculated as follows:
1/ the market value of securities delisted on an organised market or securities whose trading on such market has been terminated for other reasons shall be calculated according to subpara. 1-4, however, if such securities were traded on more than one organised market and they were delisted on such markets on different days, their market value shall be calculated at the last price on the market on which they were last delisted, taken as the reference price.
2/ for subscription rights not covered by point 1, the market value shall be equal to zero,

3/ the market value of other securities shall be calculated, respectively, at their issue price or at their average issue price weighted by the number of securities registered from different issues in KDPW or, if no issue price can be determined, at their nominal value.
6. If the market value of securities calculated according to subpara. 1-5 is expressed in a foreign currency, the value shall be calculated in the Polish currency according to the current market value of that currency determined according to § 41i.
7. For the purpose of application of subpara. 1-5, it is assumed that an organised market shall be a regulated market and an alternative trading system if these are operated by an entity or entities that are parties to agreements concluded with KDPW_CCP and binding on the day of calculating the market value of securities.

§ 41k

Within the deadline set in § 57c subpara. 3 of the Clearing Rules, KDPW_CCP shall:
1/ debit the bank account maintained in the settlement bank, indicated by the defaulting participant which is a clearing counterparty to the transaction concerned by the buyer protection application according to the Clearing Rules, and
2/ credit the bank account maintained in the settlement bank, indicated by the participant affected by default which submits the buyer protection application according to the Clearing Rules.

CHAPTER 6
DETAILED RULES OF CLEARING TRANSACTIONS CONCLUDED ON THE DERIVATIVES MARKET

§ 42

After each session on the derivatives market, KDPW_CCP shall calculate the liabilities and receivables arising from transactions concluded on the derivatives market that need to be paid as part of marking to market. The calculation of these liabilities and receivables shall be performed according to the following principles:
1/ on the day a position is taken in a derivative contract, the liabilities of the buyer of the instrument and the receivables of the seller of the instrument shall be equal to the difference between the price of a futures contract upon purchase and the settlement price for that series of futures contracts on the day in question, provided that the difference is positive; otherwise, the difference shall represent the liabilities of the seller and the receivables of the buyer;
2/ on subsequent days, excluding the expiry date of a given series of futures contracts, the liabilities of the buyer and the receivables of the seller shall be equal to the difference between the settlement price from the preceding day and the settlement price on the current day, provided that the difference is positive; otherwise, the difference shall represent the liabilities of the seller and the receivables of the buyer;
3/ on the expiry date of a given series of futures contracts, the liabilities of the parties shall be determined respectively according to the principles defined in points 1 and 2 with the calculation of the difference between the settlement price from the preceding day and the final settlement price for a futures contract in that series or – if a position was taken on the expiry date of a given series of futures contracts – the difference between the actual contract price and the final settlement price for

a futures contract in that series;
4) on the day of delivery of futures contracts in exercise of an option, the liabilities of the holder of a long position in futures contracts and the receivables of the holder of a short position in futures contracts shall be equal to the difference between the option exercise price and the settlement price of the futures contract on the current day, provided that the difference is positive; otherwise, the difference shall represent the receivables of the holder of a long position in futures contracts and the liabilities of the holder of a short position in futures contracts.

§ 43

1. If a long position in futures contracts is closed, the participant closing the position shall be debited with the amount representing the difference between the settlement price from the preceding day in the series in question and the price of the contract closing the position, provided that the difference is positive; otherwise, the participant closing the position shall be credited with the said amount.
2. If a long position in futures contracts is opened and closed on the same day, the participant closing the position shall be debited with the amount representing the difference between the price of the contract opening the position and the price of the contract closing the position, provided that the difference is positive; otherwise, the participant closing the position shall be credited with the said amount.
3. If a short position in futures contracts is closed, the participant closing the position shall be debited with the amount representing the difference between the price of the contract closing the position and the settlement price from the preceding day in the series in question, provided that the difference is positive; otherwise, the participant closing the position shall be credited with the said amount.4. If a short position in futures contracts is opened and closed on the same day, the participant closing the position shall be debited with the amount representing the difference between the price of the contract closing the position and the price of the contract opening the position, provided that the difference is positive; otherwise, the participant closing the position shall be credited with the said amount.

§ 44

1. On the day of opening positions arising from concluded transactions in index participation units or premium-style options, KDPW_CCP shall determine the liabilities of the buyer and the receivables of the seller on the basis of the value of the premium, whose level is defined in the terms of the transaction.
2. On days following the day of opening positions arising from concluded transactions referred to in subpara. 1, the liabilities of the buyer and the receivables of the seller shall not be determined.

§ 45

1. On the day of opening positions arising from concluded transactions in futures-style options, KDPW_CCP shall not determine the liabilities and receivables of the buyer and the seller in respect of the premium.
2. After each session on the derivatives market, KDPW_CCP shall calculate the liabilities and receivables arising from positions taken in futures-style options. The calculation of these liabilities and receivables shall be performed according to the following principles:

1/ on the day a position is taken, the liabilities of the buyer and the receivables of the seller shall be equal to the difference between the price of options upon purchase and the settlement price for that series of options on the day in question, provided that the difference is positive; otherwise, the difference shall represent the liabilities of the seller and the receivables of the buyer;
2/ on subsequent days, excluding the option exercise date, the liabilities of the buyer and the receivables of the seller shall be equal to the difference between the settlement price from the preceding day and the settlement price on the current day, provided that the difference is positive; otherwise, the difference shall represent the liabilities of the seller and the receivables of the buyer;
3/ on the option exercise date, the liabilities of the parties shall be determined respectively according to the principles defined in points 1 and 2 with the calculation of the difference between the settlement price from the preceding day and the final settlement price for options or – if a position was taken on the option exercise date – the difference between the price of the option and the final settlement price for options in that series.

§ 46

1. If a long position in futures-style options is closed, KDPW_CCP shall debit the participant closing the position with the amount representing the difference between the settlement price of the options from the preceding day and the price of the options closing the position, provided that the difference is positive; otherwise, the participant closing the position shall be credited with the said amount.
2. If a long position in futures-style options is opened and closed on the same day, KDPW_CCP shall debit the participant closing the position with the amount representing the difference between the price of the options opening the position and the price of the options closing the position, provided that the difference is positive; otherwise, the participant closing the position shall be credited with the said amount.
3. If a short position in futures-style options is closed, KDPW_CCP shall debit the participant closing the position with the amount representing the difference between the price of the options closing the position and the settlement price of the options from the preceding day, provided that the difference is positive; otherwise, the participant closing the position shall be credited with the said amount.
4. If a short position in futures-style options is opened and closed on the same day, KDPW_CCP shall debit the participant closing the position with the amount representing the difference between the price of the options closing the position and the price of the options opening the position, provided that the difference is positive; otherwise, the participant closing the position shall be credited with the said amount.

§ 47

1. Index participation units and American-style options shall be exercised automatically on the day of their expiry or at the request of the holder of a long position.
2. European-style options shall be exercised automatically on the day of their expiry.
3. Premium-style options shall be exercised on condition that:
1/ for call options – the difference between the settlement price and the option exercise price is a positive number,
2/ for put options – the difference between the option exercise price and the settlement price is a positive number.

4. In the event of the exercise of an index participation unit, KDPW_CCP shall debit the holder of the short position and credit the holder of the long position with an amount corresponding to the settlement price, following the application of the appropriate multiplier.
5. In the event of the exercise of a premium-style call option, KDPW_CCP shall debit the holder of the short position and credit the holder of the long position with an amount corresponding to the difference between the settlement price and the option exercise price.
6. In the event of the exercise of a premium-style put option, KDPW_CCP shall debit the holder of the short position and credit the holder of the long position with an amount corresponding to the difference between the option exercise price and the settlement price.
7. Futures-style options shall be exercised on the day of their expiry after the close of trading on condition that:
1/ for call options – the difference between the settlement price and the option exercise price is not a negative number,
2/ for put options – the difference between the option exercise price and the settlement price is not a negative number.
8. In the event of the exercise of a futures-style option, KDPW_CCP shall credit the holder of the short position and debit the holder of the long position with the premium corresponding to the option settlement price on exercise date.

§ 48

The principles of determining settlement prices shall be laid down by the operator of the relevant derivatives market.

§ 49

1. An order to exercise index participation units or American-style options shall be executed by KDPW_CCP on day R for such transactions provided that a participant holding the status of clearing member has introduced an order to exercise such index participation units or American-style options into the clearing system no later than 45 minutes after the close of trading on that day on the derivatives market relevant for the given instrument. Order to exercise American-style options shall be executed from the first day of trading until the day preceding the last day of trading.
2. KDPW_CCP shall execute an exercise instruction referred to in subpara. 1 provided that the number of long positions specified in the instruction is at least equal to the number of such positions registered in the account designated by the participant delivering such instruction on day R for such transactions.
3. Waiver of automatic exercise of an option shall be executed by KDPW_CCP on the basis of a waiver instruction submitted by a participant holding the status of clearing member to KDPW_CCP provided that the instruction is delivered to KDPW_CCP no later than 45 minutes after the close of trading on the last day of trading in the given option series on the relevant derivatives market.
4. An exercise instruction referred to in subpara. 1 and a waiver instruction referred to in subpara. 3 cannot be recalled or cancelled after KDPW_CCP has received on day R from the operator of the derivatives market relevant for the given instrument documents which constitute the basis for the clearing of transactions concluded on that market on that day.

§ 50

1. In order to execute an order to exercise index participation units or American-style options, KDPW_CCP shall perform, on day R for such transactions but no earlier than after the close of the session on the derivatives market, a random selection of short positions which are opposite to the exercise as follows:

1/ in the first place, short positions shall be selected in the accounts maintained for the participant holding the status of clearing member that has delivered the exercise instruction referred to in § 49 subpara. 1;

2/ in case of absence or shortage of short positions which are opposite to the exercise in the accounts maintained for the participant holding the status of clearing member that has delivered the exercise instruction referred to in § 49 subpara. 1, in the next step, short positions shall be randomly selected in accounts maintained for other participants holding the status of clearing member in which short positions are registered and such accounts shall be selected randomly.

2. Short positions which are opposite to the exercise shall be selected on day S.

3. On day S but no earlier than after the close of the session on the derivatives market, KDPW_CCP shall provide the participant holding the status of clearing member with a message notifying it of the outcome of the random selection of short positions in index participation units or American-style options registered in the account or accounts maintained for it and concurrently submit to a settlement institution an order to exercise such options.

4. If the exercise of American-style options consists in the delivery of the underlying, which is formed by securities registered in KDPW, the participant notified of the outcome of the random selection of short positions in options registered in the account maintained for it shall provide KDPW_CCP immediately, but no later than before KDPW_CCP sends to a settlement institution the settlement order for the delivery of the underlying, with a message designating the account for the settlement. If the participant holding the status of clearing member does not designate such account, the delivery of the underlying shall be settled in the default account within the meaning of regulations issued by KDPW maintained for the participant or for the participant's settlement agent.

5. In case of exercise of index participation units or options exercised automatically on expiry date, KDPW_CCP shall randomly select long and short positions on such day. The provisions of subpara. 3-4 shall apply accordingly.

§ 51

1. Instructions to exercise American-style options consisting in the delivery of the underlying, which is formed by securities registered in KDPW, shall specify:

1/ settlement date,

2/ identifier of the participant issuing the exercise instruction,

3/ identifier of the account in which long positions in such options are registered, subject to the second sentence of § 50 subpara 4,

4/ identifier of the options,

5/ quantity of the options.

2. [revoked]

3. On the basis of a received exercise instruction referred to in § 49 subpara. 2 and after notification of the outcome of the random selection of holders of short positions in American-style options, but no

earlier than after the close of the session on the derivatives market, KDPW_CCP shall send to a settlement institution orders to exercise such options and to settle the delivery of the underlying, which specify the following:
1/ account for settlement of the delivery of the underlying referred to in subpara. 1 or § 50 subpara. 4,
2/ settlement date of the delivery of the underlying on day R+2.
4. KDPW_CCP shall perform the delivery of the underlying at the option exercise price.
5. KDPW_CCP shall send referred to in subpara. 3 to be settled in the multi-session system so as to enable the settlement within the time limit specified in the orders.

CHAPTER 7
TRANSFERS OF POSITIONS

§ 51a

Where securities registered in the relevant depository system are deposited as margins or contributions to the relevant guarantee fund, the collateral comprised of such securities may only be transferred to a clearing member which is a participant of the relevant depository system or has a collateral agent in that system.

CHAPTER 7a
PROCESSING ON-DEMAND TRANSFERS OF SPECIFIC POSITIONS ARISING FROM TRANSACTIONS ON THE DERIVATIVES MARKET

§ 52

[revoked]

§ 53

1. Participants holding the status of clearing members may make on-demand transfers of positions arising from derivative instruments on the basis of transfer orders submitted to KDPW_CCP in electronic format which specify matching information to the extent laid down in subpara. 3-7, respectively, depending on whether the transfer concerns:
1/ positions registered in the clearing system as a result of a transaction concluded before the transfer date;
2/ positions registered in the clearing system as a result of a transaction concluded on the basis of a collective order issued by the manager of a portfolio, on account of clients for which the manager pursues the same investment strategy;
3/ positions registered in the clearing system as a result of a transaction concluded on the transfer date.
2. Orders to transfer positions between clearing accounts maintained for different participants holding the status of clearing member shall be deemed to match if they contain matching information on:
1/ the type of order;
2/ the order matching mode;

3/ the operation identifier, excluding the trading mode code;
4/ the derivative instrument identifier;
5/ the number of positions;
6/ the date of the transfer, being day R falling not earlier than the order submission date, subject to the first sentence of subpara. 7;
7/ the identifiers of clearing accounts between which the positions are to be transferred;
8/ the position identifier;
9/ the operation phase;
10/ the clearing operation identifier – for transfers referred to in subpara. 1 point 3-4.
3. If orders referred to in subpara. 2 delivered by clearing members match, KDPW_CCP shall execute an order to transfer positions referred to in subpara. 1 point 1 provided that the number of positions indicated in the instruction or instructions ordering the transfer is at least equal to the number of positions of the same type registered in the clearing account from which the transfer is to be carried out on the transfer date.
4. [revoked]
5. KDPW_CCP shall execute an order to transfer positions referred to in subpara. 1 point 2 provided that the clearing operation identifier, the identifier of the clearing account from which the transfer is to be carried out and the transfer date, as indicated in the instructions ordering the transfer, correctly match, as appropriate, the clearing operation identifier, the identifier of the clearing account and the transaction date indicated in the clearing instruction referred to in § 38 subpara. 1 of the Clearing Rules which is the basis for the clearing of a transaction concluded on the basis of a collective order issued by the manager, subject to § 26 subpara. 4 and 5, and the sum of positions indicated in all the instructions ordering these transfers does not exceed the number of positions of the same type opened as a result of the transaction marked with a given clearing operation identifier.
6. KDPW_CCP shall execute an order to transfer positions referred to in subpara. 1 point 3 on condition that the clearing operation identifier, the identifier of the clearing account from which the transfer is to be carried out and the transfer date, as indicated in the instructions ordering the transfer, correctly match, as appropriate, the clearing operation identifier, the identifier of the clearing account and the transaction date indicated in the clearing instruction referred to in § 38 subpara. 1 of the Clearing Rules which is the basis for the clearing of a transaction which opened these positions, subject to § 26 subpara. 4 and 5, and the sum of positions indicated in all the instructions ordering these transfers does not exceed the number of positions of the same type opened as a result of the transaction marked with a given clearing operation identifier.
7. The transfers referred to in subpara. 1 points 2-4 shall only be performed on the date of the transaction involving the positions to be transferred. The transfers referred to in subpara. 1 point 1 shall be performed until the end of the clearing session on the day specified in matching transfer orders provided that the transfer orders are submitted no later than the opening of the clearing session on the day of the transfer.
8. The transfers referred to in subpara. 1 points 3-4 shall be performed according to the price of the transaction marked with the same clearing operation identifier as the transfer.

