



MEMO – GENERAL RULES FOR OPERATION OF THE ORGANIZED ELECTRICITY MARKET

- **Disclaimer:** *This is translated copy of the rules. The officially approved version by the Energy and Water Services Regulatory Commission of the Republic of North Macedonia is in the Macedonian language.*

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1. Definitions and terms

Article 1

(1) The terms and expressions used in these Rules shall have the following meaning:

- 1) "Applicant" is a legal entity having submitted a membership application for the organized market to MEMO;
- 2) "Auction" is a procedure for making Transactions after a period of time during which the Orders entered by Members in the Order Book are accumulated but not executed.
- 3) "Authorized Representatives" are individuals appointed by the Market Members, chosen from among their employees under their authority or acting on their behalf to be the contact(s) of MEMO for completion of the administrative formalities in compliance with the Organized Electricity Market Rules.
- 4) "CET" is Central European Time
- 5) "CEST" is Central European Summer Time
- 6) "Confidential Information" is any and all information whether or not marked as confidential, including, but not limited to, data, slides, studies, market research plans, marketing plans, concepts, designs, algorithms, test results, processes, formulae, reports, records, findings, financial information, customer information whether anonymous or not, know-how, software, computer plans, flow charts, business plans, inventions or ideas, contents of the discussions/negotiations between the Parties or their respective partners, officers, directors, employees, subcontractors, agents, professional advisors, external consultants, insurers, attorneys-at-law, suppliers and operators of Parties' IT systems, directly or indirectly related to the Parties' trading activity on the Organized Electricity Market, which the Party provides or gives access to either orally, in writing, in electronic form or in any other form whatsoever, to the other Party, in relation to or in the context of the Permitted Purpose, as well as of the content of the Rules and Regulation itself, with the sole exception of the "available information"
- 7) "Contractual Transaction" is a commercial contract traded on the Organized Electricity Market, whose specifications and parameters are described in the Operational Rules.
- 8) "Contractual Representative" is a Direct Trading Member appointed by the Indirect Trading Member in the name and for the account of which it trades, as stated in the related Indirect Trading Member Agreement.
- 9) "Cross Trade" is a transaction where a Market Member is both on the buy and the sell side for the same product.
- 10) "Curtailement" is a situation when buy and sell orders are not matching, thereby reaching the technical price limits on the Auction segment.
- 11) "Day-Ahead Market (DAM)" is a market for the Transactions made on the day before the Delivery up until the gate closure time for nomination defined by the Organized Electricity Market Rules.
- 12) "Data" are membership and market data.
- 13) "Delivery" is injection or withdrawal of electricity in the electric power system i.e. the electricity market in the Republic of North Macedonia according to the Transactions made on MEMO's Organized Electricity Market.
- 14) "Delivery Day" is the day on which the Contractual Transactions entered into on MEMO's Organized Electricity Market are to be delivered.

- 15) "Direct Trading Member" is a Market Member trading on MEMO's Organized Electricity Market in its own behalf and that may be appointed by an Indirect Trading Member to trade in its behalf and for its account.
- 16) "Organized Market" is an electronic platform on which the Contracts tradable on MEMO's Organized Electricity Market can be negotiated.
- 17) "Market Member" is a legal entity that has signed a Participation Agreement with MEMO.
- 18) "Market Trader" is a person authorized to trade on behalf of a Market Member.
- 19) "Contractual Transaction Expiry" is a delivery period of a Contractual Transaction. Depends on the contractual transaction specifications. For example, one hour, 15 minutes or one year.
- 20) "Imbalance" is the difference between realized and nominated physical schedules for each calculation period, including all quantities resulting from the Transactions made on MEMO's Organized Electricity Market
- 21) "Interconnection Capacity" is the cross-border power transfer capacity on the interconnections.
- 22) "Indirect Trading Member" is an Organized Market Member trading indirectly through another Market Member called a Direct Trading Member acting on its behalf and for its account as its Contractual Representative.
- 23) "Market Coupling" is a mechanism to integrate electricity markets of different physical areas as well as an implicit, market-based and non-discriminatory method for coordinated price formation and allocation of day-ahead interconnection capacity.
- 24) "Market Notice/Notice" is a document issued by MEMO to communicate with Market Members.
- 25) "Market Segment" is the Day-Ahead or Intraday Market.
- 26) "OEMO" means Organized Electricity Market Operator.
- 27) "Order Book" is a centralization by the Trading System of buy and sell Orders and ranking based on the execution priority determined by the Matching algorithm.
- 28) "Orders/quotes" are electronic documents by which the Exchange Member submits the price and the quantity for which it seeks to make a Transaction in a contract.
- 29) "Payment" is an obligation to pay resulting from a Transaction made on the Organized Electricity Market.
- 30) "Electricity Transmission System" is a high voltage grid managed by the Electricity Transmission System Operator.
- 31) "Price List" is a set of fees payable by Market Members upon trading on MEMO's Organized Electricity Market, as described in the Operational Rules.
- 32) "Rules and Regulations" means a set of documents issued by MEMO and related to organized electricity trading.
- 33) "Single-Contract Order" is an Order relating to a Contractual Transaction on one Expiry.
- 34) "Technical Access Rules" are the rules pertaining to the configuration and installation of Trading Systems.
- 35) "Trader's Examination" is an examination leading to the qualification as a Trader on MEMO's Organized Electricity Market.
- 36) "Trading Account" means username and password giving access to the Trading Systems.
- 37) "Participation Agreement" is a contract between the Market Member and MEMO.
- 38) "Trading System" is an electronic system operated by MEMO or service provider appointed by MEMO that allows Market Members to trade on MEMO's Market Segments.

