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EFET Legal Committee Meeting
16 May 2022

10:00 – 13.00 hrs CET

Meeting Agenda (1/3)

CET		
10:00 – 10:05	Opening	• Welcome & Introduction to Agenda • Approval of A&D list from previous LC meeting (21 February 2022)
10:05 – 10:20	LC budget for various projects 2022	• Jan Haizmann, Legal Committee Chair
10:20 – 10:30	New instruction letter for 2022 netting opinions update	• WG Netting Opinions – progress report, decision on the final template
10:30 – 10:50	EFET-HyXchange Single Trade Agreement	• Presentation by Bert den Ouden, HyXchange Project Director • Remarks from Andreas Gunst, Partner, DLA Piper
10:50 – 11:00	Voluntary Carbon Market Standardisation Initiative: EFET GA Appendix for VERs	• Presentation by Andreas Gunst, Partner, DLA Piper
11:00 – 11:15	Update on MSC priorities: margining practices and liquidity for centrally cleared business; EMIR clearing thresholds, etc.	• Intervention by Karl-Peter Horstmann, Chair of Market Supervision Committee

Meeting Agenda (2/3)

CET		
11:15 – 12:00	New sanctions in respect of the Republic of Belarus and Russia	• Update on latest developments: • German law perspective - Michael Cieslarczyk, DLA Piper • English law perspective - Simone Goligorsky, Reed Smith • Briefing German Energy Security Act (EnSiG) – Jan Haizmann, EFET • Polish sanctions – Sonia Auguscik, EFET (scope) • Russia counter-sanctions – Aygul Adamson, EFET (scope)
12:00 – 12:10	Dutch legal reforms relating to close-out netting (WHOA proceedings)	• Progress report on advocacy with Energie-Nederland
12:10 – 12:20	Progress Report on EFET-LEBA Credit Automation Project	• Nick Jackson, COO, Griffin Markets
12:20 – 12:35	CPPA Standardisation (review)	• Progress report • Guidance notes for Bulgaria and Romania • Market Transparency Initiative in Germany • Credit Manual on PPAs • Survey on who is using the EFET PPA for now with EFET LC
12:35 – 12:50	Progress report from related EFET working groups	• Improvement of close-out netting (Italy, Bulgaria) • Qualification of GoOs in light of MiFID

Meeting Agenda (contd.)

CET		
12:35 – 12:50	Progress report from related EFET Working Groups (contd.)	• Update Carbon Neutrality Strategy Group – Mariana Liakopoulou, EFET • Trading Compliance WG • FinTech WG • Georgian OTC market – use of EFET GA for Power • Biogas template
12:50 – 13:00	Conclusions/ end of the meeting	• Jan Haizmann, Legal Committee Chair

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Review of A&D list from EFET Legal Committee Online Meeting (21 February 2022)

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Legal Committee budget allocation for various projects 2022

Jan Haizmann, Legal Committee Chair

Budget positions (status May 2022)- subject to approval by LC:

▪ Netting opinions	450.000 EUR
▪ German opinion on EnSiG	40.000 EUR
▪ Sanctions (budget placeholder)	30.000 EUR
▪ Further work on the EFET standard CPPA, version 2.0	25.000 EUR
▪ Hydrogen contract (joint initiative with HyXchange)	15.000 EUR
▪ Model Agreements for VCM	30.000 EUR
▪ Dutch advocacy re WHOA proceedings	30.000 EUR
▪ Advocacy for Italian netting	15.000 EUR
▪ Further work with Market Supervision Committee	30.000 EUR (tbc)

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Update of instruction letter for EFET Netting Opinions 2022 update cycle

Legal Committee Secretariat

Review of the template instruction letter

Update WG EFET Netting Opinions

- **Objective:** to review and update the EFET Legal Opinion Instruction Letter (both for power and gas) to bring it in line with the enlarged scope of the existing EFET templates and reflect the nature of the new products which they cover.
- The following changes are implemented:
  - *Executive summary and recommended wording on the cover page,*
  - *Updated document list, consistent, user-friendly structure,*
  - *Inclusion of green certificates, PPAs (widening of scope of products in Appendix B);*
  - *Implementation of contractual change through the E-Notice Agreement;*
  - *Reflecting implementation of the European Restructuring Directive of 20 June 2019.*
- **Next steps**: Endorsement by the LC through electronic vote, immediate instruction of netting opinions for priority jurisdictions