§ 54

1. In order to cancel an order referred to in § 53 subpara. 1, a participant shall submit to KDPW_CCP a

cancellation instruction, which should clearly identify the document to be cancelled.
2. Subject to subpara. 3, a cancellation instruction referred to in subpara. 1 may be submitted after the close of a session on the derivatives market, no later than 18:00 on day R preceding the date specified in the transfer order as the date of the transfer.
3. A position transfer shall be cancelled unilaterally by the clearing member which submitted the transfer order, which must be matched with an order submitted by another clearing member, provided that an instruction referred to in subpara. 1 is submitted before the time of matching. After the transfer orders are matched, the transfer shall be cancelled provided that both clearing members which submitted the transfer orders submit matching transfer cancellation instructions.
4. Transfer cancellation instructions shall be deemed to match if documents to be cancelled indicated in these instructions are the basis of the same operation in the clearing system.
5. Transfer cancellation instructions shall not be executed after the position transfer covered by the instructions is registered in the system.

§ 54a

1. KDPW_CCP shall notify those participants which submit position transfer orders that:
1/ the order submitted by them has a specific status in the system,
2/ the position transfer has been executed according to their orders.
2. The notification referred to in subpara. 1 shall be given to clearing members in an electronic message.

§ 54b

The provisions of § 53 - § 54a shall apply accordingly to on-demand transfers in a participant's accounts.

CHAPTER 7b

PROCESSING ON-DEMAND TRANSFERS OF ALL POSITIONS OF A CLEARING MEMBER AS WELL AS ASSETS SECURING SUCH POSITIONS

§ 54c

Subject to the provisions of this Chapter, the provisions of Chapter 7a shall apply accordingly to on-demand transfers of all positions of a clearing member and assets securing such positions.

§ 54d

1. An order to transfer positions and assets securing such positions shall be submitted in writing and shall specify:
1/ the number of transferred positions, indicating that the transfer is to cover all positions which are or will be registered in the clearing account on the day of the transfer and all assets deposited as initial margins, registered in the collateral account assigned to that account,
2/ the identifiers of the clearing accounts between which the transfer is to be executed,
3/ the date of the transfer,
4/ the amount of assets to be transferred in a given currency, registered in the collateral accounts as an initial margin, indicating that the transfer is to cover all assets deposited as an initial margin which

are registered in the collateral account assigned to the clearing account from which the positions are to be transferred,
5/ the quantity and the ISIN code or other identifier in the relevant depository system of securities whose value is credited to margins, indicating that the transfer is to cover all assets deposited as an initial margin which are registered in the collateral account assigned to the clearing account from which the positions are to be transferred.
2. Subject to § 53 subpara. 1-6, position transfer orders shall be deemed to match if they additionally contain matching information to the extent laid down in subpara. 1.

§ 54e

The transfers referred to in this Chapter shall be performed until the end of the clearing session on the day specified in matching transfer orders provided that the transfer orders are submitted no later than the opening of the clearing session on the day of the transfer.

§ 54f

KDPW_CCP shall transfer positions and assets registered in the clearing account and the collateral account, respectively, from which they are to be transferred provided that on the transfer day the number of positions of the same type and the amount of assets of the same type, credited to margins, specified in the orders to transfer them from such accounts, is equal to the number of positions of the same type and the amount of assets of the same type, credited to margins, registered in the clearing account and the collateral account, respectively, from which they are to be transferred.

§ 54g

No transfers referred to in this Chapter shall be made from aggregate accounts.

CHAPTER 8

PROCESSING TRANSFERS OF POSITIONS OF A NON-CLEARING MEMBER AND ASSETS SECURING SUCH POSITIONS IN THE EVENT OF CLEARING MEMBER DEFAULT

§ 55

Subject to the provisions of this Chapter, the provisions of § 54, § 54a, § 54c - § 54e shall apply accordingly to transfers of positions referred to in § 69b and § 69c of the Clearing Rules.

§ 56 - § 57

[revoked]

§ 58

In the event referred to in § 69c of the Clearing Rules, KDPW_CCP shall transfer positions and assets registered in the clearing account and the collateral account, respectively, from which they are to be transferred provided that on the transfer day the sum of all positions of the same type and the sum of all assets of the same type, credited to initial margins, specified in all orders to transfer them from such accounts, is equal to the number of positions of the same type and the amount of assets of the same type, credited to initial margins, registered in the clearing account and the collateral account,

respectively, from which they are to be transferred.

§ 59

[revoked]

§ 60

The notifications referred to in subpara. 54a shall be given:

1/ to a non-clearing member – by email over the Internet to the email address specified in the information card referred to in § 20 subpara. 1 point 5 of the Clearing Rules;

2/ to a clearing member – electronically in a message.

CHAPTER 8a

PROCESSING TRANSFERS OF POSITIONS REFERRED TO IN § 69 SUBPARA. 4 OF THE CLEARING RULES

§ 60a

The provisions of Chapters 7b and 8 shall apply accordingly to transfers of positions referred to in § 69 subpara. 4 of the Clearing Rules.

CHAPTER 8b

DETAILED RULES OF NOTIFYING A PARTICIPANT OF AN INITIATED PROCEDURE TO BUY SECURITIES BY KDPW_CCP WHERE THE RESOURCES OF THE TRANSACTION CLEARING LIQUIDITY GUARANTEE SYSTEM ARE USED

§ 60b

1. Where KDPW_CCP identifies an event of default due to the suspension of the settlement of transactions of a clearing member, KDPW_CCP shall, at the end of day R preceding the submission of an order to buy securities affected by the suspension, send the defaulting participant a message, whose structure and format is defined on the KDPW_CCP website, which means that KDPW_CCP shall, at the next session on the relevant market on the next day R, submit an order to buy securities affected by the suspension, provided that the suspension is caused by a shortage of balance in the relevant securities account of the participant, subject to subpara. 3.

2. When submitting the order referred to in subpara. 1, KDPW_CCP shall select the market on which transactions are executed through an authorised entity which ensures the shortest settlement period of such orders.

3. In special cases justified by the need of ensuring the safety of trading KDPW_CCP may submit a buy order without first sending the message referred to in subpara. 1.

CHAPTER 9

TRANSACTION REPORTS

§ 61

KDPW_CCP shall send transaction reports to the trade repository for entities subject to the reporting

obligation according to the applicable legal provisions other than KDPW_CCP immediately upon the clearing of transactions, subject to the fulfilment of the conditions referred to in § 62.

§ 62

1. Subject to subpara. 3-6, KDPW_CCP shall send transaction reports for entities subject to the reporting obligation according to the applicable legal provisions other than KDPW_CCP, provided that the clearing member designates KDPW_CCP in the declaration referred to in § 15 subpara. 1 point 7 of the Clearing Rules as the entity to report transactions to the relevant trade repository and subsequently designates for this purpose, according to the procedure referred to in subpara. 2, the accounts to be reported.
2. The account shall be designated in the account opening application or, if the account was opened earlier, in a message sent for this purpose to KDPW_CCP in the form and structure defined by KDPW_CCP on its website.
3. If a participant delegates to KDPW_CCP reporting of transactions to a trade repository for clearing accounts indicated by the participant, such accounts shall be defined by the participant by means of the client classification number (NKK) only for one client of the participant.
4. KDPW_CCP shall report transactions provided that additional information referred to in § 63 subpara. 1-2 is received for each clearing account, provided that reporting of such information to a trade repository is mandatory according to the applicable legal provisions and the rules defined by the trade repository to which such information is to be reported. KDPW_CCP shall publish the valid trade repository rules on its website or indicate the place of publication of such rules and their amendments.
5. KDPW_CCP shall report transactions registered in clearing accounts defined according to the procedure referred to in subpara. 1-4 and KDPW_CCP assumes that every transaction registered in such accounts, which meets the reporting obligation criteria laid down in regulations, is subject to the obligation of reporting to the trade repository according to the applicable legal provisions.
6. If a clearing member has not concluded a transaction on the market but has become a clearing counterparty to such transaction by representing in clearing another entity that has concluded the transaction on that market, KDPW_CCP shall report transactions for:
1/ that member – provided that:
a/ it specifies KDPW_CCP as the reporting entity in the declaration referred to in § 15 subpara. 1 point 7 of the Clearing Rules,
b/ it has a LEI or pre-LEI,
c/ it provides all information concerning the entity as required according to the declaration template referred to in item (a);
2/ entities subject to the reporting obligation according to the applicable legal provisions other than KDPW_CCP and that member – subject to the fulfilment of the conditions referred to in subpara. 1-5 and, if KDPW_CCP is to report transactions to the trade repository for an entity acting as a client's intermediary without becoming a clearing counterparty of transactions subject to the reporting obligation according to the applicable legal provisions and such transactions are to be registered in a clearing account opened by the clearing member for the client for which the entity acts as an intermediary, then provided that the member designates that entity in the declaration referred to in § 15 subpara. 1 point 7 of the Clearing Rules and provides all information concerning the entity as required according to the declaration template.

§ 63

1. A clearing member that completes the actions referred to in § 62 subpara. 1 shall provide KDPW_CCP with the following information for the reporting of transactions:

1/ whether the client classification number (NKK) has been assigned to a client subject to the reporting obligation according to the applicable legal provisions (such information shall be provided according to the rules defined by the trade repository to which transactions are reported);

2/ LEI or pre-LEI of the client assigned the client classification number (NKK);

3/ identifier of the client assigned the client classification number (NKK) as financial/non-financial counterparty within the meaning of Article 2(8) or Article 2(9) of EMIR or Article 3(3) or Article 3(4) of SFTR, respectively – not applicable where that person is a participant;;

4/ the trading capacity of the client assigned the client classification number (NKK) for the clearing account – if the client is a counterparty to transactions registered in the account;

5/ whether the client/counterparty is established outside EEA - not applicable where that person is a participant;

6/ LEI or pre-LEI of the entity acting as the client's intermediary without becoming a transaction counterparty;

7/ identifier of the final beneficiary on whose order transactions registered in the clearing account are concluded but who is not a direct counterparty to such transactions – if transactions are concluded by the client for another entity;

8/ whether transactions registered in the clearing accounts are objectively measurable as reducing risks directly relating to the commercial activity or treasury financing activity of the client, as per Article 10(3) of EMIR – not applicable to a client that is a financial counterparty within the meaning of Article 2(8) of EMIR;

9/ whether the client has crossed the clearing threshold as per Article 10(2) of EMIR – not applicable to a client that is a financial counterparty within the meaning of Article 2(8) of EMIR;

10/ whether collateral has been deposited for the clearing member and, where its client has concluded the transaction, also for the client;

11/ whether portfolio collateral has been deposited for the clearing member and, where its client has concluded the transaction, also for the client;

12/ portfolio code for which collateral was deposited for transactions registered in the clearing account – where portfolio collateral is deposited for the clearing member and, where its client has concluded the transaction, also for the client;

13/ value of collateral deposited for the clearing member and, where its client has concluded the transaction, also for the client (where portfolio collateral is deposited, the value of all collateral deposited for the portfolio shall be specified);

14/ currency of the collateral for transactions registered in the clearing account –deposited for the clearing member and, where its client has concluded the transaction, also for the client;

15/ whether transactions registered in the clearing account are intragroup transactions within the meaning of Article 3 of EMIR,

16/ details of securities financing transactions, defined by KDPW_CCP, which are to be reported to trade repositories under Article 4 of SFTR.2. The clearing member shall specify in the declaration referred to in § 15 subpara. 1 point 7 of the Clearing Rules its LEI or pre-LEI together with other information as required according to the declaration template and in addition, if it has completed the

actions referred to in § 62 subpara. 1 and transactions are to be reported for own position accounts, additionally the information referred to in subpara. 1 points 6 and 15.
3. A clearing member shall provide KDPW_CCP with the information referred to in subpara. 1 points 1-12 and point 15 separately for each clearing account by sending to KDPW_CCP a message in the form and structure defined by KDPW_CCP on its website.
4. If a clearing member specifies KDPW_CCP in the declaration referred to in § 24 subpara. 1 point 6 of the Clearing Rules, KDPW_CCP shall start sending transaction reports to the trade repository on day R following the day when all of the following conditions are met:
1/ the participant provides the information referred to in subpara. 1 to KDPW_CCP, and
2/ the participant designates accounts according to § 44 subpara. 1 and 2.

§ 64

1. Subject to subpara. 2, KDPW_CCP shall send transaction reports to the trade repository including all transaction information required according to the applicable legal provisions including the information:
1/ included in the clearing instruction referred to in § 38 subpara. 1 of the Clearing Rules and the declaration referred to in § 15 subpara. 1 point 7 of the Clearing Rules;
2/ if the clearing member completes the actions referred to in § 62 subpara. 1 and provided KDPW_CCP with the information referred to in § 63 – also that information.
2. If the clearing member fails to provide all information referred to in subpara. 1, KDPW_CCP shall send to the trade repository transaction reports including the information it has received, unless information not provided by the participant is required according to the applicable legal provisions including the provisions of the Commission Implementing Regulation (EU) No 1247/2012 of 19 December 2012 laying down implementing technical standards with regard to the format and frequency of trade reports to trade repositories (Official Journal of the EU L 352 from 2012, p. 20) as well as the rules defined by the trade repository to which such information shall be reported. If the clearing member fails to provide all information referred to in subpara. 1 and KDPW_CCP sends to the trade repository transaction reports which do not include certain required information, KDPW_CCP shall not be liable to the participant for rejection of such reports by the trade repository.
3. KDPW_CCP shall inform the clearing members on its website of the terms of assignment, according to the applicable legal provisions and the rules defined by the trade repository, of transaction reference numbers (RTN) and unique transaction identifiers (UTI) included in transaction reports sent to the trade repository.

§ 65

On written request of a clearing member that fulfils the conditions referred to in § 62, KDPW_CCP shall, at the end of each quarter, provide a declaration of performance, according to the applicable legal provisions, of the obligation of reporting transactions to a trade repository for the transactions indicated by the member in the request.

CHAPTER 9 A
OPERATIONS ON POSITIONS FOLLOWING A CHANGE OF THE STANDARD SPECIFICATION OF DERIVATIVES OR A CORPORATE ACTION AND IDENTIFIERS OF POSITION TRANSFERS AND CLEARING OPERATIONS

§ 65a

1. KDPW_CCP shall execute operations in clearing accounts which divide positions in derivatives in order to align the number of positions in derivatives with their number resulting from a change of the standard specification of the derivatives. KDPW_CCP shall execute operations at the close of the relevant clearing session on the day preceding the date of the change of the standard specification of the derivatives indicated by the market organiser.
2. The operations referred to in subpara. 1 shall be executed on the basis of information received by KDPW_CCP from the market organiser.
3. KDPW_CCP shall notify clearing members of the date of the operations referred to in subpara. 1 and of the changes to the number of positions registered in clearing accounts as a result of the operations referred to in subpara. 1.
4. Participants shall register the changes referred to in subpara. 3 in the records referred to in § 43u of the Clearing Rules on the basis of documents received from KDPW_CCP which confirm the executed operation of division of positions in clearing accounts.