- 39) "Agreed Interest Rate" is the interest rate applicable to the funds in the Deposit Account at a Settlement Bank agreed under a Cooperation Protocol with the Settlement Bank.
- 40) Bank Cooperation Protocol is a protocol for cooperation between the settlement bank and MEMO regulating mutual obligations.
- 41) Interest Rates Agreement is an agreement between the Settlement Bank and service provider on the interest rates applicable to the funds in the Deposit Account.
- 42) Banking System is a system used by the Settlement Bank to perform Financial Settlements.
- 43) Bank Guarantee is a form of Financial Guarantee provided in accordance with the Rules
- 44) Business Day is each day from Monday to Friday on which payment transactions can be executed.
- 45) Clearing means a set of procedures that include registration, invoicing and provision of financial guarantees for the collateralization of transactions.
- 46) Clearing Record is the Settlement Document and accompanying reports providing information on procedures effected in Clearing of Final Transactions.
- 47) Clearing Representative is a person nominated by the Market Member and accepted by the OEMO as Clearing Representative authorized to affect the proper realization of clearing obligations on the Organized Market on behalf of the Organized Market Member.
- 48) Clearing System is the entirety of all hardware and software devices and all components necessary for the connection of the clearing infrastructure, which form the technical basis for the implementation of Clearing in the electronic system.
- 49) Clearing Transaction is a transaction established within the process of registration of Final Transaction registered for Clearing that forms the basis for Financial Settlement.
- 50) Defaulting is the act of occurrence of Default.
- 51) Default means either an occurrence when a market member has not met its obligations according to the Rules or occurrence of an incident and/or existence of circumstances based on which the Market Operator may conclude that an Organized Market Member is either not able or is expected not to be able to fulfil its obligations.
- 52) Deposit Account is a bank account opened with a Settlement Bank on which financial guarantees paid in cash are kept.
- 53) Deposit Subaccount is an account opened in the name of a Clearing Member within the framework of Deposit Account.
- 54) Financial Guarantee is any collateral that a market member has to submit as security for the fulfilment of its obligations towards the Market Operator.
- 55) Financial Settlement is a process of fulfilment of financial obligations arising from Final Transactions concluded by a market member
- 56) Multilateral Clearing Mechanism is a clearing mechanism provided by the Market Operator as a central counterparty to all financial rights and obligations from Transactions cleared within, resulting in a single netted financial right and/or obligation of an individual party of any number of such Transactions in relation to that central counterparty.
- 57) Non-Business Day is each Saturday, Sunday or any other public holiday in North Macedonia on which payment transactions cannot be executed.
- 58) Net Creditor is a Market member that has, in respect to an individual Settlement Day, net financial receivables towards MEMO.
- 59) Net Debtor is a Market member that has, in respect to an individual Settlement Day, net financial liabilities towards MEMO.

- 60) Offset Report is a report provided by the Market Operator on the offset financial receivables and liabilities pursuant the registration of individual Final Transactions either assumed by or assigned to the Market Operator in the Multilateral Clearing Mechanism.
- 61) Settlement Account is a bank account opened with the Settlement Bank through which net Financial Settlement is performed.
- 62) Settlement Bank is a bank in which the Market Operator has opened a settlement and deposit account; the settlement bank may be either a commercial bank or the settlement system itself.
- 63) Settlement Day is a day when settlement on the organized electricity market is performed.
- 64) Settlement Document is a daily settlement report for purchase or sale of electricity on an hourly basis for the purpose of daily Financial Settlement.
- 65) Statutory Default Interest is the interest that a market member has to pay according to the laws applicable in the place of business of the Market Operator if it fails to fulfil its financial obligations in time.

2. General Provisions and Bodies

2.1. Market organization

Article 2

- (1) MEMO DOOEL Skopje is a company that holds a license to perform the energy activity Electricity Market Organization and Management.
- (2) MEMO DOOEL Skopje is appointed an Organized Electricity Market Operator in accordance with Article 90 of the Energy Law and its license to perform electricity market organization and management activities is supplemented by the rights and obligations of the organized electricity market operator.
- (3) In these Rules, the Organized Electricity Market Operator shall be referred to as OEMO or MEMO.
- (4) The OEMO shall:
 - a) establish and operate Organized Electricity Market;
 - b) establish and operate the Clearing System for the Organized Electricity Market;
 - c) register and keep records on Organized Electricity Market Participants;
 - d) publish market messages required for uninterrupted organisation and operation of the Organized Electricity Market and the performance of electricity market related activities;
 - e) receive Orders from Organized Electricity Market Participants;
 - f) organize and conduct Organized Electricity Market trades;
 - g) determine price and trading volume results for the Organized Electricity Market;
 - h) conduct tasks of registration, Clearing and Financial Settlement of Transactions;
 - i) maintain and update trading and clearing calendar;

- j) other tasks stipulated by the Energy Law, the Electricity Market Rules, the Electricity Balancing Market Rules and other applicable legislation.
- (5) MEMO shall not engage in trading activities, except when authorised to do so according to the Energy Law, the Electricity Market Rules, the Electricity Balancing Market Rules or other applicable legislation.
- (6) In the cases referred to in paragraph (5), MEMO shall enter only unlimited single-contract orders (price-independent orders) i.e. sales orders without price limit and they shall be executed at a price determined by the algorithm.
- (7) MEMO may subcontract part of its operational tasks regarding the operation of the Organized Electricity Market. The name of its subcontractor, as well as the subcontracted operations will be communicated by MEMO to its Market Members via a Market Notice. Notwithstanding, MEMO shall remain liable in any cases towards the Market Members for the operation of the Organized Market, regardless of whether the performance of a task has been subcontracted or not.

