

Technical Rule no. 04 MCIC

(pursuant to Article 4 of the Market Rules for Certificates of Release to Consumption of Biofuels, approved by decree of the Director General of the Directorate General for Supply, Efficiency and Competitiveness of Energy (DGAECE) of the Ministry of Economic Development of 2 April 2020)

Title	Invoicing of payables/receivables and settlement of payments on the MCIC
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Reference legislation	Article 19, paragraph. 19.2, Article 34, Article 35, paragraphs 35.1, 35.3 and 35.4, Article 36, Article 37, paragraph 37.1, Article 38, Article 39, Article 48, paragraph 48.1, of the Market Rules for Certificates of Release to Consumption of Biofuels
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Foreword

Article 19, paragraph 19.2 of the Market Rules for certificates of release to consumption of biofuels (hereinafter: Rules) provides that each market participant shall request GME to enter data and information on the List of market participants admitted to the market referred to in Article 18, paragraph 18.2 subpara. d), according to the modalities indicated in the Technical Rules.

Article 34 and Article 35, paragraphs 35.1, 35.3 and 35.4 of the Rules provide, respectively, that the invoicing period relating to transactions concluded on the market for certificates of release to consumption of biofuels and the invoicing modalities and time limits shall be defined in the Technical Rules.

Article 36 of the Rules provides that the modalities and time limits for payments from debtor participants to GME shall be defined in the Technical Rules.

Article 37, paragraph 37.1 of the Rules provides that the modalities and time limits for payments from GME to creditor participants shall be defined in the Technical Rules.

Article 38 and Article 39 of the Rules provide, respectively, that the modalities and time limits for invoicing and payments of fees due by market participants to GME shall be defined in the Technical Rules.

Article 48, paragraph 48.1 of the Rules provides that the market participant may dispute the result of the invoicing operations referred to in Title III, Chapter III, Section I by sending a notification to GME in the modalities and within the terms defined in the Technical Rules.

1. Notification of bank details

Each market participant, pursuant to Article 19, paragraph 19.2, of the Rules, must request GME to enter the bank details referred to in Article 18, paragraph 18.2 subpara. d) of the Rules in the List of market participants.

If the market participant has not already indicated his/her bank details in the documentation submitted pursuant to Article 15 of the Rules, the request must be made through a communication, signed by the person with the necessary powers of representation, containing the indication of bank details.

The same submission procedure described above shall apply in the event of changes in the data and information of the bank details previously communicated by the market participant.

2. Invoicing period

The invoicing period for transactions concluded on the market for certificates of release to consumption of biofuels (hereafter: MCIC) shall be each market session.

3. Notifications issued by and invoices to be received by GME for the transactions concluded on MCIC

For each invoicing period, within the working day following the closure of the reference session, on the SetService IT platform (hereinafter: SetService) GME shall provide each creditor participant a notification with the amounts relating to the sale transactions concluded by the same market participant on MCIC.

3.1 Invoicing by Italian market participants

Once the notification has been received, the Italian market participant shall issue the invoice to GME within the second working day following the closure of the reference session.

3.2 Invoicing by foreign participants

Once the notification has been received, the foreign participant shall issue the invoice to GME within the second working day following the closure of the reference session; however, if this day falls on the last working day of the month or on the first working day of the following month, the same participant must issue the invoice on the first working day of the month following the one in which the session has been held.

4. Invoices issue by GME for the transactions concluded on MCIC

For each invoicing period, GME shall issue the invoice to each debtor participant, containing the amounts of the purchase transactions by the market participant on the MCIC, within the second working day following the closure of the reference session; if the latter day falls on the first working day or on the second working day of the following month, GME shall issue the invoice in the month in which the reference session ended.

In the case the transmission of the invoice issued by GME to a PA participant¹ through the Sistema di Interscambio (hereinafter: SDI) is not successful, in compliance with the time limits identified in the Law no.224 of 24 December 2007 and related implementing provisions regarding electronic invoicing to the PA, GME will forward to the PA participant, through channels different from the SDI, the certificate of transmission of the invoice with the delivery impossibility, containing the invoice.

5. Invoicing of fees

For each market participant, GME shall issue the invoice for:

- the access fee, referred to in Article 6, paragraph 6.1, subpara. a) of the Rules, increased by VAT (where chargeable) within five days from the admission of the participant to the market,;
- the yearly fixed fee for the first twelve months, referred to in Article 6, paragraph 6.1, subapara. b) of the Rules, within the third working day of the month following the date of his/her/its admission (as per Article 17, paragraph 17.4 of the Rules) and, subsequently, thereafter every twelve months, increased by VAT (where chargeable);
- the fees, increased by VAT (where chargeable), for each certificate traded on the MCIC, referred to in Article 6, paragraph 6.1, subpara. c) of the Rules, within the eighth working day of the month following each calendar quarter, therefore in January, April, July and October.

In the case the transmission of the invoice issued by GME to a PA participant through the Sistema di Interscambio (hereinafter: SDI) is not successful, in compliance with the time limits identified in the Law no.224 of 24 December 2007 and related implementing provisions regarding electronic invoicing to the PA, GME will forward to the PA participant, through channels different from the SDI, the certificate of transmission of the invoice with the delivery impossibility, containing the invoice.

¹ PA participant shall mean the entity referred to in Article 1, paragraph 209 of the Law no.244 of 24 December 2007.