Legal Opinion Summary Template

[COUNTRY]

Date:	**Version:**
Prepared by:	
Coverage: EFET Gas, EFET Electricity	
Date of opinions: EFET Gas [DATE], EFET Electricity [DATE]	

Summary

Types of Counterparty *What types of counterparty are covered by the opinion?*		EFET Gas: page EFET Power: page
Types of Transaction *What types of transaction are eligible for close-out netting?*		EFET Gas: page EFET Power: page
Automatic Early Termination *Does the opinion require or recommend that automatic early termination applies to a counterparty organised in the jurisdictions?*		EFET Gas: pages EFET Power: pages
Early termination provision *Is the early termination provision of the agreement enforceable in the jurisdiction?*		EFET Gas: page EFET Power: pages
Close-out netting *Is the close-out netting provision of the agreement enforceable in a local insolvency?*		EFET Gas: page EFET Power: page
Characterization of collateral *Would laws of jurisdiction characterize transfer of collateral as effecting an unconditional transfer of ownership or is there risk of re-characterizing such transfer as creating a security interest?*		EFET Gas: pages EFET Power: pages
Further action required *Is any action required to ensure that ownership title continues to rest with Party B?*		EFET Gas: page EFET Power: page
Amendments necessary *Are there any recommended amendments to the standard documents?*		
Other remarks *Does the opinion specify issues that you deem to be of specific interest in negotiating an agreement with a counterparty in the jurisdiction?*		EFET Gas: page EFET Power: page

First phase: EFET netting opinions 2022 update

Germany	Luther, Munich	Power & Gas
France	Dentons, Paris	Power & Gas
Denmark	Kromann & Reumert	Power & Gas
Sweden	Rochier	Power & Gas
Czech Republic	Havel & Partners, Prague	Power & Gas
Poland	DZP, Warsaw	Power & Gas
Spain	CMS, Madrid	Power & Gas
Italy	Herbert Smith Freehills	Power & Gas
Romania	Eversheds, Bucharest	Power & Gas
Bulgaria	Kambourov & Partners	Power & Gas
Greece	Karatzas & Partners, Athens	Power & Gas
Turkey	Boden Law Firm, Istanbul	Power & Gas

First phase: EFET netting opinions 2022 update

Slovakia	Wolf Theiss	Power & Gas
Slovenia	Wolf Theiss	Power & Gas
Croatia	Wolf Theiss	Power & Gas
Hungary	Wolf Theiss	Power & Gas
Austria	Wolf Theiss	Power & Gas
Ireland	Maples and Calder, Dublin	Power & Gas
Luxembourg	Allen & Overy, Luxembourg	Power & Gas
Liechtenstein	Gasser Partner, Liechtenstein	Power
Switzerland	Lenz & Staehelin, Zurich	Power & Gas
Estonia, Latvia and Lithuania - Joint Legal Opinion - Gas	TGS Baltic, Law firm	Gas

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HyXchange – hydrogen exchange project