§ 65b

1. KDPW_CCP shall execute operations in clearing accounts which change the number of positions in a security registered in the accounts in order to align the number of positions in such securities with their number resulting from corporate actions executed by the settlement institution.
2. KDPW_CCP shall execute operations referred to in subpara. 1 on the basis of information received from the settlement institution on the date of its receipt.
3. The provisions of § 65a subpara. 3 shall apply accordingly.

§ 65c

The identifiers of position transfers and clearing operations executed by KDPW_CCP on the basis of messages provided by clearing members in electronic format and explanations of the symbols used in the clearing system are defined in Appendix 8.

CHAPTER 10
COMPLAINTS

§ 66

1. Complaints filed by participants in writing on matters referred to in § 84a of the Clearing Rules shall have the heading “Complaint” and include the following information:
1/ date of the complaint;
2/ details of the participant filing the complaint: company name and registered address of the participant;
3/ details of the contact person authorised by the participant to handle the complaint including their

position, telephone and fax number, email address, and authorisation to provide additional clarifications for the participant;
4/ description of the incident:
a/ date and course of the incident;
b/ if the incident affects a specific transaction – transaction identifier, amount and type;
c/ if the incident affects a specific instruction – identifier of the instruction in the clearing system;
5/ claims of the participant;
6/ justification for the claims of the participant.
2. Complaints shall be signed by authorised representatives of clearing members filing the complaints.
3. Where a member files a complaint requesting re-examination of the matter or an appeal, the provisions of subpara. 1 and 2 shall apply accordingly. The member shall specify the reference number of the letter which has been answered or the reference number of the resolution of the Management Board concerning the complaint.

§ 67

While reviewing a complaint, KDPW_CCP may request the person specified in the complaint according to § 63 subpara. 1 point 3 to provide additional clarifications.

CHAPTER 11
PROVISION OF INVOICE ANALYSIS

§ 68

By written request of a participant, KDPW_CCP shall provide the participant for a fee with an analysis of an invoice issued to the participant.

CHAPTER 12
RMA SERVICE

§ 69

1. Participants holding the status of clearing member for transactions concluded on the regulated market or in the alternative trading system operated by the Warsaw Stock Exchange by an entity named by the participant and represented by the participant in clearing may apply for use of the RMA service for such entity. For this purpose, the participant shall submit to KDPW_CCP a request for the launch of the RMA service as per the template defined by KDPW_CCP, where it shall name the entity represented by it in clearing and define the requested profile.
2. A clearing member who has requested the RMA service may use the RMA service provided that the entity represented by it in clearing, named by the member in the RMA service request:
1/ gives its consent as required by the Warsaw Stock Exchange under the agreement between the Warsaw Stock Exchange and KDPW_CCP for its use of the service functionalities according to the request for orders submitted by the entity to the trading system of the Warsaw Stock Exchange; and
2/ cancels all orders submitted to the trading system of the Warsaw Stock Exchange on the trading system day preceding the start date of its use of the RMA service.

3. Upon its receipt of the participant's request for the RMA service, KDPW_CCP shall immediately notify the Warsaw Stock Exchange thereof and the Warsaw Stock Exchange shall request the entity named in the request to give the consent referred to in point 1.

§ 70

1. The RMA application shall be prepared for use after KDPW_CCP receives from the participant a complete request for the RMA service, within 10 business days after KDPW_CCP's receipt of the consent of the entity named by the participant in the request for the RMA service and represented by the participant in clearing, provided that the participant and the entity named by the participant meet the conditions defined in this Chapter.
2. The RMA service shall be launched in co-ordination with the Warsaw Stock Exchange, the participant requesting the RMA service, and the entity named by the participant in the request and represented by the participant in clearing. Consequently, the participant requesting the RMA service shall:
1/ co-operate with the entity named by the participant in the request and represented by the participant in clearing and with the Warsaw Stock Exchange in order to launch the RMA service;
2/ take all necessary measures;
3/ comply with the recommendations of the Warsaw Stock Exchange which is the RMA application administrator.
3. The provisions of this Chapter concerning the launch of the RMA service shall apply accordingly until the end of use of the RMA service, subject to the following:
1/ if it becomes known that the entity named by the participant and represented by the participant in clearing has withdrawn its consent, the RMA service shall be terminated for orders submitted by that entity to the trading system of the Warsaw Stock Exchange as of the date set by that entity, which shall be not earlier than the trading system day after the Warsaw Stock Exchange becomes aware of the withdrawal of the consent. The Warsaw Stock Exchange acting on behalf of KDPW_CCP shall immediately notify the participant of the withdrawal of the consent and the planned end date of access to the RMA service application;
2/ the use of the RMA service by the participant for orders submitted to the trading system of the Warsaw Stock Exchange by the entity named by the participant and represented by the participant in clearing may be terminated at its request, in each case subject to its submission to KDPW_CCP of a written request for termination of the RMA service as per the template defined by KDPW_CCP, not later than 16:00 on the day preceding the planned end date of the service. The RMA service may be terminated not earlier than the Warsaw Stock Exchange trading system day after KDPW_CCP submits the request to the Warsaw Stock Exchange;
3/ the RMA service may be terminated on the termination or amendment of the agreement between KDPW_CCP and the Warsaw Stock Exchange and in the event of any breach or suspension of participation to such extent. KDPW_CCP shall immediately notify the participant of the termination of the RMA service on the termination or amendment of the agreement referred to in the preceding sentence.

§ 71

1. Access to the RMA service may only be used by persons authorised by the participant who requested the RMA service, using access profiles assigned to such persons. The list of persons authorised to access

the RMA service who shall be assigned access profiles and who shall have the right to use technical support shall be provided by the participant to KDPW_CCP in writing not later than 10 business days before the start date of the RMA service.
2. KDPW_CCP shall provide the list of authorised persons referred to in subpara. 1 and any amendment of the list to the Warsaw Stock Exchange, which shall assign access profiles to such persons. The client shall notify KDPW_CCP in writing of any change of the persons authorised to access the RMA service and any such amendment shall be effective as of the day when the Warsaw Stock Exchange assigns new access profiles or removes existing access profiles but not later than the next business day after the submission of the notice of change of authorised persons by the participant to KDPW_CCP provided that KDPW_CCP receives the notice on or before 16:00 on the preceding day.
3. A participant requesting the RMA service shall safeguard the confidentiality of information received in connection with the assigned access profile and provide access to the RMA service only to persons named in the list of authorised persons referred to in subpara. 1 and obligate such persons to safeguard the confidentiality of such information.
4. KDPW_CCP shall process personal data of persons named in the list of authorised persons referred to in subpara. 1 only for the purpose and to the extent of the RMA service.

§ 72

1. Acting pursuant to the agreement with the Warsaw Stock Exchange, KDPW_CCP:
1/ represents that all intellectual property rights of the RMA service, in particular the rights in the available functionalities, technological solutions and documentation, are held by the Warsaw Stock Exchange and, consequently, KDPW_CCP does not assign such rights to the RMA service user but only allows it to use the RMA application according to its purpose under a sub-licence;
2/ grants to the RMA service user a sub-licence to use the RMA application. The sub-licence is free of charge, non-exclusive and without the right to grant a further sub-licence. The scope of the sublicence granted to the user covers the fields of exploitation necessary to use the RMA application according to its purpose and the description of functionalities defined in Appendix 9, only to the extent of the participant's activity arising from the clearing of transactions concluded by the entity named by the participant and trading on the regulated market or in the alternative trading system operated by the Warsaw Stock Exchange.2. A participant using the RMA service shall use the service to the extent of the granted sub-licence and free of any infringement of intellectual property rights.

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1. The Warsaw Stock Exchange administers the RMA application and takes measures in the provision of the RMA service on behalf of KDPW_CCP, which include without limitation:
1/ administrative support for the RMA application;
2/ administration of application accounts including opening, closing, and modification of parameters of access profiles;
3/ changes to the connection configuration;
4/ provision of technical support services to participants;
5/ resolving technical issues and resolving incidents.
The detailed terms of such measures are defined in Appendices 8 and 9.

2. KDPW_CCP represents that the Warsaw Stock Exchange is authorised by KDPW_CCP to take the measures referred to in subpara. 1.
3. A participant using the RMA service shall be authorised and obligated to address the Warsaw Stock Exchange directly with any matters relating to the functioning of the RMA application and any measures taken by the Warsaw Stock Exchange, including technical support services.

Appendix 1 to the KDPW_CCP Detailed Rules of Transaction Clearing (organised trading)

Calculating initial margins

1) Initial margins on the derivatives market

$$DTOTAL_{a,u,k}^{deri} = DSPAN_{a,u,k}^{deri} + DLCR_{a,u,k}^{deri} + DWWR_{a,u,k}^{deri}$$

$DTOTAL_{a,u,k}^{deri}$ – initial margin requirement on the derivatives market for account *k* of clearing member u, in complex *a,*

$DSPAN_{a,u,k}^{deri}$ – SPAN® margin on the derivatives market for account *k* of clearing member u, in complex *a* (Appendix 2 to the KDPW_CCP Detailed Rules of Transaction Clearing - organised trading),

$DWWR_{a,u,k}^{deri}$ – wrong way risk (WWR) margin on the derivatives market for account *k* of clearing member u, in complex *a* (Appendix 5 to the KDPW_CCP Detailed Rules of Transaction Clearing - organised trading),

$DLCR_{a,u,k}^{deri}$ – liquidity and concentration risk (LCR) margin on the derivatives market for account *k* of clearing member u, in complex *a* (Appendix 4 to the KDPW_CCP Detailed Rules of Transaction Clearing - organised trading),

Complex – a set of markets covered by the same clearing/guarantee fund.

2) Initial margins on the cash market

$$DTOTAL_{a,u,k}^{cash} = DSPAN_{a,u,k}^{cash} + DWR_{a,u,k}^{cash} + DLCR_{a,u,k}^{cash} + DWWR_{a,u,k}^{cash}$$

$DSPAN_{a,u,k}^{cash}$ – SPAN® margin on the cash market for account *k* of clearing member *u*, in complex *a* (Appendix 3 to the KDPW_CCP Detailed Rules of Transaction Clearing - organised trading),

$DWR_{a,u,k}^{cash}$ – marking-to-market on the cash market for account *k* of clearing member u, in complex *a* (Appendix 3 to the KDPW_CCP Detailed Rules of Transaction Clearing - organised trading),

$DLCR_{a,u,k}^{cash}$ – liquidity and concentration risk (LCR) margin on the cash market for account *k* of clearing member u, in complex *a* (Appendix 4 to the KDPW_CCP Detailed Rules of Transaction Clearing - organised trading),

$DWWR_{a,u,k}^{cash}$ – wrong way risk (WWR) margin on the cash market for account *k* of clearing member u, in complex *a* (Appendix 5 to the KDPW_CCP Detailed Rules of Transaction Clearing - organised trading).

3) Initial margins on the repo market

$$DTOTAL_{a,u,k}^{repo} = max\left(DSPAN_{a,u,k}^{repo} - WR_{a,u,k}^{repo} + DLCR_{a,u,k}^{repo} + DZR_{a,u,k}^{repo}; 0\right)$$

$DSPAN_{a,u,k}^{repo}$ – SPAN® margin on the repo market for account *k* of clearing member *u*, in complex *a* (Appendix 3 to the KDPW_CCP Detailed Rules of Transaction Clearing - organised trading)

$DZR_{a,u,k}^{repo}$	– margin for repo rate change on the repo market for account *k* of clearing member *u*, in complex *a* (Appendix 3 to the KDPW_CCP Detailed Rules of Transaction Clearing - organised trading),
$WR_{a,u,k}^{repo}$	– marking-to-market of repo transactions for account *k* of clearing member u, in complex *a* (Appendix 3 to the KDPW_CCP Detailed Rules of Transaction Clearing - organised trading),
$DLCR_{a,u,k}^{repo}$	– liquidity and concentration risk (LCR) margin on the repo market for account *k* of clearing member u, in complex *a* (Appendix 4 to the KDPW_CCP Detailed Rules of Transaction Clearing - organised trading).

Appendix 2 to the KDPW_CCP Detailed Rules of Transaction Clearing (organised trading)

CALCULATING SPAN® MARGINS FOR THE DERIVATIVES MARKET

1. Methodology used to calculate SPAN® margins for the derivatives market

The SPAN® margin is used to safeguard against any potential future change in the price of open positions in derivatives in a given portfolio. Margins are calculated using SPAN® methodology, using risk parameters set each day by KDPW_CCP on the basis of up-to-date market analysis.
The size of the SPAN® margin that needs to be posted by the participant is calculated using the value of the participant's payment liabilities arising from transactions, while factoring in the reduction in risk as a result of the relevant correlation between financial instruments.
KDPW_CCP provides a daily file containing in particular values for risk scenarios and risk parameter values.
In order to maintain the security of the clearing process, KDPW_CCP may amend the risk parameters during the course of a trading session on the stock exchange in order to mitigate risk effectively.
Detailed information on the KDPW_CCP risk management system using methodology can be found on the KDPW_CCP website.

1.1 Calculating the value of the SPAN® margin for a portfolio

The value of required the SPAN® margin for portfolio *k* of a given clearing member is the sum total of margins in each class.

$$DSPAN_k{}^{deri} = \sum_{cc} DZK_{k,cc}$$

k - clearing account (portfolio) identifier
cc - class identifier

1.2 Calculating margins per class in a portfolio

The required margin *(DZK)* on a given accounting day for a given class *cc* in a portfolio *k* is calculated on the basis of the margin securing the risk of price change in a portfolio (*DZW*) and the value of net positions in options (*PNO*).

$$DZK_{k,cc} = max\left(DZW_{k,cc} - PNO_{k,cc}; 0\right)$$

1.3 Calculating the value of the excess of the value of long positions in options

In instances where $\left(DZW_{k,cc} - PNO_{k,cc}\right)$ is a positive integer, it forms the margin requirement for a given class in the portfolio.

1.4 Calculating the value of the margin securing the risk of portfolio price change

Margins used to secure the risk of changes in the value of instruments (*DZW*) belonging to portfolio *k* in a given class are calculated in a given time horizon as the sum total of the margin for the scenario risk and the intra-class spread margin, less the value of the inter-class spread credit. The margin calculated using this method cannot however be lower than the value of the minimum margin for short positions in options in this portfolio.

$$DZW_{k,cc} = max\left(drsc_{k,cc} + dswk_{k,cc} - cspk_{k,cc}; mdko_{k,cc}\right)$$

$drsc$ - margin for scenario risk
$dswk$ - margin for intra-class spread
$cpsk$ - inter-class spread credit
$mdko$ - minimum margin for short positions in options

1.5 Margin for scenario risk (drsc)

The margin for scenario risk is calculated on the basis of analysis of the reaction of the value of the portfolio in a given class under each risk scenario and it equals the level of the risk when assuming the worst-case market scenario (in SPAN® terminology, this is the scenario with the highest positive risk value). When calculating risk scenarios for futures, only the price change factor is used, while for options, the price change is used together with changes in levels of volatility and time.

1.6 Margin for intra-class spread (dswk)

The margin for intra-class spread is calculated in relation to positions within a portfolio of a given class with varying expiry dates in order to secure against the risk of non-correlated price change.

1.7 Inter-class spread credit (cspk)

Inter-class spread credit can be calculated in relation to those portfolio positions whose risk is mutually correlated, which leads to lower margin requirements.

1.8 Minimum margin for short positions in options (mdko)

Portfolios with short positions in options contain a certain level of residual risk. The required margin for the portfolio cannot be lower than the limit defined by KDPW_CCP, which is the minimum margin for short positions in options.