6. Offsetting of payables/receivables

In case the same market participant, within the same market session, has concluded both sale and purchase transactions, the amounts of the related payables/receivables, including VAT (where chargeable), will be offset, provided that the following requirements are met:

- the market participant's invoice is received by GME within the time limit referred to in paragraph 3 above;
- the invoice of the non-PA and PA market participant is received by GME within the time limit referred to in paragraph 4 above.

If this is not the same, GME shall postpone the offsetting of the amounts, including VAT (where chargeable), upon receipt of the GME's invoice by the market participant and the market participant's invoice by GME.

7. Settlement of the payables by the net debtor participants to GME

Pursuant to article 36 of the Rules, GME shall pay the receivables due from its net debtor participants upon the closure of the reference session through the available deposit up to full capacity, refunding any excess according to the modalities and within the time limits established in Technical Rule 03 MCIC.

8. Payment of the fees

Each market participant will pay the amounts due pursuant to Article 6 of the Rules, via Urgent SEPA Credit Transfer or equivalent procedures, from the current account whose banking details have been previously communicated to GME according to the procedures set out in paragraph 1 above, with the following timing:

- by thirty calendar days from the date of issuing of the invoice for the fees referred to in Article 6, paragraph 6.1, subpara. a) of the Rules;
- by the last working day of the month in which the invoice was been issued and with the value date on the same day, for the fees referred to in Article 6, paragraph 6.1, subpara. b) of the Rules;

- by the last working day of the month in which the invoice was been issued and with the value date on the same day, for the fees referred to in Article 6, paragraph 6.1, subpara. c) of the Rules.

The GME's IBAN to be used for the payments is available on the GME website (www.mercatoelettrico.org).

A copy of the payment order must be sent to GME by the above deadlines.

In order to identify the date and time when the payments are credited to the GME account, the report issued by the information system of the Bank in charge of the treasury services shall apply.

If the payment deadlines set out above fall on a non-working day, the payments by market participants to GME shall be made within the first following working day.

These deadlines shall be valid also with reference to PA participants, as they are compatible with the application of the provisions contained in the Law no. 244 of 24 December 2007 and related implementing provisions.

Failure to pay the amounts due within the deadline implies the suspension of the market participant from the MCIC pursuant to Article 43, paragraph 43.1 subpara. b) of the Rules until the date of payment and in any case for a period not exceeding six months, after which the market participant shall be excluded from the MCIC.

9. Settlement of the payables by GME to net creditors

GME's payments shall be made to each Italian net creditor participant on the third working day (value date on the same day) following the closure of the reference session and after the receipt of the related invoice, by using the Urgent SEPA Credit Transfer tool or equivalent procedures on the current account whose banking details have been previously communicated to GME in accordance with the provisions of paragraph 1 above. If the invoice is received by the foreign participant according to the deadlines indicated in paragraph 3, paragraph 3.2 above, GME shall make the payment within the next working day following the receipt of the invoice with value date on the same day.

If the invoice is not received by GME within the deadline referred to in paragraph 3 above, the payment shall be made - both in the case of an Italian participant and a foreign participant - within the next working day following the day of receipt of the same.

In order to identify the date and time when payments are credited to the GME account, the report issued by the information system of the Bank in charge of the treasury services shall apply.

10. Format of notifications and invoices and way of transmission

Pro-forma invoice notifications shall be made available to market participants on SetService, under the procedure described in the specific "SetService User Manual" published on the GME website (www.mercatoelettrico.org).

GME's invoices shall be made available on the SetService and transmitted, exclusively under the conditions provided for by the current legislation on electronic invoicing and the related implementing provisions, to market participants through the SDI.

After downloading their pro forma invoice notifications from SetService, market participants shall upload their own invoice on SetService entering only the necessary details, as described in the "SetService User Manual".

Under the conditions provided for by the legislation in force from time to time regarding electronic invoicing and the related implementation provisions, the market participants, after downloading their pro forma invoice notifications from SetService, shall transmit the invoice, integrated only with the required details, to GME through the SDI, as described in the "SetService User Manual".

11. Corrections for invoicing errors

Pursuant to Article 48, paragraph 48.1 of the Rules, the market participant may dispute the result of the invoicing operations referred to in the paragraphs above by sending a specific notification to GME by 4:00 pm on the second working day following the invoice's issuing date or the notification's delivery date referred to in Article 35, paragraph 35.1 of the Rules.

Pursuant to Article 49, paragraph 49.1 of the Rules, GME shall inform the market participant concerned of the result of the verification of the claims by 4:00 on the second working day following the deadline for submitting such claims.

In the event that the claim accepted relates to an invoice, issued by GME pursuant to paragraph 4 above, GME shall issue a new notice or integrate the previously issued one, pursuant to Article 49, paragraph 49.5 of the Rules.

In the event that the acceptance of the claim refers to a notification of proforma invoice sent by GME to the market participant pursuant to paragraph 3 above, GME shall, pursuant to Articles 49, paragraph 49.5, of the Rules issue a new statement, or integrate the one previously issued.

If the market participant issues an invoice to GME whose taxable amount or whose VAT amount does not correspond to those indicated in the related proforma invoice communication sent by GME, pursuant to the previous paragraphs, the market participant is required to issue a notice of variation to supplement or cancel the amounts incorrectly reported in the invoice.

The notices of variation and the notifications referred to in this paragraph shall respectively be issued and provided according to the procedures described in paragraph 10 above and in the "SetService User Manual", published on the GME website (www.mercatoelettrico.org).