2.2. General Principles

2.2.1. Rules

Article 3

- (1) These Rules are issued according to Article 90 Paragraph 2 Point 4 from the Energy Law.
- (2) The Rules consist of the following parts:
 - a) General Rules for Operation of the Organized Electricity Market
 - b) Operational Rules
 - c) Clearing & Financial Settlement Rules for the Organized Electricity Market
 - d) Code of Conduct

2.2.2. Organized Electricity Market Bodies

Article 4

- (1) To ensure an independent, external and expert supervision of the functioning of the Organized Electricity Market, the following bodies have been established in accordance with these Rules:
 - a) Organized Market Committee, and
 - b) Market Surveillance Team.

- (2) The Organized Market Committee is a body elected from the Market Members which decides on the Organized Electricity Market Rules and on general decisions related to the Organized Electricity Market.
- (3) The Market Surveillance Team monitors as an independent body on a daily basis the organized market and its members.

2.2.3. Organized Electricity Market Participation

Article 5

- (1) Organized Electricity Market participation comprises operational engagement in the Trading System(s) and Clearing System of OEMO.
- (2) Organized Electricity Market Participant, or Market Member or just Member in the following text shall participate in trading and clearing on the Organized Electricity Market upon admission to the market and upon fulfilling all the conditions in accordance with the Rules.

2.3. Legal and regulatory framework

2.3.1. Rules and Regulations

Article 6

- (1) When operating on the Organized Electricity Market, all the Members, whether Direct or Indirect Trading Members, shall comply at all times with the Rules and Regulations, which they fully accept by entering into the relevant participation agreement with MEMO.

2.3.2. Participation Agreement

Article 7

- (1) The Participation Agreement is signed between MEMO and the Market Member and consists of a standard agreement published by MEMO. In case of an Indirect Trading Membership, the Participation Agreement is entered into, and has to be signed, by both the Indirect Trading Member and the Direct Trading Member appointed by the Indirect Trading Member to trade on its behalf and for its account (its “Contractual Representative”).
- (2) In the event of a conflict between the provisions of the agreement and the Rules and Regulations, the Rules and Regulations shall prevail over the Participation Agreement.

2.3.3. Organized Electricity Market Rules

Article 8

- (1) The Organized Electricity Market Rules set out the terms on which OEMO carries out its duties and Members trade in the market.

2.3.4. Operational Rules

Article 9

- (1) The Operational Rules set out the general service conditions as well as the participation agreement details, trading parameters, price list, and technical access rules of the Organized Market.

2.3.5. Clearing and Financial Settlement Rules

Article 10

- (2) The Clearing and Financial Settlement Rules set out the general rules for clearing and financial settlement of the transactions entered into on the Organized Market.

2.3.6. Official Market Notices

Article 11

- (1) OEMO informs through Market Notices the Market Members and the Applicants, in the context of their admission, of the changes made to these Rules and any subsequent amendments as well as of the annex to the Organized Electricity Market Rules, which develops the provisions of the Organized Electricity Market Rules and is an integral part thereof.

2.3.7. Applicable law and regulation

Article 12

- (1) All issues in connection with these Rules, Trading, Clearing and related activities shall be regulated by the applicable legal regulations.
- (2) Transactions shall be deemed to have been concluded in Skopje, North Macedonia.
- (3) Clearing of the Transactions shall be deemed to have been executed in the OEMO's place of business.

2.3.8. Dispute Resolution

Article 13

- (1) All disputes arising out of or in connection with the Rules and/or Trading and/or Clearing either between OEMO and Market Members or between Market Members shall be settled by OEMO.
- (2) An appeal to the Energy and Water Services Regulatory Commission of the Republic of North Macedonia, hereinafter Regulatory Commission, regarding OEMO's decision shall be possible. The appeal shall have no suspensory effect.

2.3.9. Interpretation Notes

Article 14

- (1) The titles within the Rules do not affect their interpretation.
- (2) In the case individual provisions of the Rules should become void or unenforceable in their entirety or in part, this shall not affect either the effectiveness or the enforceability of the remaining provisions. If a dispute shall arise in such matters, it shall be processed as defined in the applicable legislation.
- (3) All time references in the Rules refer to CET and CEST.

2.4. Exchange bodies

2.4.1. Organized Market Committee

2.4.1.1. Composition of the Organized Market Committee

Article 15

- (1) The composition of the Organized Market Committee reflects the diversity of economic and corporate profiles among the different categories of Market Members. The Organized Market Committee comprises at least five (5) members which can only be representatives of Market Members, except for experts designated in their personal capacity (“other parties”).
- (2) The members of the Organized Market Committee are elected for a two-year period. The election and operation of the Organized Market Committee shall be determined by special rules adopted by OEMO. The first Organized Market Committee shall be nominated by OEMO.
- (3) The Organized Market Committee meets if it deems appropriate, but at least once every quarter.
- (4) OEMO and a majority of the committee members shall have the right to require an Organized Market Committee meeting.