The value of the minimum margin for short positions in options ($mdko$) is calculated as follows:

$$mdko_{k,cc} = ko_{k,cc} \times dm_{cc}$$

ko - number of short positions in options
dm - minimum margin for each short position in options

Appendix 3 to the KDPW_CCP Detailed Rules of Transaction Clearing (organised trading)

CALCULATING MARGINS FOR THE CASH MARKET, REPO AND NEGOTIATED LOANS (SHARE AND BOND POSITIONS)

1. Definitions

Whenever these provisions refer to:
1) liquidity class – this shall mean all series of securities, other than derivatives, with a similar risk profile;
2) duration class – this shall mean all series of non-equity securities, within the meaning of Article 4 point 10 of the Law on Public Offerings and Conditions Governing the Introduction of Financial Instruments to Organised Trading and Public Companies of 29 July 2005 (Dz. U. (Journal of Laws) of 2020, item 2080), with similar modified life spans and the same ratings class defined by KDPW_CCP, with similar risk profiles;
3) portfolio – this shall mean a set of positions arising from concluded transactions, which have not yet been settled, with the same clearing account identifier;
4) cc – this shall mean the liquidity class identifier;
5) k – this shall mean the portfolio identifier.
6) reference price – this shall mean a price equal to the current reference price determined by GPW; for bonds, the current market price increased by accrued interest at day t+2; for instruments listed in a currency, the reference price is expressed in PLN at the average exchange rate published by the National Bank of Poland.

2. Methodology for calculating margins in the cash market, repo and negotiated loans

Margins are calculated using SPAN® methodology.
KDPW_CCP calculates the value of the SPAN® margin for each portfolio for the assumed confidence ratio, within the assumed liquidation period, determined using correlated positions within the portfolio.
The margin is calculated daily starting from the date of the execution of the transaction, until the settlement date.

3. Calculating risk for shares

The algorithm used to assign instruments to a given liquidity class takes into account the following:

- the average liquidity of the instrument,
- the instrument type.

3.1. Calculating the total net position in the portfolio (CPN)

The value of the positions in the portfolio in a given instrument is calculated by multiplying the net number of instruments by the reference price. Adding together the sum total of values for positions in each instrument in a given class and multiplying them by the exchange rate of the listing currency gives the value of purchase positions (PK) and sell positions (PS).

The total net position in the portfolio (*CPN*) is calculated by liquidity class and expresses an absolute value which is the difference between the total of purchase and sale positions.

$$CPN_{k,cc} = \left|PK_{k,cc} - PS_{k,cc}\right|$$

3.2. Calculating the total gross position in the portfolio (CPB)

The total gross position in the portfolio (*CPB*) is calculated by liquidity class and corresponds to the total value of purchase and sale positions multiplied by the exchange rate of the listing currency.

$$CPB_{k,cc} = PK_{k,cc} + PS_{k,cc}$$

3.3. Calculating the margin for intermediate risk (DPLR)

The margin for intermediate risk (*DPLR*) is calculated as the sum of the margin for market risk (*DRR*) and the margin for specific risk (*DRS*).

$$DPLR_{k,cc} = DRR_{k.cc} + DRS_{k,cc}$$

3.3.1. Calculating the margin for market risk (DRR)

Market risk is understood to mean the risk of price variation of financial instruments within a given liquidity class. In order to calculate the margin for the value of margin risk, the parameter y_{cc} is used, which defines the level of market risk for a given liquidity class.

The margin for market risk (*DRR*) is calculated by multiplying the total net position of the portfolio (*CPN*) by the level of market risk (y_{cc}).

$$DRR_{k.cc} = y_{cc} \times \left|PK_{k,cc} - PS_{k,cc}\right|$$

3.3.2. Calculating the margin for specific risk (DRS)

Specific risk includes the variation risk inherent in a given liquidity class and the price volatility of a given financial instrument. The parameter x_{cc} is used to calculate the margin for the value of specific risk, which defines the level of specific risk for a given liquidity class.

The margin for specific risk is calculated by multiplying the total gross position of the portfolio (*CPB*) by the parameter x_{cc}

$$DRS_{k,cc} = x_{cc}\left(PK_{k,cc} + PS_{k,cc}\right)$$

3.4. Calculating the inter-class spread credit (KSPK)

Margin requirements for intermediate risk may be lowered by applying inter-class spread credit, which reflects correlations between certain liquidity classes.

The value of the inter-class spread credit is calculated using the credit co-efficient (crt) and the value of the total net position in each class. The priority in which spreads are created is defined on the basis of tables containing credit spread priorities, determined by KDPW_CCP.

$$KSPK(cc1, cc2) = crt_{cc1/cc2} \times min\{|PK - PS|_{k,cc1}; |PK - PS|_{k,cc2}\}$$

TABLE 1 Principles used for determining credits for spreads

No.	PRINCIPLE
1.	Total net positions in classes cc_1 and cc_2 must have opposite sides.
2.	KDPW_CCP defines a table of valid class pairs for which credit is provided, the value of the credit and the order in which each pair is credited.
3.	If a total net position in a given class remains unused for credit, then the next opposite total net position is searched for, in accordance with the principles contained in the priority table defined by KDPW_CCP.
4.	The credit for the inter-class spread relates to each leg of the spread.

3.5. Calculating the margin for final intermediate risk (DOLR)

The margin for final intermediate risk (*DOLR*) for a given portfolio in a given class of instruments is calculated on the basis of final market risk, which itself is determined by deducting the value of the spread credit for a given class of instrument (*KSPK*) from the value of intermediate market risk (*DPLR*).

$$DOLR_{k,cc} = DPLR_{k,cc} - KSPK_{k,cc}$$

4. Calculating risk for debt securities

The risk for debt securities is calculated on the basis of net purchase and sale positions awaiting clearing. Debt securities are assigned to a duration class indicated by KDPW_CCP for a given day. Calculations are performed at the portfolio level.

4.1. Assigning debt securities to a duration class

Each debt security is assigned to a duration class on the basis of the value of the modified duration indicator and rating class. The assignment is carried out at the end of each day on which transaction clearing is performed. KDPW_CCP reserves the right to change the assignment to a class taking into account the risk characteristics. KDPW_CCP provides information to market participants on each debt security assigned to the relevant duration class.

4.2. Calculating net positions according to the debt securities type

The net position value in each instrument is calculated by multiplying the number of instruments by the modified duration indicator, the reference price and the exchange rate of the listing currency. For the purposes of determining margin requirements, the minimum value of modified duration is assumed to be 0.5.

The value of purchase positions (PK) and sale positions (PS) is obtained by adding the value of calculated positions in each instrument in a given duration class.

4.3. Calculating the total net position (CPN)

The total net position (CPN) is calculated for a duration class as the absolute value of the difference between the total of purchase position values (*PK*) and the total of sale position values (*PS*) in the portfolio of the clearing member.

$$CPN_{k,cc} = \left|PK_{k.cc} - PS_{k,cc}\right|$$

4.4. Calculating the total gross position (CPB)

The total gross position (*CPB*) is calculated for a duration class, as the total of purchase position values (*PK*) and the total of sale position values (*PS*).

$$CPB_{k,cc} = PK_{k,cc} + PS_{k,cc}$$

4.5. Calculating the margin for intermediate market risk (DPLR)

Determining intermediate risk takes place on the basis of the calculation of the value of the market risk and the value of the specific risk at the level of each duration class within the portfolio.

The margin for intermediate market risk (*DPLR*) is calculated using the total margin determined for market risk (*DRR*) and the margin determined for specific risk (*DRS*).

$$DPLR_{k,cc} = DRR_{k,cc} + DRS_{k,cc}$$

4.5.1. Calculating the margin for market risk

Market risk is understood to mean the risk of variation in the income curve in a given duration class. The parameter (y_{cc}) is used to calculate the margin for the value of market risk.

The parameter (y_{cc}), which defines the level of market risk, is indicated by KDPW_CCP for each duration class.

The margin for market risk (*DRR*) is calculated by multiplying the total net position for a portfolio (*CPN*) by the level of market risk (y_{cc}), for a given instrument class (cc).

$$DRR_{k,cc} = y_{cc} \times \left|PK_{k.cc} - PS_{k,cc}\right|$$

4.5.2. Calculating the margin for specific risk

Specific risk includes the risk of variation of a given instrument from the standard inherent in a given duration class, based on the instrument's specific characteristics. In order to calculate the margin for the value of specific risk, the parameter (x_{cc}) is used, which is defined by KDPW_CCP for each duration class.

The margin for specific risk is calculated by multiplying the total gross position of the portfolio (*CPB*) by the parameter describing the specific risk (x_{cc}) for a given instrument class.

$$DRS_{k,cc} = x_{cc} \times \left(PK_{k.cc} + PS_{k,cc}\right)$$

4.6. Calculating the margin for intra-class spread (DSWK)

The margin for intra-class spread is calculated in such a way as to secure against the risk of an uneven shift of the yield curve within a given duration class. This margin is only calculated for debt securities in relation to both opposite positions forming the spread within a given class.

$$DSWK_{k,cc} = dep_{cc} \times min\{PK_{k.cc}; PS_{k,cc}\}$$

where:
dep_{cc}- percentage for intra-class spread margin

4.7. Calculating the inter-class spread credit (KSPK)

Calculating the inter-class spread credit (KSPK) allows for the reduction of intermediate market risk by recognising the correlation between positions in different duration classes.

$$KSPK(cc1, cc2) = crt_{cc1/cc2} \times min\{|PK - PS|_{k,cc1}; |PK - PS|_{k,cc2}\}$$

TABLE 2 Principles used for calculating margins for spreads

No.	PRINCIPLE
1.	Total net positions in classes cc_1 and cc_2 must have opposite sides.
2.	KDPW_CCP defines a table of valid class pairs for which credit is provided, the value of the credit and the order in which each pair is credited.
3.	If a total net position in a given class remains unused for credit, then the next opposite total net position is searched for, in accordance with the principles contained in the priority table defined by KDPW_CCP.
4.	The credit for the inter-class spread relates to each leg of the spread.

4.8. Calculating the margin for final risk (DOLR)

The margin for final risk (*DOLR*) calculated for a portfolio in a given duration class is equivalent to the margin for intermediate market risk (*DPLR*) less the assigned credit (*KSPK*) plus the required deposit for spread in a given class (*DSWK*).

$$DOLR_{k,cc} = DPLR_{k,cc} - KSPK_{k,cc} + DSWK_{k,cc}$$

5. Marking to market (WR) for cash market

Marking to market is the process of calculating the debits and credits within a portfolio using up-to-date market prices. It is calculated as the difference between the value of positions in the clearing cycle revalued using existing market prices and the clearing value based on the concluded transaction.

$$WR_{k,i}^{cash} = \left(WROZ_{k,i} \times EN_i + \left(B_{k,i} - S_{k,i}\right) \times c_i \times EN_i + \left(BPD_{k,i} - SPD_{k,i}\right) \times d_i \times ED_i\right)$$

where:

$WR_{k,i}^{cash}$ – marking to market for portfolio k, security i,

$WROZ_{k,i}$ – the number of securities i bought and sold for portfolio k multiplied by the transaction unit price (this is a negative figure for purchase transactions),

c_i – securities reference price,

d_i – dividend/coupon amount as at the payment date; if the reference price c_i is the price of a security including the acquired right to dividend/coupon, then $d_i = 0$,

$B_{k,i}$, $S_{k,i}$ – quantity of bought/sold securities,

$BPD_{k,i}, SPD_{k,i}$ – quantity of bought/sold securities with the right to dividend/coupon,

ED_i – exchange rate of the currency of the dividend/coupon,

EN_i – exchange rate of the listing currency.

The mark-to-market value used to calculate the margin is expressed by the following formula:

$$DWR_{u,k}^{cash} = -min\left(\sum_i WR_{u,k,i}^{cash}; 0\right)$$

6. Calculating the SPAN® margin for the cash market

The required SPAN® margin for a portfolio that is not marked-to-market is calculated as the sum of the margin for final margin risk for each liquidity class and the margin for final market risk for each duration class.

$$DSPAN_k{}^{cash} = \sum_{cc} DOLR_{k,cc} = \sum_{cc}\left(DLPR_{k,cc} - KSPK_{k,cc} + DSWK_{k,cc}\right)$$

7. SPAN® margin methodology for repo transactions

The SPAN® margin for a portfolio of repo transactions $(DSPAN^{repo})$ is calculated according to points 1, 2, 4 and 6, provided that:

- concluded transactions shall be understood as repo transactions,
- a portfolio shall be understood as a set of positions arising from concluded repo transactions whose opening leg is settled or is scheduled to be settled no later than the next business day, identified by the same clearing account,
- a purchase position shall be understood as the position of the repo counterparty,
- a sale position shall be understood as the position of the reverse repo counterparty,
- a position in a security is equal to the quantity of securities in the repo transaction multiplied by the reference price and modified duration. For the purposes of determining margin requirements, the minimum value of modified duration is assumed to be 0.5.
- the SPAN® margin for repo transactions is calculated from the business day preceding the settlement date of the opening leg to the settlement date of the closing leg. The SPAN® margin

requirement is the greater of: the SPAN® margin based on the position at day *t* and the SPAN® margin based on the position at the next business day *(t+1)*,

- For repos where the opening leg is scheduled to be settled at day t or was scheduled to be settled at or before day t but failed, the position at t and t+1 ignores the scheduled settlement of the closing leg if t or t+1 is the repurchase date.

8. Mark-to-market methodology for repo transactions

Marking-to-market of repo transactions in a portfolio (WR^{repo}) is equal to the sum of WR^{repo} per trade. A negative value stands for the member's debit.

For repo transaction *m*, marking-to-market at day *t* is calculated as follows:

a) before the repo's settlement date of the opening leg ($t \leq t1$):

$$WR_{m,t}^{repo} = sign_m \times PA_m \times (RR_t - RR_m) \times \frac{t2_m - t1_m}{365} \times df(t2_m)$$

$$PA_m = N_m \times DPR_m$$

b) after the repo's settlement date of the opening leg ($t1 \leq t \leq t2$):

$$WR_{m,t}^{repo} = sign_m \times \left(N_m \times \left(DP_{m,t} \times \left(1 + RR_t \times \frac{t2_m - t}{365}\right) + CPN_m \frac{df(t_p)}{df(t2_m)} \right) - RA_m \right) \times df(t2_m)$$

$$RA_m = N_m \times DPR_m \times \left(1 + RR_m \times \frac{t2_m - t1_m}{365}\right)$$

c) in case of a settlement fail of the closing leg ($t \geq t2$):

for the reverse repo counterparty:

$$WR_{m,t}^{repo} = sign_m \times max\left(\left(N_m \times max\left(DP_{m,t} + CPN_{m,t2}; DPR_m\right) - RA_m\right); 0\right)$$

for the repo counterparty:

$$WR_{m,t}^{repo} = sign_m \times \left(N_m \times \left(DP_{m,t} + CPN_{m,t2}\right) - RA_m\right)$$

where:

$sign_m$ – counterparty sign of transaction *m*, equal to 1 for the repo counterparty and -1 for the reverse repo counterparty;

PA_m – purchase amount of transaction *m* (settlement amount of the opening leg);

RR_t – market repo rate for period $min(t2_m - t; t2_m - t1_m)$ at day *t*;

RR_m – repo rate of transaction *m*;

$t1_m$ – original settlement date of the opening leg of repo transaction *m*;

$t2_m$ – original settlement date of the closing leg of repo transaction *m*;

t_p – payment date of coupon CPN_m;

N_m – nominal amount of bonds in repo transaction *m*;

DPR_m – purchase price (dirty price of bonds in repo transaction *m*) as a percentage of the nominal amount;

$DP_{m,t}$ – dirty price of bonds as a percentage of the nominal amount, in transaction *m*, at day *t*, including interest accrued at day *t+1*. Accrued interest is equal to 0 in the period from the record date (inclusive) to the day preceding the interest payment date;

RA_m – repurchase price in transaction *m* (settlement amount of the closing leg);

CPN_m – bond coupon expressed as a percentage of the nominal amount, whose record date (*d*) falls between the settlement date of the opening leg and the settlement date of the closing leg, included in the period from day *d* to the date of coupon payment by the reverse repo counterparty and by KDPW_CCP to the repo counterparty;

$CPN_{m,t2}$– bond coupon expressed as a percentage of the nominal amount, whose record date (*d*) falls after the original settlement date of the closing leg affected by the fail, included in the period from day *d* to the date of curing the fail by the reverse repo counterparty or cancellation of the repo by KDPW_CCP;

$df(t2_m)$ – discount factor for *t2*. Discounting is based on the repo discount curve. Discount factors between nodes are log-linear interpolated;

$df(t_p)$ – discount factor for t_p.

9. Methodology of calculating repo rate change risk margins

The repo rate change risk margin for a portfolio (DZR) is equal to the sum of margins per transaction. For any repo transaction *m*, the repo rate change risk margin at day *t* is calculated as follows:

a) before the settlement of the opening leg ($t \leq t1$):

$$DZR_m = N_m \times DPR_m \times p_rr \times \frac{t2_m - t1_m}{365} \times df(t2_m)$$

b) after the settlement of the opening leg ($t1 \leq t \leq t2$):

$$DZR_m = N_m \times DP_{m,t} \times p_rr \times \frac{t2_m - t}{365} \times df(t2_m)$$

where:

p_rr – risk parameter set by KDPW_CCP to hedge against future repo rate change.

Other symbols – see point 8.

10. Methodology of calculating margins for negotiated loans

The provisions of points 1-6 shall apply accordingly to the calculation of margins for negotiated loans provided that:

- concluded transactions shall be understood as open loans,
- a portfolio shall be understood as a set of positions arising from open negotiated loans whose return has not yet been settled, marked with the same clearing account identifier,
- a purchase position shall be understood as the position of the lender,
- a sale position shall be understood as the position of the borrower,
- purchased securities shall be understood as securities which the lender is required to repurchase,
- sold securities shall be understood as securities which the borrower is required to return,
- a margin for negotiated loans is calculated daily from the settlement date of the opening of a loan to the settlement date of the return of the loan,
- marking to market is calculated for positions arising from the negotiated loan return documents,
- the settlement amount for a loan portfolio is a value derived from the negotiated loan return documents.

Appendix 4 to the KDPW_CCP Detailed Rules of Transaction Clearing (organised trading)

Calculating liquidity and concentration risk add-ons

I Definitions and scope

Liquidity and concentration risk (LCR) add-ons are a part of the initial margin requirement, securing the risk that KDPW_CCP will be unable to close out concentrated positions or positions in illiquid financial instruments of a defaulting clearing member within the standard liquidation period.

LCR is calculated using a liquidity indicator where a clearing member's position (identified by institution code under the Rules of Transaction Clearing (Organised Trading)) is compared with the average daily equivalent turnover in the class and the cost based on the bid-ask spread.

LCR add-ons are calculated at the level of clearing accounts, separately for cash transactions, repo conditional transactions and derivatives transactions. LCR add-ons are calculated on an on-going basis during clearing sessions and in the End-of-Day process.

Calculation parameters are set and published by KDPW_CCP.

II Liquidity and concentration risk add-ons for the derivatives market

II.1. Calculating the position of a member identified by institution code

$$DP_{a,u,cc,i} = N_{a,u,cc,i} \times zd_i$$

$N_{a,u,cc,i}$ – net position balance of member *u*, in complex *a*, in instrument *i*, in class *cc,*

a – complex – a set of markets covered by the same clearing/guarantee fund,

zd_i – sign of delta of positions in instrument *i* :

$$zd = \begin{cases} 1 \; for\ call\ options\ and\ futures \\ -1 \; for\ put\ options \end{cases}$$

$$LDP_{a,u,cc,p,s,hl} = \sum_{i \in cc, i-instrument\ p\ with\ expiry\ date\ s\ in\ moneyness\ range\ hl, DP_{a,u,cc,i}>0} DP_{a,u,cc,i}$$

$$SDP_{a,u,cc,p,s,hl} = \sum_{i \in cc, i-instrument\ p\ with\ expiry\ date\ s\ in\ moneyness\ range\ hl, DP_{a,u,cc,i}<0} DP_{a,u,cc,i}$$

$LDP_{a,u,cc,p,s,hl}$ – long position of member *u* in complex *a*, in class *cc,* in instruments of type *p*, with expiry date *s* and moneyness range *hl,*

$SDP_{a,u,cc,p,s,hl}$ – short position of member *u* in complex *a*, in class cc, in instruments of type *p*, with expiry date *s* and moneyness range *hl,*

$$DP_w_{a,u,cc,i} = N_abs_{a,u,cc,i} \times m_i \times |d_i|$$

$$N_abs_{a,u,cc,i} = \sum_k |N_{a,u,cc,k,i}|$$

$N_{a,u,cc,k,i}$ – net position balance of member *u*, in complex *a*, in instrument *i*, in class *cc,* recorded in clearing account *k,*

m_i – multiplier of instrument *i,*

d_i – delta of instrument *i* (for futures, delta is 1),

$p \in \{futures, option\}$

$$LDP_w_{a,u,cc,p,s,hl} = \sum_{i \in cc, i-instrument\ p\ with\ expiry\ date\ s\ in\ moneyness\ range\ hl, DP_{a,u,cc,i} > 0} DP_w_{a,u,cc,i}$$

$$SDP_w_{a,u,cc,p,s,hl} = \sum_{i \in cc, i-instrument\ p\ with\ expiry\ date\ s\ in\ moneyness\ range\ hl, DP_{a,u,cc,i} < 0} DP_w_{a,u,cc,i}$$

$$ADP_w_{a,u,cc} = \sum_{p,s,hl} LDP_w_{a,u,cc,p,s,hl} + \sum_{p,s,hl} SDP_w_{a,u,cc,p,s,hl}$$

hl – moneyness range of instrument *i* for liquidity calculation,

Parameter *hl* for options stands for higher liquidity - *hl1* or lower liquidity *hl2, hl3*. Instruments are put in *hl* classes depending on moneyness. The *hl* limits are defined as *am* and *bm*

$$hl = \begin{cases} hl1\ for\ futures \\ hl1, hl2, hl3\ for\ options \end{cases}$$

$hl1$ – higher liquidity range of futures and options (at-the money options):

$$hl1 = \langle am, bm \rangle$$

$hl2$ – lower liquidity range of options (out of the money options):

$$hl2 = \langle 0, am)$$

$hl3$ – lower liquidity range of options (in the money options):

$$hl3 = (bm, +\infty)$$

am, bm – moneyness range parameters,

Calculating moneyness

$$moneyness = \begin{cases} \frac{price\ of\ the\ underlying}{strike\ price\ of\ option\ i} \rightarrow for\ call\ options \\ \frac{strike\ price\ of\ option\ i}{price\ of\ the\ underlying} \rightarrow for\ put\ options \end{cases}$$

s – liquidity range: higher liquidity *s1* or lower liquidity *s2*. Instruments are put in *s* classes depending on expiry date. The number of expiry dates in a range is defined by parameter *x* for class *cc* and for instrument type *p*.

$s \in \{s1, s2\}$

$s1$ – nearest *x* expiry dates,

x – number of expiry dates in liquidity range *s1*, parameter defined for class *cc* and instrument type *p*,

$s2$ – expiry dates longer than *s1,*

x_roll – parameter updating *x*. It represents the number of expiry dates in liquidity range *s1* in period *roll_p* before the expiry of the nearest series,

roll_p – parameter representing the number of days of x_roll application in range s1.

II.2. Calculating average daily turnover volume

$$DEDAV_{a,cc,p,s,hl} = max\left(\frac{\sum_{t,i \in cc,i-instr.\ p\ with\ expiry\ date\ s\ \ in\ moneyness\ range\ hl} VOL_{a,i,t}}{n}; m_Vol_{cc,p,s,hl}\right)$$

$DEDAV_{a,cc,p,s,hl}$ – average daily turnover volume in complex *a*, in class *cc*, for instruments *p*, in liquidity range *s*, in moneyness range *hl*, in turnover period *t_dedav_d,*

$VOL_{a,i,t}$ – turnover volume in instrument *i*, at day *t*, on markets in complex *a*,

Parameter *t_dedav_d* is defined globally for the derivatives market, equal to the number of trading days including the last trading day.

n – actual number of trading days in period *t_dedav_d* with observations of at least one traded instrument in complex *a*, in class *cc*, type *p*, in liquidity range *s*, in moneyness range *hl*,

$m_VOL_{cc,p,s,hl}$ – minimum volume possible at a trading session for class *cc*, instrument type *p*, moneyness range *hl* and liquidity range *s*.

II.3. Calculating new liquidation period *LPN*

$$LPN_{a,u,cc} = \frac{1}{ADP_w_{a,u,cc}} \times \sum_{p,s,hl} \left(max \left(min \left(\frac{LDP_{a,u,cc,p,s,hl} \times LDP_w_{a,u,cc,p,s,hl}}{w_{cc,p,s,hl} \times DEDAV_{a,cc,p,s,hl}} ; m_dep_{cc} \times LP_{cc} \times LDP_w_{a,u,cc,p,s,hl} \right) ; LP_{cc} \times LDP_w_{a,u,cc,p,s,hl} \right) + max \left(min \left(\frac{|SDP_{a,u,cc,p,s,hl}| \times SDP_w_{a,u,cc,p,s,hl}}{w_{cc,p,s,hl} \times DEDAV_{a,cc,p,s,hl}} ; m_dep_{cc} \times LP_{cc} \times SDP_w_{a,u,cc,p,s,hl} \right) ; LP_{cc} \times SDP_w_{a,u,cc,p,s,hl} \right) \right)$$

For instruments of type *p* in class *cc* first traded at day *t* and in the absence of trade ($DEDAV_{a,cc,p,s,hl} = 0$):

$$\frac{LDP_{a,u,cc,p,s,hl} \times LDP_w_{a,u,cc,p,s,hl}}{w_{cc} \times DEDAV_{a,cc,p,s,hl}} = m_dep_{cc} \times LP_{cc} \times LDP_w_{a,u,cc,p,s,hl}$$

$$\frac{|SDP_{a,u,cc,p,s,hl}| \times SDP_w_{a,u,cc,p,s,hl}}{w_{cc} \times DEDAV_{a,cc,p,s,hl}} = m_dep_{cc} \times LP_{cc} \times SDP_w_{a,u,cc,p,s,hl}$$

w_{cc} – percentage of average daily turnover value which KDPW_CCP considers possible to close out within one day,

LP_{cc} – liquidation period for class *cc,*

m_dep_{cc} – margin multiplier for class *cc,*

II.4. Calculating bid-ask risk

$$BAS_{a,u,k,cc} = \sum_{i-instrument\ \ with\ expiry\ date\ in\ moneyness\ range\ h} \left(|N_{a,u,k,cc,i}| \times m_i \times c_i \times SW_NORM_{cc} \times SP_{cc,p,h,s} \right)$$

$SP_{cc,p,h,s}$ – spread of instruments in class *cc*, type *p*, moneyness range *h*, liquidity range *s*, expressed as a percentage,

SW_NORM_{cc} – spread width for class *cc,*

k – clearing account index,

c_i – reference price of instrument *i,*

m_i – multiplier of instrument *i,*

h – moneyness range, $h \in \{h1_{bas}, h2_{bas}, h3_{bas}\}$

$h1_{bas}$ – range for futures and at the money options: $h1_{bas} = \langle a_bas, b_bas \rangle$

$h2_{bas}$ – range for out of the money options: $h2_{bas} = \langle 0, a_bas)$

$h3_{bas}$ – range of in the money options: $h3_{bas} = (b_bas, +\infty)$

a_bas , b_bas – moneyness range parameters in the calculation of bid-ask cost spread deposits for options

II.5. Calculating margins

$$\boldsymbol{DLCR^{der}_{a,u,k,cc} = min\left(max\left(DZW_{a,u,k,cc} - PNO_{a,u,k,cc}; 0\right); BAS_{a,u,cc,k} + DZW_{a,u,k,cc} \times \left(\sqrt{\frac{LPN_{a,u,cc}}{LP_{cc}}} - 1 \right) \right)}$$

$DZW_{a,u,k,cc}$ – price change risk margin for complex *a*, class *cc*, account *k*, member *u*,

$PNO_{a,u,k,cc}$ – net option value for complex *a*, class *cc*, account *k*, member *u,*

$DLCR^{der}_{a,u,k,cc}$ – liquidity and concentration risk margin on the derivatives market for complex *a*, class *cc*, account *k*, member *u.*

III Liquidity and concentration risk add-ons on the cash market and for repo transactions

III.1. Calculating positions

Liquidity and concentration risk add-ons are calculated for net position balances in securities in cash purchase/sell transactions and repo transactions. Present positions are used for purchase/sell transactions. Positions (position sign × balance of instruments) used to calculate the SPAN margin are used for repo transactions. The SPAN margin requirement for repo transactions is the greater of: the SPAN margin based on the position at day *t* and the SPAN margin based on the position at the next business day *(t+1)*.

$$NP_{a,u,cc,i} = N_{a,u,cc,i} \times c_i$$

$N_{a,u,cc,i}$ – net position balance (position sign × balance of instruments) of member *u*, in security *i*, for repo and outright transactions, in complex *a* and class *cc,*

c_i – reference price of security *i*.

III.2. Calculating average daily turnover value

$$OS_i = \frac{\sum_t O_{i,t}}{nc}$$

$O_{i,t}$ – value of cash transactions in instrument *i* at day *t* on markets which KDPW_CCP can access,

nc – actual number of days of trading in instruments *i* in period *t_dedav_c*,

t_dedav_c – parameter defined globally for the cash market, equal to the number of days.

III.3. Calculating new liquidation period

$$LPN_{a,u,cc,i} = max\left(min\left(\frac{|NP_{a,u,cc,i}|}{q_{cc} \times OS_i}; m_dep_{cc} \times LP_{cc}\right); LP_{cc}\right)$$

$$LPN_{a,u,cc} = \sum_i \left(LPN_{a,u,cc,i} \times \frac{|NP_{a,u,cc,i}|}{\sum_i |NP_{a,u,cc,i}|}\right)$$

If $OS_i = 0$ and if OS_i is not calculated (for instrument *i* first traded at day *t)*, $LPN_{a,u,cc,i}$ is calculated as follows: $LPN_{a,u,cc,i} = m_dep_{cc} \times LP_{cc}$

q_{cc} – percentage of average daily turnover value which KDPW_CCP considers possible to close out within one day,

LP_{cc} – liquidation period for class *cc*.

III.4. Calculating bid-ask spread risk

Bid-ask spread risk is calculated separately for balances of positions in securities in cash purchase/sell transactions and separately for repo transactions:

$$BAS_{a,u,k,cc} = \sum_i \left(|N_{a,u,k,cc,i}| \times c_i \times SW_NORM_{cc} \times S_{cc}\right)$$

S_{cc} – cash market class spread expressed as a percentage,

SW_NORM_{cc} – spread width.