2.4.1.2. Duties and Powers of the Organized Market Committee

Article 16

- (1) The Organized Market Committee has the following powers:
 - a) Propose changes to the Organized Electricity Market Rules, or provide an opinion upon proposals by OEMO, subject to approval by the Regulatory Commission;
 - b) Approving decisions of OEMO to introduce new products to the Market;
 - c) Asking OEMO to report on market environment and activity, projects, changes to markets and products, and market surveillance activities on an anonymous basis.

- (2) The Organized Market Committee cannot take decisions that would have unreasonable economic or strategic consequences on OEMO.

2.4.1.3. Chairperson of the Organized Market Committee and Deputy Chairperson

Article 17

- (1) In its first meeting following an election, the Organized Market Committee shall elect a chairperson and up to two deputies from among its members by means of a secret ballot.
- (2) The chairperson shall preside over the meetings of the Organized Market Committee, or if he/she is unable to do so, one of the deputies.
- (3) In case the chairperson and all the deputies are prevented from attending the proceedings, the member of the Organized Market Committee eldest in age shall serve as chairperson.

2.4.1.4. Quorum and Resolutions of the Organized Market Committee

Article 18

- (1) The Organized Market Committee shall have a quorum when more than one half of its members are in attendance, either in person, or effectively represented by another member as the result of the correct submission of the notification of proceedings.
- (2) Resolutions shall be passed by a simple majority of the valid votes cast. In case of a tie vote, the motion shall be deemed rejected.
- (3) Resolutions can also be passed in writing or by electronic means. A motion shall be deemed to have been passed if more than one half of the members of the Organized Market Committee have responded within a stipulated period and if the majority of the Organized Market Committee has agreed upon the motion.
- (4) The content and outcome of the meetings and of the decision making process shall be recorded in writing and signed by the chairperson of the meeting.

2.4.1.5. Confidentiality Obligation of the Organized Market Committee Members

Article 19

- (1) The members of the Organized Market Committee must treat all information they get in the course of their duties as Organized Market Committee Members as confidential except if such information is part of an announcement of the Organized Market Committee or otherwise publicly available.

2.4.2. Market Surveillance

2.4.2.1. Market Surveillance

Article 20

- (1) OEMO has established from among its employees a Market Surveillance Team as an Electricity Market Body that covers each segment of the market separately.
- (2) The staff members of the Market Surveillance are independent in their decisions and how they organise and perform their duties. They may reject orders from MEMO at their own discretion if such orders interfere with their tasks as Markets Surveillance body.
- (3) OEMO may instruct the Market Surveillance Team to conduct investigations within the scope of its duties.

2.4.2.2. Responsibilities of the Market Surveillance Team

Article 21

- (1) The Market Surveillance Team must monitor whether the trading of the relevant market segment takes place in accordance with the applicable rules and regulations, whether the settlement of transactions is orderly, and check whether the members of the Organized Electricity Market behave in accordance with the Rules of the Organized Electricity Market.
- (2) The Market Surveillance Team shall systematically and completely record and evaluate data regarding trading on the organized market and the settlement of the respective transactions and shall conduct any necessary investigations.
- (3) If the Market Surveillance Team establishes facts justifying the conclusion that violations of Organized Electricity Market Rules or applicable law provisions or orders are occurring or that other irregularities exist which may impair the orderly conduct of trading or the settlement of concluded transactions, it shall promptly notify OEMO and the Regulatory Commission.

2.4.2.3. Authority of Market Surveillance

Article 22

- (1) For the fulfilment of its tasks, the Market Surveillance Team can conduct special investigations.
- (2) The Market Surveillance Team may, if necessary, request from Market Members:
 - a) the disclosure of information and documents;
 - b) the disclosure of the beneficiary owner of a transaction;
- (3) If the Market Surveillance Team determines that a transaction is non-compliant with the Organized Electricity Market Rules, it shall notify OEMO without delay and such Market Member could be excluded from trading on the Organized Electricity Market by a decision of OEMO taken at its sole discretion.

- (4) The Market Surveillance Team is not authorized to enact sanctions. It only informs the institutions responsible for sanctioning, i.e. OEMO and the Regulatory Commission.

2.4.2.4. Reporting to the Organized Market Committee and to OEMO

Article 23

- (1) The Market Surveillance Team shall submit monthly reports to OEMO and, if requested, to the Organized Market Committee.

2.4.2.5. Information Sharing with Supervisory Authorities

Article 24

- (1) OEMO fully cooperates with the Regulatory Commission, with the aim of insuring harmonized, efficient trading across the Macedonian Organized Electricity Market.
- (2) The Market Surveillance Team may transmit data with respect to the execution of transactions to the authorities which are responsible for monitoring electricity trading and receive data from them, to the extent that this is necessary to ensure the orderly conduct of trading and the settlement of organized market transactions.
- (3) Such data may only be transmitted to the authorities referred to in paragraph (2) of this Article if they and the persons commissioned by them are bound by an obligation of confidentiality. It must be pointed out to these authorities that they may only use the information for the purpose for which it was provided.
- (4) The Market Surveillance Team will inform OEMO of what data it has exchanged with other authorities.