III.5. Calculating *DLCR* for each clearing account (*k*), each class (*cc*), and each complex (*a*)

$$DLCR^{cash}_{a,u,k,cc} = BAS^{cash}_{a,u,k,cc} + DZW^{cash}_{a,u,k,cc} \times \left(\sqrt{\frac{LPN_{a,u,cc}}{LP_{cc}}} - 1\right)$$

$$DLCR^{repo}_{a,u,k,cc} = BAS^{repo}_{a,u,k,cc} + DZW^{repo}_{a,u,k,cc} \times \left(\sqrt{\frac{LPN_{a,u,cc}}{LP_{cc}}} - 1\right)$$

IV Aggregate *DLCR*

IV.1. Calculating *DLCR* per member and per account

$$DLCR_{a,u,k,cc} = DLCR^{cash}_{a,u,k,cc} + DLCR^{repo}_{a,u,k,cc} + DLCR^{deri}_{a,u,k,cc}$$

$$DLCR_{a,u,k} = \sum_{cc} DLCR_{a,u,k,cc}$$

$$DLCR_{a,u} = \sum_{k \in u} DLCR_{u,k}$$

Appendix 5 to the KDPW_CCP Detailed Rules of Transaction Clearing (Organised Trading)

CALCULATING WRONG WAY RISK MARGINS

I Definitions and scope

The Wrong Way Risk (WWR) margins are a part of the initial margin requirement, securing the risk of a clearing member's exposure in own instruments, which is highly correlated with the member's credit risk.

WWR margins are calculated for the following positions of clearing members:

- positions in own shares and bonds of a member or companies of the member's group;
- positions in futures on own shares of a member or companies of the member's group;
- positions in options on own shares of a member or companies of the member's group.

WWR margins are calculated at the level of clearing accounts, separately for cash positions and derivatives positions. WWR margins are calculated on an on-going basis during clearing sessions and in the End-of-Day process.

WWR margins for cash positions are calculated assuming a decrease of the value of eligible shares and bonds. WWR margins for derivatives positions are calculated assuming a decrease of the value of the underlying. The percentage price decrease is a parameter set and published by KDPW_CCP.

II Calculating WWR margins for cash market positions

$$DWWR_{a,u,k}^{cash} = \max\left(0; \sum_i NP_{a,u,k,i} \times c_i \times h - \sum_i \left|NP_{a,u,k,i}\right| \times c_i \times MD_i \times x_{cc(i)}\right)$$

where:

$DWWR_{a,u,k}^{cash}$ – WWR margin in clearing account *k* of clearing member u for cash instruments generating WWR, in complex *a*,

$NP_{a,u,k,i}$ – net position balance in instrument i generating WWR, equal to the difference between buy and sell balances, in clearing account k of clearing member u, in complex *a*,

c_i – reference price of instrument i,

MD_i – modified duration of instrument i (only for debt instruments). For the purposes of determining margin requirements, the minimum value of modified duration is assumed to be 0.5,

$x_{cc(i)}$ – normal parameter of specific risk for class *cc* of instrument i,

h – instrument price decrease cap, defined at instrument type code level (equity, debt), published by KDPW_CCP.

III Calculating WWR margins for derivatives market positions

$$DWWR_{a,u,k}^{deri} = \max\left(0; -\sum_{i \in cc(WWR)} CRR_WWR_{a,u,k,i} - \sum_{i \in cc(WWR)} PNO_WWR_{a,u,k,i} + \sum_{cc \neq cc(WWR)} DZW_{a,u,k,cc} - \sum_{cc \neq cc(WWR)} PNO_{a,u,k,cc} - DSPAN_{a,u,k}^{deri}\right)$$

where:

$DWWR_{a,u,k}^{deri}$ – WWR margin in clearing account k of clearing member u for derivatives generating WWR, in complex *a*,

i – derivatives identified by ISIN,

$cc(WWR)$ – class of derivatives generating WWR of clearing member u,

cc – derivatives class code,

$PNO_{a,u,k,cc}$ – net option value in class cc,

$DSPAN_{a,u,k}^{deri}$ – SPAN® margin for account k of clearing member u, on the derivatives market,

$CRR_WWR_{a,u,k,i}$ – potential loss on futures due to WWR calculated according to the following formula:

$$CRR_WWR_{a,u,k,i} = -NP_{a,u,k,i} \times c_i \times h \times m_i$$

$NP_{a,u,k,i}$ – net position in instrument i, equal to *long position-short position* in clearing account *k* of clearing member u,

c_i – reference price of futures i,

m_i – multiplier of futures i,

h – instrument price decrease cap, defined at instrument type code level (equity, debt), published by KDPW_CCP;

$PNO_WWR_{a,u,k,i}$ – net option value due to WWR:

- for put option i:

$$PNO_WWR_{a,u,k,i} = NP_{a,i,k} \times \max(KW_i - S_i \times (1-h); 0) \times m_i$$

- for call option i:

$$PNO_WWR_{a,u,k,i} = NP_{a,i,k} \times \max(S_i \times (1-h) - KW_i; 0) \times m_i$$

KW_i – strike price of option i,

S_i – reference price of the underlying of option i.

IV Calculating WWR margins per clearing account

$$DWWR_{a,u,k} = DWWR_{a,u,k}^{cash} + DWWR_{a,u,k}^{deri}$$

Appendix 6 to the KDPW_CCP Detailed Rules of Transaction Clearing (Organised Trading)

Attributes of:

- clearing accounts,
- aggregate accounts,
- client classification numbers (NKK)

1. Attributes of clearing accounts

- ownership type (1 A)
- participation type (2 A)
- representation agreement identifier (2 A)
- account type (2 A)
- client classification number (NKK) (8 A)
- portfolio number (2 A)

Every account described by the presented set of attributes is identified as:

- institution code (4 A)
- clearing account identifier (16 A)

A securities settlement account maintained by the relevant settlement institution may be assigned to every clearing account provided that settlement is performed according to the regulations issued by the relevant settlement institution. The relevant settlement account is designated by the Clearing Member in the KDPW_CCP clearing account opening instruction. The assignment of a settlement account to a clearing account may be modified by means of an instruction sent to KDPW_CCP. After the relation between a clearing account and a securities settlement account is cancelled, default securities settlement accounts maintained by the relevant settlement institution according to the regulations issued by the relevant settlement institution are used for settlement.

2. Attributes of aggregate accounts

- ownership type (1 A)
- participation type (2 A)
- representation agreement identifier (2 A)
- account type (2 A)
- client classification number (NKK) (8 A)
- portfolio number (2 A)

Aggregate accounts are distinguished both by a special type of NKK (aggregate NKK) and by specific values for other attributes:

- participation type - ‘00’
- representation agreement identifier - ‘00’
- account type - ‘00’
- portfolio number - ‘00’

Every account described by the presented set of attributes is identified as:

- institution code (4 A)
- clearing account identifier (16 A)

3. Attributes of client classification numbers (NKK)

Every NKK has attributes assigned to it according to the required classification of clients or groups of clients. The following types of NKK apply:
- RESI-resident,
- NRES-non-resident,
- OMNI-omnibus account holder,
- NOAP-not applicable (for an aggregate NKK).

Depending on the type of client, the following types of NKK apply:
- Individual (INDI) – for individual clients
- Collective (COLL) – for groups of clients
- Aggregate (AGGR) – for aggregate accounts of multiple clearing accounts with different NKK.

An aggregate NKK does not identify a client and cannot be used as an attribute of an account for which transactions are to be concluded on the market. Accounts based on such NKK are only used for aggregation of the Clearing Member's positions towards KDPW_CCP and, consequently, to set up a collateral account common to multiple clearing accounts. In view of the foregoing, the NKK classification for an aggregate NKK should specify the option "not applicable" (value NOAP cannot be used to create other types of NKK).

Appendix 7 to the KDPW_CCP Detailed Rules of Transaction Clearing (Organised Trading)

TIMETABLE OF THE CLEARING DAY

Session number	Session start date
N1	18.00

Appendix 8 to the Detailed Rules of Transaction Clearing (Organised Trading)

I. Operation identifiers in the clearing system

The types of operations executed in the clearing system have the following identifiers:

No.	Operation	Operation type[1]	Market code	Trading mode	Operation phase	Matching mode[2]
1.	Waiving the right to exercise an option	NE	IN	ZN		N
2.	Transfer of positions between accounts of the same participant for the purpose of correcting an error in the indication of a clearing account	OI	IN	ZN		N
3.	Transfer of positions registered on a given account on the day preceding the transfer date between accounts of the same participant marked with different individual classification numbers	OW	IN	ZN		N
4.	Transfer of positions taken as a result of a transaction concluded on the basis of a collective order issued by the manager of a portfolio, on account of clients for which the manager pursues the same investment strategy, from a transaction account onto the client's individual account kept for the same participant	OW	IN	ZN	BLOC	N
5.	Transfer of positions taken as a result of a transaction registered on a given individual account on the transfer date between accounts kept for different participants	OE	IN	ZN	GVUP	B
6.	Transfer of positions taken as a result of a transaction registered on a given individual account on the day preceding the transfer date between accounts marked with different individual classification numbers kept for different participants	OE	IN	ZN		B
7.	Transfer of positions taken as a result of a transaction concluded on the basis of a collective order issued by the manager of a portfolio, on account of clients for which the manager pursues the same investment strategy, from a transaction account onto the client's individual account where the accounts are kept for different participants	OE	IN	ZN	BLOC	B
8.	Transfer of positions taken as a result of a transaction concluded on a given individual	PT	IN	ZN		B

[1] *Applicable also to transfers of positions with collateral executed by KDPW_CCP;*
[2] *Transfers of positions within the same institution do not require a confirmation of the terms of clearing unless the instruction requires a confirmation.*

	account on the day preceding the transfer date between accounts marked with the same individual classification number kept for different participants[1]					
9.	Transfer of positions taken as a result of a transaction concluded on a given individual account on the day preceding the transfer date between accounts marked with the same individual classification number kept for the same participant	PT	IN	ZN		N
10.	Registration of transfers closing positions in derivatives executed by KDPW_CCP	RD	IN	ZN		N
11.	Registration of a division of positions in derivatives following change to the standard specification of the derivatives	RK	IN	ZN		N
12.	Registration of an on-demand lending transaction whose clearing is guaranteed by the on-demand lending guarantee fund	SECB SECL		PNEG		
13.	Registration of a derivatives transaction on the regulated market organised by the Warsaw Stock Exchange whose clearing is guaranteed by the Clearing Fund	TR	XG	ZG		N
14.	Registration of a derivatives transaction (significant stake) on the regulated market organised by the Warsaw Stock Exchange whose clearing is guaranteed by the Clearing Fund	TR	XG	PG		N
15.	Registration of a transaction on the regulated market organised by the Warsaw Stock Exchange whose clearing is guaranteed by the Clearing Fund	TRAD	EXCH/XWAR			N
16.	Registration of a transaction concluded in the alternative trading system organised by the Warsaw Stock Exchange whose clearing is guaranteed by the ATS Guarantee Fund	TRAD	EXCH/XNCO			N
17.	Registration of a transaction concluded on the regulated over-the-counter market whose clearing is guaranteed by the Clearing Fund	TRAD	EXCH/RPWC			N
18.	Registration of a transaction concluded in the alternative trading system (other than the electronic Treasury securities market Treasury BondSpot Poland) organised by BondSpot SA whose clearing is guaranteed by the ATS Guarantee Fund	TRAD	EXCH/BOSP			N
19.	Registration of a transaction concluded in the electronic Treasury securities market Treasury BondSpot Poland, which is an alternative trading system organised by BondSpot SA, whose clearing is guaranteed by the ATS Guarantee Fund	TRAD	EXCH/TBSP			N
20.	Registration of a repo transaction concluded in the electronic Treasury securities market Treasury	REPU/RVPO	EXCH/TBSP			N

	BondSpot Poland, which is an alternative trading system organised by BondSpot SA, whose clearing is guaranteed by the ATS Guarantee Fund					
21.	A repo transaction concluded by KDPW_CCP on auction, guaranteed by the ATS Guarantee Fund	REPU/RVPO	OTCO/ CCPX			N
22.	Registration of a transaction related to the exercise of derivatives according to the standard specification of the derivatives	OWNE	SECM/ CCPX			N
23.	Registration of options submitted for exercise related to the exercise of the options	XE	IN	ZN	KNOC	N
24.	Clearing of derivatives related to expiry or exercise of the derivatives	XP	XG	ZG		N
25.	Reporting the exercise of index participation units	ZS	IN	ZN		N

II. A description of codes used in the clearing system

1. TYPES OF INSTRUCTIONS

1/ DN – instruction for delivery of financial instruments (to be matched, delivery without cash);
2/ PN – instruction for receipt of financial instruments (to be matched, receipt without cash);
3/ ZP – instruction issued by KDPW_CCP for a transaction in financial instruments (with cash);
4/ ZN – instruction issued by KDPW_CCP for derivatives.

2. INSTRUCTION MATCHING MODES

1/ B – instruction to be matched with another instruction;
2/ N – instruction not to be matched.

3. CLEARING SYSTEMS

1/ MB – multi-batch system;

4. POSITION NETTING MODES

1/ GROS – gross clearing in securities (gross without cash);
2/ NETD – directional netting in securities (aggregate without cash);
3/ NETT – netting in securities (net without cash);
4/ NOTD – directional netting in securities with a profitability threshold test (aggregate without cash);
5/ NOTT – netting in securities with a profitability threshold test (net without cash);

5. MARKET CODES

1/ EXCH/XNCO – alternative trading system organised by the Warsaw Stock Exchange;
2/ EXCH/BOSP – alternative trading system of fixed-income financial instruments organised by BondSpot S.A.;
3/ EXCH/RPWC – over-the-counter regulated market;
4/ XG, EXCH/XWAR – stock exchange regulated market;
5/ EXCH/TBSP – Treasury BondSpot Poland market organised by BondSpot S.A.;
7/ SECM/CCPX – transactions enabling the delivery of an underlying instrument in connection with the exercise of derivatives;
8/ IN – other;
9/ OTCO/CCPX – auction carried out by KDPW_CCP.

6. TRADING MODES

1/ PG – block transactions in derivatives whose clearing is guaranteed by the Clearing Fund;
2/ ZG, PNEG – transactions concluded in financial instruments in organised secondary trading guaranteed by the Clearing Fund, the ATS Guarantee Fund or On-demand Lending Guarantee Fund, as well as associated transactions whose settlement is covered by the same Fund;
3/ ZN – operations in derivatives.

7. PHASES OF SECURITIES LENDING OPERATIONS AND REPO TRANSACTIONS

1/ OPEN – opening phase;

2/ CLOS – closing phase.

8. OPERATION PHASES OF POSITION TRANSFERS AND EXERCISE OF DERIVATIVES INSTRUMENTS

1/ BLOC – transfer of positions from a transaction account kept for the portfolio manager onto an account of clients;
2/ GVUP – transfer of positions taken following a transaction registered on a given individual account on the transfer date between accounts kept for different clearing members (Give-up Take-up);
3/ KNOC – exercise of "in the money" and "out of the money" options from the party declaring the exercise.

9. POSITION CODES

1/ O – short position;
2/ C – long position.

10. INSTRUCTION FUNCTIONS

1/ NEWM – clearing instruction,
2/ CANC – cancellation.

11. INSTRUCTION STATUS

1/ CAND – cancelled/rejected instruction;
2/ PACK – confirmation of instruction accepted/modification entered by KDPW_CCP;
3/ PEND – instruction accepted by KDPW_CCP;
4/ PENF – instruction pending acceptance/matching/execution in KDPW_CCP;
5/ SETL – collateral posted/released in KDPW_CCP;
6/ STLD – instruction settled.

Appendix 9 to the KDPW_CCP Detailed Rules of Transaction Clearing (organised trading)

DESCRIPTION OF THE RMA SERVICE FUNCTIONALITIES

1. Background

This document describes the RMA (Risk Management Access) service, which is a solution for clearing members holding the status of clearing member for transactions concluded by a given entity. Clearing members may define limits on orders of Exchange Members cleared by the members, block the submission of new orders and cancel previously submitted orders (Stop Button and Kill Switch functionalities).