3. The Admission

3.1. Organized Electricity Market Members

3.1.1. Market Member

Article 25

- (1) A Market Member shall sign a Participation Agreement with MEMO and is thereby authorized to trade in the market.
- (2) Prerequisite to becoming a Market Member is that Applicant is registered at the Register of Electricity Market Participants and holds a valid balance responsibility agreement in accordance with the Electricity Market Rules **Error! Bookmark not defined.** and the Balancing Rules.
- (3) Trading at Organized Electricity Market shall only be carried out by an approved Trading Member.

3.1.2. Types of Market Members

Article 26

- (1) A Market Member is either an Indirect or a Direct Trading Member.
- (2) Direct Trading Members are entities authorised to participate in trading on the organized markets with respect to the contractual transactions that may be traded on the Organized Market.
- (3) Direct Trading Members can commercially engage in the business of:
 - a) buying and selling for their own account (own transactions), or
 - b) buying and selling on their own behalf for the account of a third party (customer transactions).
- (4) If they are appointed by Indirect Trading Members to be their representatives and trade on their behalf and for their account:
 - a) The representative must be admitted in the same Market Segments as the Indirect Trading Member it represents, and there is no possibility of partial representation;
 - b) All Orders of the Indirect Trading Member shall be submitted by its Direct Trading Member.
- (5) Indirect Trading Members are authorized to indirectly trade via a Direct Trading Member appointed by them. In such case, trading shall exclusively be carried out by the Direct Trading Member appointed by the Indirect Trading Member.
- (6) Any and all trades carried out by a Direct Trading Member as a representative of an Indirect Trading Member are deemed made by the involved Indirect Trading Member, such an Indirect Trading Member being fully bound by the trades placed by its appointed Direct Trading Member and by any and all provisions of the Rules and Regulations.
- (7) The Indirect Trading Member is then fully liable to the OEMO for its market obligations, in particular with respect to the financial obligations arising from the contracts concluded in its name, for its own account and at its own risk by its appointed Direct Trading Member representative.
- (8) However, the Direct Trading Member as a party to the Indirect Trading Agreement remains also directly responsible and liable for any and all of its trades and other operations made on behalf of and for the account of the Indirect Trading Member pursuant to this agreement, both Direct and Indirect Trading Members being irrevocably linked by a joint and several liability towards MEMO. The Indirect Trading Member waives any right to claim against MEMO for any error made by its appointed Direct Trading Member.

3.2. Admission of Market Members

3.2.1. General Admission Requirements for Organized Market Participants

Article 27

- (1) An Applicant is authorised to become an Market Member and hence to participate in trading on the Organized Market, if the Applicant:
 - a) has met the OEMO's requirements for reliability, good standing and economic capacity of its company;
 - b) has satisfied the commitments arising from the vigilance obligations applied by the OEMO in order to secure the fair and orderly operation of the market;
 - c) has secured all relevant authorization for trading with electricity;
 - d) has secured orderly settlement of the Transaction;
 - e) has appointed exchange traders and
 - f) Is equipped with the necessary technical connection for trading on the systems of the Market Operator.

3.2.2. Capacity to Buy and Sell Electricity

Article 28

- (1) At OEMO's request, the Applicant must obtain all state approvals, permissions, licenses and admissions or similar agreements that are required for trading on the Organized Electricity Market and the analogous handling of the concluded business.
- (2) OEMO may request from the Applicant additional documents or information at any time and within a certain time limit. In this respect, it may, after a due assessment of the circumstances, either itself or through an agent, conduct an examination of the applicant at the applicant's expense and require the applicant to submit such statements and documents as it may deem appropriate.

3.2.3. Admission on Organized Market

Article 29

- (1) OEMO decides on the admission of Market Members.
- (2) Application for admission to the Organized Market may be filed for one or more Segments.
- (3) OEMO may refuse an incomplete application.

- (4) When authorising new Market Members, OEMO carries out a documentary verification to ensure that all membership requirements have been met.
- (5) Once all membership requirements have been met, MEMO signs the Participation Agreement and sends an admission letter to the new Market Member.
- (6) Upon receipt of the Admission Letter, the new Market Member is entitled to enter Orders and to trade on the Organized Market.
- (7) The admission of this new member will be published on MEMO's website.
- (8) If OEMO decides not to admit an Applicant, it shall state reasons for its decision.

3.2.4. Required Documents for Admission

Article 30

- (1) Membership applications must include the following elements:
 - a) Completed Application Form for admission to the organized market;
 - b) a signed model contract for participation in the organized market;
 - c) document that it is a registered participant of the Electricity Market in the Republic of North Macedonia; (OEMO provides such document ex officio).
 - d) Commercial Register Excerpt.
- (2) The documents referred to in paragraph (1) of this Article shall be sent to OEMO and may be in Macedonian or English. Documents in other languages must be provided in the original language with a certified translation in Macedonian or English.
- (3) OEMO may request any additional information that is necessary within reason to take into consideration the special characteristics of the Applicant.
- (4) The Applicant guarantees the validity of such information and substantiates it by providing copies of the original documents and/or notarized copies of the original documents, where appropriate.