The solution described in this document allows clearing members to use security measures in the trading system of the Warsaw Stock Exchange (GPW) in order to define pre-trade risk limits on transactions concluded by other entities (Exchange Members) and cleared by such clearing members.

2. Description of the solution

The solution presented in this document defines the mode of dedicated access of clearing members to the RMA application. Such access allows them to:

a. configure filters to limit the submission of orders by Exchange Members in the GPW trading system depending on the value defined by such filters;
b. use the Kill Switch functionality which automatically blocks (as soon as possible) the submission of orders by an Exchange Member in instruments traded on the cash and/or derivatives markets; and
c. cancel all active orders of an Exchange Member cleared by the KDPW_CCP clearing member (Kill Switch functionality).

The RMA service may be used in the following constellations:

a. controlled party: Exchange Member, controlling party: clearing member authorised by Exchange Member;
b. controlled party and controlling party: one and the same Exchange Member;
c. controlled party: Exchange Member, controlling party: KDPW_CCP authorised by Exchange Member.

The RMA service does not provide the functionality where a clearing member could view orders submitted by an Exchange Member or details of transactions concluded by the controlled Exchange Member. Information about the degree of utilisation of limits will be provided in dedicated messages available in the RMA service.

The solution described herein does not allow a controlled Exchange Member to have access via the WebPAM application or the PAM Workstation available from the Warsaw Stock Exchange.

3. Description of the access architecture

The general architecture of the solution provides access to the service, where a clearing member uses the application available in the web browser to access a **defined system of pre-trade risk limits (order control parameters)**.

The clearing member uses the application to define filters on orders submitted through dedicated access to services of the Warsaw Stock Exchange by the Exchange Member for which the participant is the clearing member (no interference with the submission of orders of the Exchange Member for which another participant is the clearing member). The application parameters include:

- parameters linked with the volume of orders, value of orders, and global exposure;
- parameters set as default for all instruments/segments and the option of setting dedicated parameters for each instrument;
- if a parameter is exceeded, the order will be rejected and the Exchange Member will be notified;
- parameters (changing limits) are set and modified immediately, including during a trading day.

Clearing members have optional access to the **Kill Switch functionality** in order to:

- automatically block an Exchange Member, i.e., stop the submission of new orders separately for the cash market and the derivatives market;
- cancel all active orders of an Exchange Member cleared by the clearing member.

Filters are defined separately for instruments traded on the cash market in Trading Unit 1 (TU1) and for instruments traded on the derivatives market in Trading Unit 2 (TU2).

Given that access to the RMA service is available through a web browser, access of a clearing member to filters for the cash market and the derivatives market will be provided at application level. If a clearing member only clears instruments traded in one Trading Unit (e.g., TU1), access to filters for other instruments (e.g., TU2) will be inactive.

4. Technical description of the service

Filters are defined using an application available on the website, which interacts with the Exchange Member's system using the FIX protocol. In the RMA service, the application sends and receives dedicated pre-defined FIX messages used to:

- define filters;
- change filter parameters;
- cancel filters;
- cancel orders of controlled Exchange Members according to criteria defined by the clearing member;
- block selected Exchange Members.

The relationship between the Exchange Member and the controlling clearing member is defined by GPW on the basis of appropriate formal and technical documents provided by KDPW_CCP under the GPW Agreement with the Exchange Member.

The Exchange Member for whom a clearing member defines filters must be named and granted technical access to the RMA service.
The Exchange Member must give consent for the RMA service operated by the clearing member who clears transactions concluded by the Exchange Member.

Access of clearing members to the RMA service allows them only to provide the RMA service including the Kill Switch functionality. Such access neither authorises nor allows clearing members to submit or modify orders or to conclude transactions on behalf of Exchange Members.
Access of clearing members does not allow clearing members to view orders submitted by Exchange Members or view details of transactions concluded by Exchange Members.
Access is only provided to information on the degree of utilisation of limits set by the clearing member.

Access to the application is secured with RSA keys.

4.1 Defining and monitoring limits (clearing member)

4.1.1 Defining limits in the web browser

Clearing members define, in the web application, filters for entities cleared by the clearing member (a separate set of filters for each entity). To define filters in the GPW trading system, the application communicates with the Exchange Member module using the FIX protocol.
If filters are defined for an entity, then whenever the entity submits an order, the system checks whether the value/volume/price of the order do not exceed the limits. If the order parameters exceed any of the limits, the order is rejected by the GPW trading system.
Clearing members can monitor the degree of utilisation of limits on an on-going basis in the web application. To update the status of limits and present it in the GUI (graphical user interface), the application sends queries in FIX messages (at the request of the user and/or at a pre-set frequency, which is a parameter).
The complete description of FIX messages is available in WSE CDE FIX Message Specifications v. 4.1. available on the website of the Warsaw Stock Exchange.

Clearing members may define the following limits:

limit	per instrument	for all instruments
Side Authorization	✓	–
Daily Long Position	✓	✓
Daily Short Position	✓	✓
Daily Order Quantity	–	✓
Daily Order Value	–	✓
Maximum Bid Quantity Per Order	✓	–
Maximum Ask Quantity Per Order	✓	–
Maximum Bid Value Per Order	✓	–
Maximum Ask Value Per Order	✓	–
Price on Buy versus Best Ask	✓	–
Price on Sell versus Best Bid	✓	–

According to the table, limits may be defined in an account (tag Account (1) w FIX) for:

- a financial instrument;
- all financial instruments (global limit)
- both of the above (the first limit to be exceeded applies).

When defining a limit, clearing members specify the applicable account (tag Account (1)). The accounts are assigned to Exchange Members.

4.1.2 Limits and accounts

1. The number and the names of accounts controlled with limits should be agreed between KDPW_CCP and the clearing member and between the clearing member and the Exchange Member.
2. Global limits are defined for a market segment (TU1 and TU2) for transactions concluded by an Exchange Member.
3. Limits are defined within TU1 or within TU2 (their utilisation is checked separately).

4.1.3 Cancelling orders (clearing member)

Clearing members may cancel all orders submitted by Exchange Members cleared by the clearing members (separately for each Exchange Member) using the Kill Switch functionality. To cancel orders, the RMA service sends a FIX message (Order Mass Cancel Request (q)) to the GPW trading system including the selection criteria of orders to be cancelled.
The message includes the following selection criteria of orders to be cancelled: mandatory ClassID (9945) or Symbol (55) and optional CancelByLocationID (9960), Side (54), TechnicalOrdType (9941), Account (1), Rule80A (47). Based on these selection criteria, the RMA application can cancel all orders submitted by an Exchange Member with a single command.

5. Related documents

The detailed technical and functional requirements of the RMA service are published on the websites of the Warsaw Stock Exchange and KDPW_CCP.

6. Relations and agreements with clearing members

Access of a clearing member to the RMA service which allows it to define filters for an Exchange Member is subject to the following:

- Agreement between KDPW_CCP and the clearing member;
- Notification of the clearing member's order for the service, given by KDPW_CCP to GPW;
- Consent of the Exchange Member (under the agreement with GPW).

7. XML message structures

7.1 XML document format

The XML file format and structure under the applicable standard are available on the KDPW_CCP website.

Appendix 10 to the KDPW_CCP Detailed Rules of Transaction Clearing (organised trading)

TERMS AND CONDITIONS OF RMA SERVICE SUPPORT

1. Definitions

Change Request – request of a Clearing Member for a change (in special cases, deletion) of a functionality currently available in the RMA Service production environment;

Clearing Member – entity which has active or passive access to the RMA Application from an authorised location via a dedicated internet segment and web browser under an agreement with KDPW_CCP;

Error – lack of access to the RMA Application or malfunction of the RMA Application in whole or in part under the RMA Service Description in the production environment;

Incident Report – notification of an incident according to the procedure described herein. Reports logged otherwise may be ineffective;

RMA Service User – natural person authorised by a Clearing Member to have access to the RMA Service, assigned an access profile by KDPW_CCP at the request of the Clearing Member.

2. Scope of support

The support service is provided by the Warsaw Stock Exchange acting on request of KDPW_CCP on the terms defined herein.

2.1 Support for Clearing Members includes:

1. Production access with a dynamic authentication;
2. Processing reported Errors and changes as described below;
3. Consultations.

3. Technical requirements

As a condition for the provision of the support service to Clearing Members, Clearing Members must meet, on their own account and at their own expense, the minimum technical requirements published on the KDPW_CCP website.

4. Availability of the service and support

4.1 Availability of the RMA application

Changes to filter/limit settings may be implemented on trading days from **07:00** to **17:05** (initiating a change within this time window does not ensure that change processing will be completed on the same day, e.g., when attempting to change limits for a large quantity of products)

4.2. RMA service support hours

The support service is available on business days within the following hours: **07:00-19:00**.

5. Report classification

5.1 Processing RMA service user reports:

a. Error Reports – by phone and obligatorily by e-mail;
b. Change Requests – obligatorily by e-mail;
c. Consultations – by phone or by e-mail.

5.2 Error Reports are classified as follows:

Error Class	Description
Class 1 - critical error	Error causes a malfunction of the RMA Application which blocks the core RMA functionalities and prevents the use of RMA in whole or in major part.
Class 2 - major error	Error causes a malfunction of the RMA Application which does not block the core RMA functionalities but affects the correctness of transmitted data or performance or prevents the use of RMA in part.
Class 3 - minor error	Error does not affect the operation of the RMA Application or affects it only to a minor extent and fixing it is not required for proper performance of functionalities; it causes a discomfort in the use of RMA but RMA can be used.

5.3 The Error Report response time depends on the error class and the report time:

<u>Class 1:</u>

- confirmation of receipt of a correct Error Report to the Reporting Officer: within the support hours, immediately upon receipt of the report
- status report: every hour
- solution delivery: if possible, the Error will be fixed within 1 business day from confirmation of receipt of the Report; if the Error cannot be fixed within 1 business day, an Error fixing plan and a proposed workaround (if any) will be presented within that time frame

<u>Class 2:</u>

- confirmation of receipt of a correct Error Report to the Reporting Officer: within the support hours, immediately upon receipt of the report
- status report: once per day and on request of the Reporting Officer

- solution delivery: within 3 business days from confirmation of receipt of the Report; if the Error cannot be fixed within 3 business days, an Error fixing plan and a proposed workaround (if any) will be presented within that time frame

Class 3:

- confirmation of receipt of a correct Error Report to the Reporting Officer: within the support hours, immediately upon receipt of the report
- status report: on request of the Reporting Officer
- solution delivery: in the scheduled software release

Clearing Members acknowledge that errors which occur on a unique basis and cannot be reproduced in the test environment will be analysed but may remain unresolved despite all efforts made.

For the test environment, 1/2/3 class errors are only accepted as an e-mail request sent by RMA Service Users. The above response times do not apply to such errors.

6. Communication

6.1 Reporting RMA service errors

Errors may only be reported by RMA service users in the form defined and published on the KDPW_CCP website.

Appendix 11 to the KDPW_CCP Detailed Rules of Transaction Clearing (organised trading)

PROCESSING OPEN MARKET BUY-IN AND AUCTION OPERATIONS

This Appendix defines the specific terms of measures taken in order to:

a) conclude open market buy-in transactions to purchase securities in an affected transaction whose settlement is suspended (conclusion and execution of buy-in transactions), or
b) close out positions of a defaulting participant whose event of default within the meaning of the Rules of Transaction Clearing (organised trading) is identified by KDPW_CCP, in auction operations.

I. Open market buy-in

1. Initiating an open market buy-in

KDPW_CCP informs the defaulting participant and a participant affected by default that an open market buy-in is initiated via the SEI system and the GUI system. The open market buy-in starts upon the delivery of such notification. At the moment of delivering this notification, the proces of open market buy-in the GUI system is started, in accordance with the rules of this system. The provision of Article 661 § 1-3 of the Civil Code shall not apply.

2. Steps in an open market buy-in at the request of the defaulting participant

1. The defaulting participant may deliver securities to KDPW_CCP after KDPW_CCP has delivered the notification referred to in point 1 only by entering into a repurchase transaction with it in an open market buy-in or through a buy-in agent. KDPW_CCP executes such request provided that:

a) the defaulting participant intends to buy securities in a quantity ensuring settlement of the affected transaction,
b) the defaulting participant offers such terms of the repurchase transaction which do not deviate from the terms of the affected transaction, i.e., the price of the securities is a market price not higher than the price resulting from the affected transaction to which the participant is a clearing counterparty.

2. KDPW_CCP executes an open market buy-in only to the extent of the securities in the affected transaction, i.e., in a quantity, of the type and with the parameters which correspond to such securities. In particularly justified cases, KDPW_CCP may change the deadlines set out in this Appendix, having informed the participants of this prior to the start of the open market buy-in via the SEI system or the GUI system.

3. Proposals of buying securities

3.1 Where a repurchase transaction is not carried out through a buy-in agent as referred to in Article 24 of Implementing Regulation 2018/1229, KDPW_CCP transmits a proposal of buying securities via the GUI system to all participants or to participants who, in accordance with the decision of KDPW_CCP, may participate in the open market buy-in.

A proposal of buying securities is not an offer within the meaning of [Article] 66 of the Civil Code and includes:

a) the date of issue of the document,

b) the quantity of securities to be repurchased,
c) the name and ISIN code of the securities to be repurchased,
d) the code of the currency in which the transaction is to be concluded,
e) other additional information specified by KDPW_CCP,

where other formal conditions are set out in the Detailed Rules of Transaction Clearing (organised trading), including this Appendix, and the Rules of Transaction Clearing (organised trading).

3.2 Participants may submit an offer via the GUI system between 09:00 and 14:00 on the day the clearing system is operational (deadline for submission of offers).

3.3 Repurchase transactions which are concluded on the basis of an offer are submitted for settlement at T+0.

3.4 An offer may be executed in whole or in part (i.e., up to the quantity of securities subject to the offer and accepted by KDPW_CCP, not exceeding the maximum quantity of such securities specified in the offer), with the exception of a repurchase transaction which constitutes a repo transaction and may only be executed in whole.

4. Offers of clearing members

4.1 A participant who has received a proposal of buying securities may submit an offer to KDPW_CCP via the GUI system in accordance with the rules of that system. An offer should include:

a) the date of issue of the offer,
b) the name and ISIN code of securities being offered,
c) the quantity of securities being offered, which is the maximum quantity of such securities which are being offered (except when the offer relates to a repo transaction and may only be accepted in whole),
d) the unit price per security offered,
e) the identification of the participant in the clearing system,
f) the identification of the clearing account operated for the participant on which the repurchase transaction is to be recorded,
g) the identification of the settlement account operated by the settlement institution on which the offered securities are registered,
h) acceptance of the terms of the proposal of buying securities on the basis of which the offer is made.

4.2 The offer price is the product of the quantity of securities and the unit price per security offered by the participant, with the result rounded up to the nearest grosh.

4.3 A participant may submit more than one offer in respect of a particular proposal of buying securities. Each subsequent offer that is made constitutes a separate offer and does not replace a previously made offer unless that offer has been effectively withdrawn.

4.4 A participant may withdraw an offer indicated by the participant which was previously submitted by the participant in response to a proposal of buying securities, no later than the deadline for submission of offers (i.e., by 14:00 on the day of submission). Withdrawal after the deadline is not possible.

An offer is withdrawn exclusively in the GUI system. An offer is considered withdrawn when the participant who has made it receives confirmation of its withdrawal in the GUI system. Withdrawal of an offer by a participant means that the offer is considered as not having been submitted.