3.2.5. Authorised Representatives

Article 31

- (1) Market Members shall appoint at least one authorised representative, chosen from among the employees under their authority or acting on their behalf, who will be their contact person for the administrative formalities undertaken in compliance with the Organized Electricity Market Rules.
- (2) They shall also appoint:
 - a) a delivery representative;

- b) an invoicing/payment representative.

3.3. Requirements for the Settlement of Transactions

Article 32

- (1) The orderly settlement of Transactions on the Organized Electricity Market is deemed to be secured when all the following requirements are fulfilled:
 - a) Members had signed the Participation Agreement;
 - b) The required financial guarantees have been submitted in accordance with the Clearing and Settlement Rules

3.4. Requirements for Technical Access

3.4.1. Requirements

Article 33

- (1) The technical requirements for connection to the Organized Market Trading Systems are met if the Market Member is equipped with IT facilities that comply with the requirements of the Rules and Regulations concerning technical equipment. OEMO is permitted to check on-site the compliance with said Rules and Regulations.
- (2) Upon request of a Market Member or Applicant, OEMO may permit the installation of frontend systems in the offices of the Market Member outside the country in which the Market Member or Applicant has its registered office, provided that the application of and the compliance with the Rules and Regulations are also ensured in the country in which the additional offices are situated.

3.4.2. Trading Accounts

Article 34

- (1) OEMO assigns the Market Member one Trading Account together with a username and password, for each Trading System.

3.4.3. Clearing Accounts

Article 35

- (1) Market Operator assigns the Market Member one Clearing Account together with a username and password, for access to the Clearing Portal.
- (2) The Market Member can ask the Market Operator to modify or delete its existing Clearing Account.

3.5. Admission of Market Traders

3.5.1. Admission of Market Traders

Article 36

- (1) Persons entitled to trade on the Organized Market (Market Traders) shall be admitted by OEMO only if they are reliable and have the necessary professional qualifications.

3.5.2. Trader Identification

Article 37

- (1) Market Members operate on the Organized Electricity Market through one or more Market Traders placed under their authority or acting on their behalf. Members shall notify MEMO of any change to the list of authorized Market Traders.
- (2) Market Traders are identified on the Trading Platform and are the only people authorized to place, modify or cancel Orders.
- (3) Orders are deemed to be entered by a Market Member under its sole responsibility. Members cannot decline responsibility for the actions of a person acting under their authority or on their behalf, regardless of whether such person has been identified as a Market Trader. Similarly, Members cannot decline responsibility for the actions of a Market Trader declared to OEMO, regardless of whether such trader is acting under the Member's authority or on its behalf, until such time as the Member requests the suspension of such Market Trader.

3.5.3. Skills

Article 38

- (1) Market Traders shall read all the documents issued by OEMO concerning, in particular:
 - a) Organized Market structure and environment;
 - b) Contractual transactions specifications;
 - c) Settlement mechanisms;
 - d) Procedures for Delivery;
 - e) The risks inherent in traded products.
- (2) The required specialized knowledge shall be proved by passing an examination (the "Trader's Examination") leading to the qualification as a Market Trader on the Macedonian Organized Electricity Market operated by MEMO. The examination is organized and held by MEMO, after the passing of which it will issue a Certificate of Passed Trader's Examination.

- (3) To Traders in possession of a valid certificate issued by an operator of an organized market that uses an identical trading platform as OEMO, OEMO will issue a Certificate without taking the exam referred to in paragraph (2) of this Article.

3.6. Procedure

3.6.1. Duration of membership

Article 39

- (1) Membership in the Organized Electricity Market lasts for the same period as the Participation Agreement.

3.6.2. Communication of Information

Article 40

- (1) Market Members are required to notify OEMO without delay of any changes of a factual or legal nature that could lead to the conditions for admission no longer being met, in particular changes:
 - a) to the legal situation of the Market Member, such as:
 - 1) changes in terms of compliance with one of the membership requirements;
 - 2) changes to the information communicated with the membership application or to the documents attached hereto such as, but not limited to, change of legal form, change of articles of association or change of the company's name, etc.;
 - b) to the Market Member's organizational situation, insofar as such changes have an impact on the access to the Organized Market;
 - c) to the legal or regulatory framework or to judicial practice that affect the Market Member's compliance (or ability to comply) with the membership requirements and these Organized Electricity Market Rules.
- (2) Upon request of OEMO, Market Members shall provide without delay all documents related to the above mentioned changes.

3.6.3. Right of termination or suspension of the Organized Market Membership by the Market Member

Article 41

- (1) Any Market Member may partially resign from membership upon written notice to OEMO.
- (2) A full resignation shall be made by termination of the Participation Agreement and is governed by the terms thereof.

3.6.4. Right of termination or suspension of the Organized Market Membership by OEMO

Article 42

- (1) At any time, OEMO is entitled to suspend or terminate, partially or fully, the membership of any Market Member by suspending or terminating the Participation Agreement upon written notice to the Market Member in the following cases:
 - a) The admission requirements according to these Rules are no longer met;
 - b) Breach of any of its obligations provided for in these Rules, and, in particular, if the Market Member:
 - 1) does not comply with its obligation to pay the trading fees;
 - 2) does not comply with any provision of the Code of Conduct;
 - 3) does not fulfil the technical specifications described in these Rules;
 - 4) in any other case expressly provided for in these Rules.
- (2) In the above cases, OEMO is entitled to suspend, upon written notice and with immediate effect, the membership of the Market Member. If the Market Member does not remedy such breach within 15 days, OEMO will notify the Market Member of the termination of the Participation Agreement. Upon receipt of such termination notice, termination will be effective within three days. During such period, the Market Member will remain bound by the provisions of these Rules.