The withdrawal of an offer does not cause the withdrawal of the remaining offers submitted by the participant.

4.5 By submitting an offer, the participant:

a) agrees that KDPW_CCP may accept the offer in whole or in part, up to a quantity of securities specified by KDPW_CCP which does not exceed the maximum quantity indicated in the offer,
b) waives the right to revoke the offer after the deadline for the submission of offers referred to in point 5.4 (deadline within which offers remain binding: until the end of the open market buy-in, i.e., the end of the day on which the offer is submitted),
c) undertakes to send a settlement order to the settlement institution for the settlement of the repurchase transactions if KDPW_CCP accepts its offer in whole or in part and, if the settlement order is to be sent only by KDPW_CCP according to the rules set out by the relevant settlement institution, accepts that the settlement order is sent by KDPW_CCP,
d) confirms that it has taken adequate organisational and technical measures to control the volume and correctness of its offer and that the balance on its relevant account covers the quantity of securities resulting from the offer,
e) confirms that it has duly verified the contents of the offer made and accepts the terms set out in the open market buy-in proposal and in the Detailed Rules of Transaction Clearings (organised trading), including this Appendix, and the Rules of Transaction Clearings (organised trading).

5. Formal checks of offers

5.1 KDPW_CCP performs a formal check of the content of an offer immediately after it is received.

5.2 If a submitted offer does not comply with the rules set out in the Rules of Transaction Clearings (organised trading), the Detailed Rules of Transaction Clearings (organised trading), KDPW_CCP rejects the offer and notifies the participant via the GUI system of its rejection due to formal errors, indicating them in the notification.

5.3 If an offer made complies with the rules set out in the Rules of Transaction Clearings (organised trading), the Detailed Rules of Transaction Clearings (organised trading), the participant who has made the offer is notified via the GUI system that the offer has been correctly made. Such notification does not constitute acceptance of the content of the offer. An offer made is binding and may not be revoked after the expiry of the period of submission of offers until the end of the day on which it was made.

5.4 Only authorised employees of KDPW_CCP and other persons authorised by applicable law have access to information contained in an offer.

6. Concluding repurchase transactions on the basis of offers

6.1. On the day of receiving an offer from a participant, between 14:00 and 15:00, KDPW_CCP accepts it in whole or in part or rejects it (based on the criterion of price and the quantity of securities allowing for the liquidation of a suspension of trade settlement). Notification of acceptance or rejection of an offer is delivered to the participant who submitted it via the GUI system. The repurchase transaction is concluded once the confirmation of acceptance of a specific offer is delivered to the participant, which specifies the quantity of securities accepted on the basis of the offer.

6.2. The price of the repurchase transaction is the product of the quantity of securities accepted by KDPW_CCP on the basis of an offer made and the unit price per security offered by the participant, with the result rounded up to the nearest grosh.

6.3. KDPW_CCP registers a repurchase transaction in the clearing system immediately when it is concluded.
6.4 For accepted offers of a participant, KDPW_CCP and, if the settlement order is to be sent also by the participant or the settlement agent indicated by the participant according to the rules set out by the relevant settlement institution, then also such participant or the settlement agent indicated by such participant, issue settlement orders for the KDPW system, for settlement in the multi-batch system, for the settlement session on which transactions concluded on the regulated market and in the alternative trading system are settled on the day referred to in point 7.1 (settlement session at 15:30 on day T).

7. Notification of open market buy-in results

Notifications of open market buy-in results are made via the GUI system after 14:00.

8. Resubmission of an offer to purchase securities

If an open market buy-in has not taken place in whole on the relevant day of the delivery period, taking into account the deferral period, KDPW_CCP makes a new proposal of buying securities, unless it decides otherwise.

9. Withdrawal from repurchase transactions

If the repurchase transaction is not settled on the conclusion date due to the lack of an adequate quantity of securities allowing the settlement order to be executed or if the settlement order for such transaction is not submitted by a participant who is a counterparty to the transaction or a settlement agent indicated by it, KDPW_CCP withdraws from the transaction without setting an additional deadline in case the other counterparty to the transaction fails to execute it in time or in whole. Withdrawal from a repurchase transaction which has not been executed on its settlement date takes place:

a) at the end of the day on which the transaction was concluded, and
b) to the extent that the repurchase transaction is not executed on the settlement date.

A participant who is the counterparty to a repurchase transaction which is withdrawn is liable for the resulting loss.
KDPW_CCP transmits a repurchase transaction withdrawal message to such participant via the SEI system.

II. Auctions

1. Notification of an identified default in the clearing system

Upon the delivery of a notification to a clearing member via the SEI system or the GUI system to the effect that KDPW_CCP has identified an event of default of that member or another clearing member who is the other clearing counterparty:
1/ it is not eligible to request the deferral of an auction to the extent of an affected transaction whose settlement is suspended due to a shortage of securities on the part of the defaulting member whose event of default is identified,
2/ if an open market buy-in was to be initiated or has been initiated, next steps are taken as an auction operation.

2. Initiating an auction

KDPW_CCP announces the start of an auction via the SEI system. Upon transmission of such notification, the auction is initiated in the GUI system in accordance with the rules of operation of the system. The provisions of Article 661 § 1 - § 3 of the Civil Code do not apply.

In particularly justified cases, KDPW_CCP may change the deadlines set out in this Appendix, having informed the participants of this prior to the start of the auction via the SEI system or the GUI system.

3. Positions of the defaulting participant in transactions on auction

An auction is carried out with respect to the defaulting participant's positions resulting from transactions in securities which are registered in the clearing system, subject to sale transactions and repo transactions.

KDPW_CCP carries out an auction only to the extent relating to those positions, i.e., in the quantity, of the type and with the parameters that correspond to those positions.

Upon transmission of such notification, the open market buy-in is initiated in the GUI system in accordance with the rules of operation of the system.

4. Proposals of opening positions

4.1. KDPW_CCP transmits a proposal of opening positions via the GUI system to all participants or to participants who, in accordance with the decision of KDPW_CCP, may participate in the auction. A proposal of opening a position is not an offer within the meaning of Article 66 of the Civil Code and it defines:

a) the date of issue of the document,
b) the type of transaction (repo or securities sale),
c) the nominal amount/quantity of securities to be repurchased,
d) the name and ISIN code of the securities to be repurchased,
e) the code of the currency in which the transaction is to be concluded,
f) in the case of the opening leg of a repo:
- the clearing side (repo/reverse-repo),
- the repo rate,
- the settlement date of the closing leg of the repo,

g) in the case of the closing leg of a repo:
- the clearing side (repo/reverse-repo),
- the amount of accrued interest,
- the repo rate,
- the settlement date of the closing leg of the repo,

h) the settlement date of the transaction to be concluded on the basis of the offer,

where other formal conditions are set out in the Detailed Rules of Transaction Clearing (organised trading), including this Appendix, and the Rules of Transaction Clearing (organised trading).

4.2 Participants may submit an offer via the GUI system between 09:00 and 14:00 on the day the clearing system is operational (deadline for submission of offers).

4.3 Repurchase transactions which are concluded on the basis of an offer are submitted for settlement at T+0.
4.4 An offer may be executed in whole or in part (i.e., up to the quantity of securities subject to the offer and accepted by KDPW_CCP, not exceeding the maximum quantity of such securities specified in the offer), with the exception of a repurchase transaction which constitutes a repo transaction and may only be executed in whole.

5. Offers of clearing members

5.1 A participant who has received a proposal of opening a position may submit an offer to KDPW_CCP via the GUI system in accordance with the rules of that system. An offer should include:

a) the date of issue of the offer and the individual identifier issued by the participant making the offer,
b) the name and ISIN code of securities being offered,
c) the nominal amount/quantity of securities being offered, which is the maximum quantity of such securities which are being offered (except when the offer relates to a repo transaction and may only be accepted in whole),
d) the unit price per security offered,
e) the code of the currency of the unit price,
f) the identification of the participant in the clearing system,
g) in the case of a repo – the clearing side (repo/reverse-repo),
h) the identification of the clearing account operated for the participant on which the repurchase transaction is to be recorded,
i) the identification of the settlement account operated by the settlement institution in the settlement system on which the transaction is to be settled in the system,
j) acceptance of the terms of the proposal of opening a position on the basis of which the offer is made,
k) in the case of a repo - the clearing side (repo/reverse-repo).

5.2. A participant may submit more than one offer in respect of a particular proposal of opening positions. Each subsequent offer that is made constitutes a separate offer and does not replace a previously made offer unless that offer has been effectively withdrawn.
5.3. A participant may withdraw an offer indicated by the participant which was previously submitted by the participant in response to a proposal of buying securities, no later than the deadline for submission of offers (i.e., by 14:00 on the day of submission). Withdrawal after the deadline is not possible.
An offer is withdrawn exclusively in the GUI system. An offer is considered withdrawn when the participant who has made it receives confirmation of its withdrawal in the GUI system. Withdrawal of an offer by a participant means that the offer is considered as not having been submitted.
The withdrawal of an offer does not cause the withdrawal of the remaining offers submitted by the participant.
5.4. By submitting an offer, the participant:

a) agrees that KDPW_CCP may accept the offer in whole or in part, up to a quantity of securities specified by KDPW_CCP which does not exceed the maximum quantity indicated in the offer,

b) waives the right to revoke the offer after the deadline for the submission of offers referred to in point 5.3 (deadline within which offers remain binding: until the end of the open market buy-in, i.e., the end of the day on which the offer is submitted),
c) confirms that it has taken adequate organisational and technical measures to control the volume and correctness of its offer and that the balance on its relevant account covers the quantity of securities resulting from the offer,
d) confirms that it has duly verified the contents of the offer made and accepts the terms set out in the proposal of opening positions and in the Detailed Rules of Transaction Clearings (organised trading), including this Appendix, and the Rules of Transaction Clearings (organised trading).
e) accepts that the settlement order for the offer is sent by KDPW_CCP

6. Price offered

6.1 The offer price is the maximum price equal to:
a) for transactions other than repos – the product of the quantity of securities and the unit price per security offered by the participant, with the result rounded up to the nearest grosh,
b) for repos – the amount set by the participant in the offer.

7. Formal checks of offers

7.1 KDPW_CCP performs a formal check of the content of an offer immediately after it is received.
7.2 If a submitted offer does not comply with the rules set out in the Rules of Transaction Clearings (organised trading), the Detailed Rules of Transaction Clearings (organised trading), KDPW_CCP rejects the offer and notifies the participant via the GUI system of its rejection due to formal errors, indicating them in the notification.
7.3 If an offer made complies with the rules set out in the Rules of Transaction Clearings (organised trading), the Detailed Rules of Transaction Clearings (organised trading), the participant who has made the offer is notified via the GUI system that the offer has been correctly made. Such notification does not constitute acceptance of the content of the offer. An offer made is binding and may not be revoked after the expiry of the period of submission of offers until the end of the day on which it was made.
7.4. Only authorised employees of KDPW_CCP and other persons authorised by applicable law have access to information contained in an offer.

8. Concluding transactions on the basis of offers

8.1. On the day of receiving an offer from a participant, between 14:00 and 15:00, KDPW_CCP accepts it in whole or in part or rejects it (based on the criterion of price and the quantity of securities allowing for the closing of the positions of the defaulting participant). Notification of acceptance or rejection of an offer is delivered to the participant who submitted it via the GUI system. The transaction is concluded once the confirmation of acceptance of a specific offer is delivered to the participant, which specifies the quantity of securities accepted on the basis of the offer.
8.2. The price of the transaction is the product of the quantity of securities accepted by KDPW_CCP on the basis of an offer made and the unit price per security offered by the participant, with the result rounded up to the nearest grosh.
6.3. KDPW_CCP registers a transaction in the clearing system immediately when it is concluded.

8.4. For transactions concluded as a result of acceptance of an offer of a participant, KDPW_CCP issues settlement orders for the KDPW system, for settlement in the multi-batch system, for the settlement session on which transactions concluded on the regulated market and in the alternative trading system are settled on the day referred to in point 7.1 (settlement session at 15:30 on day T) or on the following day (and KDPW_CCP notifies the participant which is the other counterparty to the transaction thereof).

9. Notification of closing an auction operation

KDPW_CCP notifies participants who made offers of the closing of an auction. Notifications are made via the GUI system after 14:00. KDPW_CCP may close an auction before that deadline without stating its reasons.

10. The right to withdraw from a transaction

If the transaction is not settled on the conclusion date due to the lack of an adequate quantity of securities allowing the settlement order to be executed or if the settlement order for such transaction is not submitted by a participant who is a counterparty to the transaction or a settlement agent indicated by it, KDPW_CCP withdraws from the transaction without setting an additional deadline in case the other counterparty to the transaction fails to execute it in time or in whole. Withdrawal from a transaction which has not been executed on its settlement date takes place:

a) at the end of the day on which the transaction was concluded, and
b) to the extent that the repurchase transaction is not executed on the settlement date.

A participant who is the counterparty to a repurchase transaction which is withdrawn is liable for the resulting loss.

KDPW_CCP transmits a transaction withdrawal message to such participant via the SEI system.

Appendix 12 to the KDPW_CCP Detailed Rules of Transaction Clearing (organised trading)

REPO TRANSACTIONS

1. A repo transaction consists of an opening leg and a closing leg. The opening leg consists in the transfer of ownership of securities designated with a specific identifier to the account of the buyer in exchange for the payment of a specific amount in cash (purchase amount). The closing leg consists in the return transfer of purchased securities in the same quantity and designated with the same identifier as the securities subject to the opening leg in exchange for the payment of a specific amount in cash (repurchase amount).

2. Parties concluding a repo transaction within the meaning of the Clearing Rules set in particular the following terms of the transaction:

   1/ the ISIN code of securities;
   2/ the nominal amount or quantity of securities;
   3/ the settlement amount of the opening leg (purchase amount),
   4/ the settlement amount of the closing leg (repurchase amount),
   5/ the date of conclusion of the transaction;
   6/ the settlement date of the opening leg;
   7/ the settlement date of the closing leg;
   8/ the repo rate.

3. KDPW_CCP does not accept a repo transaction for clearing if:

   1/ the securities specified in the transaction are not allowed for repo transactions by KDPW_CCP,

   2/ the record date of redemption of the specified securities is earlier than the repurchase date.

4. Detailed terms of transaction clearing:

Date of acceptance of transactions for clearing by KDPW_CCP	The clearing session at which transactions may be accepted for clearing takes place from 09:00 to 17:30 (09:00 to 14:50 for transactions to be settled at T+0)
Confirmation of the acceptance of the opening leg for clearing with settlement date at T+0	The holding period of transactions in the clearing system before instructions are sent to KDPW for the settlement session for transactions with settlement date at T+0 is 30 minutes
Settlement date of the opening leg	The settlement date of the opening leg is T+0, T+1, T+2 (T1)
Securities in the transaction	Polish Treasury bonds admitted to trading on TBSP BondSpot
Settlement date of the closing leg	The settlement date of the closing leg is later than T1 and earlier than or equal to T1+365 (T2)
Interest coupon	If a coupon record date of a repo transaction falls in the period from the settlement date of the opening

	leg to the repurchase date, KDPW_CCP requires at the coupon payment date that the counterparty buying bonds in the opening leg to pay the coupon amount and KDPW_CCP transfers the coupon amount to the counterparty selling bonds in the opening leg
Purchase amount	The amount paid by the seller to the buyer at the settlement date of the opening leg
Repurchase amount	The amount paid by the seller to the buyer at the settlement date of the closing leg
Settlement mode	Gross DVP settlement during a KDPW settlement session