3.6.5. Suspension from trading for the absence of the required Balance Responsible Agreement

Article 43

- (1) If a Market Member has been suspended from trading on the electricity market or had lost balancing responsibility in accordance to the Electricity Market Rules **Error! Bookmark not defined.** or Balancing Rules **Error! Bookmark not defined.**, the Market Member will be suspended from trading on the Organized Market.

3.6.6. Consequences of the termination or suspension of the Organized Market Membership

Article 44

- (1) A termination or suspension of the Organized Market Membership of:
 - a) a Direct Trading Member results in:
 - 1) the termination/suspension of the trading on the Organized Market and, if applicable,
 - 2) the termination/suspension of the use of the portfolio(s) granted to the Direct Trading Member to trade on behalf and for the account of Indirect Trading Member(s);

- b) an Indirect Trading Member, results in
 - 1) the termination/suspension of the right to trade on the Organized Market, and
 - 2) the termination/suspension of the use of the portfolio(s) granted to the Direct Trading Member to trade on behalf and for the account of this Indirect Trading Member(s).
- (2) The termination/suspension of the Organized Market Membership does not relieve the Market Member from its obligations under the Rules and Regulations (such as payment obligations, confidentiality obligations, information obligations, liability, etc.), including the obligations arising from the Contracts concluded on MEMO's organized markets prior to the date of suspension/termination.
- (3) In the event of a suspension or termination of the Organized Market Membership of a Direct Trading Member in accordance with the above provisions, the Indirect Trading Member on behalf and for the account of whom the Direct Trading Member is trading will no longer be allowed to trade on the Organized Market, unless the Indirect Trading Member has appointed another Direct Trading Member as its Representative, pursuant to a new Participation Agreement.

3.6.7. Right to trade in case of suspension or termination of the Organized Market Membership

Article 45

- (1) Pursuant to Article 44 of these Rules, the Market Trader concerned by the termination must cancel all Orders and quotes and is not permitted to enter any new Orders.
- (2) If a Market Member is suspended from trading single or all Contracts, the Market Member must cancel all its Orders and quotes in relation to the respective products and must not enter new Orders and quotes in the Trading Systems of OEMO.
- (3) If the Market Member does not cancel its Orders or enters new ones, then OEMO shall be entitled to cancel the Orders on behalf of this Market Member.
- (4) When a Market Member is suspended, OEMO informs the other Market Members thereof by means of a Market Notice.

4. Contracts, Market Areas and Market Segments

4.1. Contractual transactions

Article 46

- (1) The contractual transactions admitted to trading on the Organized Market are commercial contracts on physical delivery of electrical power within the Macedonian Electricity Market.

4.2. Effect of the Contractual Transactions

Article 47

- (1) The execution of an Order in the market entails the firm and irrevocable commitment at a set date and time:
 - a) for the buyer, to take Delivery of the Underlying and to settle the same at the set price;
 - b) for the seller, to deliver the Underlying and to receive Settlement of the same at the set price.
- (2) On the Day-Ahead the Delivery obligations are performed by way of the nomination of the purchases or sales to the TSO and Electricity Market Operator according to the Electricity Market Rules and Balancing Rules.
- (3) In case of discrepancy between the nominations of OEMO and the Market Member, the nomination sent by OEMO shall take precedence.

4.3. Listing of Contractual Transactions

Article 48

- (1) The contractual transactions that OEMO may list on the Organized Electricity Market are defined in the Energy Law. According to the Law, MEMO is currently responsible for:
 - a) Physical delivery products on both the day-ahead and intraday markets;
 - b) Guarantees of origin.
- (2) MEMO makes decisions on the admission to trading and/or delisting of contractual transactions on the organized market subject to the approval of the Organized Market Committee. The specifications of each contractual transaction are set out by MEMO in the Operational Rules.
- (3) The Guarantees of Origin are subject to special regulations.

4.4. Decision not to open contractual transactions for trading

Article 49

- (1) Notwithstanding the Operational Rules setting out contract specifications, OEMO may decide not to open one or more contractual transactions, either temporarily or permanently. Save in exceptional circumstances, this decision is communicated to Market Members by Market Notices at least ten (10) days before the date initially scheduled for the opening of the new contractual transaction.

4.5. Revocation and suspension of the admission of products

Article 50

- (1) OEMO may revoke the admission of products to trading on the Organized Market or suspend trading on the Organized Market if the orderly trading on the Market is jeopardized or if deemed necessary for any other important reason. OEMO may also suspend trading entirely, for some Market Segments or for some contractual transactions, if required for technical reasons.
- (2) In the case of any revocation of an admission of products or any suspension from trading on the Organized Market, OEMO shall inform the Market Members without delay. The same applies to any suspension of trading on a Market Segment. If the trading of certain Contractual Transactions on the Organized Market is suspended entirely or in part, no new Orders or quotes may be entered for the suspended Contractual Transactions.
- (3) In the cases referred to in paragraphs (1) and (2) of this Article, all existing Orders and quotes will be cancelled. The resumption of the trading of the suspended products shall commence with a pre-trading period.
- (3) OEMO may, in the event of a suspension, issue different instructions on a case-by-case basis.

4.6. Organized Electricity Market Area

Article 51

- (1) Contracts on the Organized Market are concluded for the Macedonian Electricity Market.

4.7. Market Segments

Article 52

- (1) The current Market Segment of the Organized Market is the following:
 - a) the Day-Ahead Market Segment: as concluded on the Day-Ahead Market are considered all Transactions occurring on the day before the Delivery up until the gate closure time for nomination, as defined by the Electricity Market Rules and the Balancing Rules.
- (2) The Trading Procedure on the Day-Ahead Market Segment is a Day-Ahead auction, with Delivery made in the Macedonian power system i.e. on the Macedonian Electricity Market.
- (3) The Trading Procedures for each of the Market Segments are described in the Operational Rules.

5. Trading

5.1. Principles

Article 53

- (1) Chapter 5 – Trading presents the common provisions applying to all Contractual Transactions traded on the Organized Market and to any available Trading Procedure. This chapter:
 - a) describes the general specifications of Orders under these Trading Procedures;
 - b) explains how these Orders are matched and executed;
 - c) describes the procedures for the process of the outcome.
- (2) Provisions related to trading on the Day-Ahead Market Segment are to be found in the Operational Rules of the Organized Market.

5.2. Orders

Article 54

- (1) Transactions on the Organized Market are effected by matching supply and demand Orders by auction, after an accumulation period during which Orders entered in the Order Book by Market members are accumulated but not executed.

Article 55

- (1) The exchange hours for the commencement and the end of trading for all products shall be determined by OEMO in the Operational Rules.
- (2) OEMO may extend or reduce the trading hours as well as the commencement of any of the trading periods to the extent necessary to maintain orderly trading conditions or for reasons relating to the Trading Systems of OEMO.
- (3) The exchange hours for Transactions in any available Auction Trading Procedure comprise three consecutive periods:
 - a) Pre-Trading Period
 - b) Trading Session
 - c) Post-Trading Period

Article 56

- (1) An Order is deemed to irrefutably originate from a Market Member when the Market Member's technical identifier is present in the message containing the Order. Technical acceptance of instructions issued by an Market Member shall be evidenced by:
 - a) acknowledgment of such message when trading on behalf of a Member,
 - b) entry or denial of entry in the Order Book, or

- c) realization of a Transaction.
- (2) An instruction issued by a Market Member can be revoked only as defined in the Operational Rules.

Article 57

- (1) An Order is an offer to enter into a Contractual Transaction whose terms and validity are set out herein. Orders sent to OEMO shall include at least:
 - a) the identification as a Single-Contract Order or Block Order if applicable;
 - b) the Market Member's identification;
 - c) the Trading Account in which the Order is recorded;
 - d) the Market Area and TSO;
 - e) the Contractual transaction to which the Order relates;
 - f) the quantity;
 - g) the price limit;
 - h) the side of the market (buy or sell Order);
 - i) the type, validity and terms of execution of the Order.

Article 58

- (1) Orders may relate to one Expiry only (Single-Contract Orders).

Article 59

- (2) The Order Book and Transactions are anonymous.

5.3. Matching of contractual transactions

Article 60

- (1) The general principles applicable to the execution of orders on OEMO are:
 - a) Execution happens according to a method that is transparent and described in these Rules;
 - b) Execution insures a level playing field among the Members;
 - c) Execution is compliant with the Orders submitted by the Market Members;
 - d) Auction results are published in a reasonable delay after closure of the Order Book;

- (2) Before such publication OEMO can reject results for a Market Member due to insufficient financial guarantees in which case, after cancellation of exceeding limits orders, the Auction will be re-run.

5.4. Miscellaneous

Article 61

- (1) The affected Market Members shall inform OEMO without delay of any malfunction occurring on the technical equipment. In case of technical malfunction, OEMO or third parties commissioned by it shall be authorized to take any appropriate measures necessary to safeguard or resume proper trading or Settlement.
- (2) OEMO or the third party commissioned by it may:
 - a) exclude temporarily some or all Market Members from trading,
 - b) suspend trading, or
 - c) delete the Orders placed by some or all Trading Members.
- (3) The measures taken by OEMO or the third parties commissioned by it shall be binding on all Market Members.
- (4) MEMO provides unrestricted technical support only during business hours. Outside business hours, support only comprises measures to remedy technical malfunctions and control damage. These measures concern, in particular, the remedy of technical malfunctions, the deletion of Orders placed by some or all Market Members, the cancellation of Transactions or the complete or partial suspension of trading.
- (5) OEMO is entitled to commission third parties to support the Market Members. However, the third party commissioned to that end shall only be granted access to the trading data of the Market Members or a right to inspect the same, provided such third party has signed a confidentiality agreement.

Article 62

- (1) The times referred to in the Rules and Regulations correspond to the Central European Time (CET) zone during winter time and to the Central European Summer Time (CEST) zone during summer time, unless stated otherwise.

5.5. Final Provisions

Article 63

The Organized Electricity Market Rules shall enter into force on the date of publication in the "Official Gazette of the Republic of North Macedonia".