Bert den Ouden, HyXchange Project Director

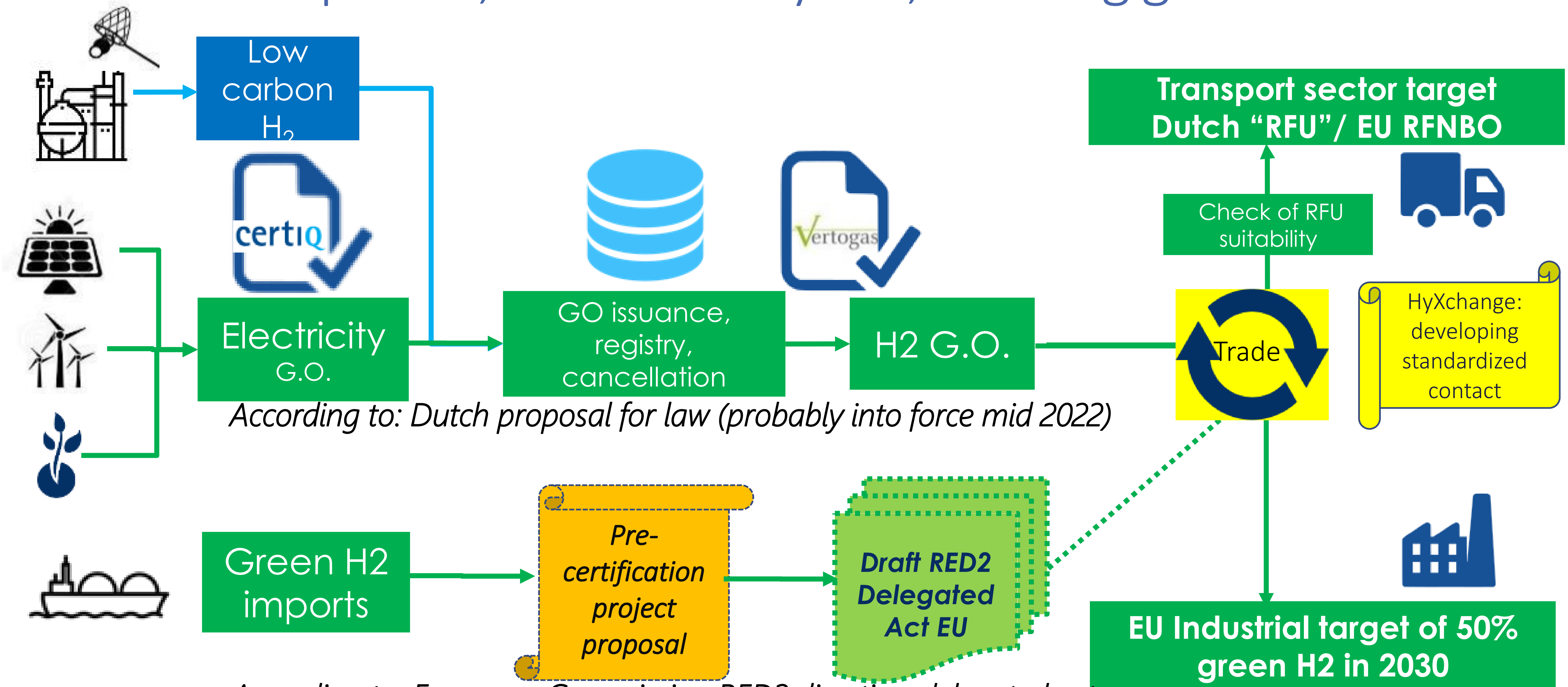
Agreement for trading Green Hydrogen GO certificates

HyXchange

16-5-2022

B. den Ouden bdnouden@wxs.nl +31651994266

The H2 certificate pilot, now conducted by HyXchange: 16 markets parties, 3 months dry run, awaiting go-live



According to: European Commission RED2 directive, delegated act (proposal expected for consultation soon)

The need for trading of GOs - 3 Types of products / value

1. Dutch unsubsidized green GOs – regulated, transferable into Dutch HBE (and value components 2, 3 hereafter)

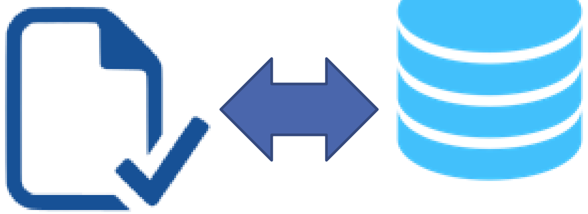
2. Dutch subsidized green H2 GOs –regulated, not transferable into HBE.
   - "greening" H2 everywhere in NL; no need for physical H2 connection

3. Low-carbon GOs – not regulated yet
   - proving low carbon footprint of any H2 delivered

Possibilities for facilitating trade and exchange of GOs

Settlement of bilateral GO trade:

- Physical settlement: website Vertogas, title transfer of GO
  - Can be tested in the ongoing pilot



- Creating a contract tradable bilaterally:
  based on EFET standard GO modified for H2

- Has to be ready in July or August

Next steps

Development of tradeable H2 GO contract (bilaterally traded)

- Based on EFET GO standard
- Single trade agreement HyXchange name
- Possibility to distinguish between the types (need?)
  - *Dutch unsubsidized Renewable H2 → convertable in HBE*
  - *Dutch subsidized Renewabe H2*

To be launched within community of HyXchange
Published by EFET as well

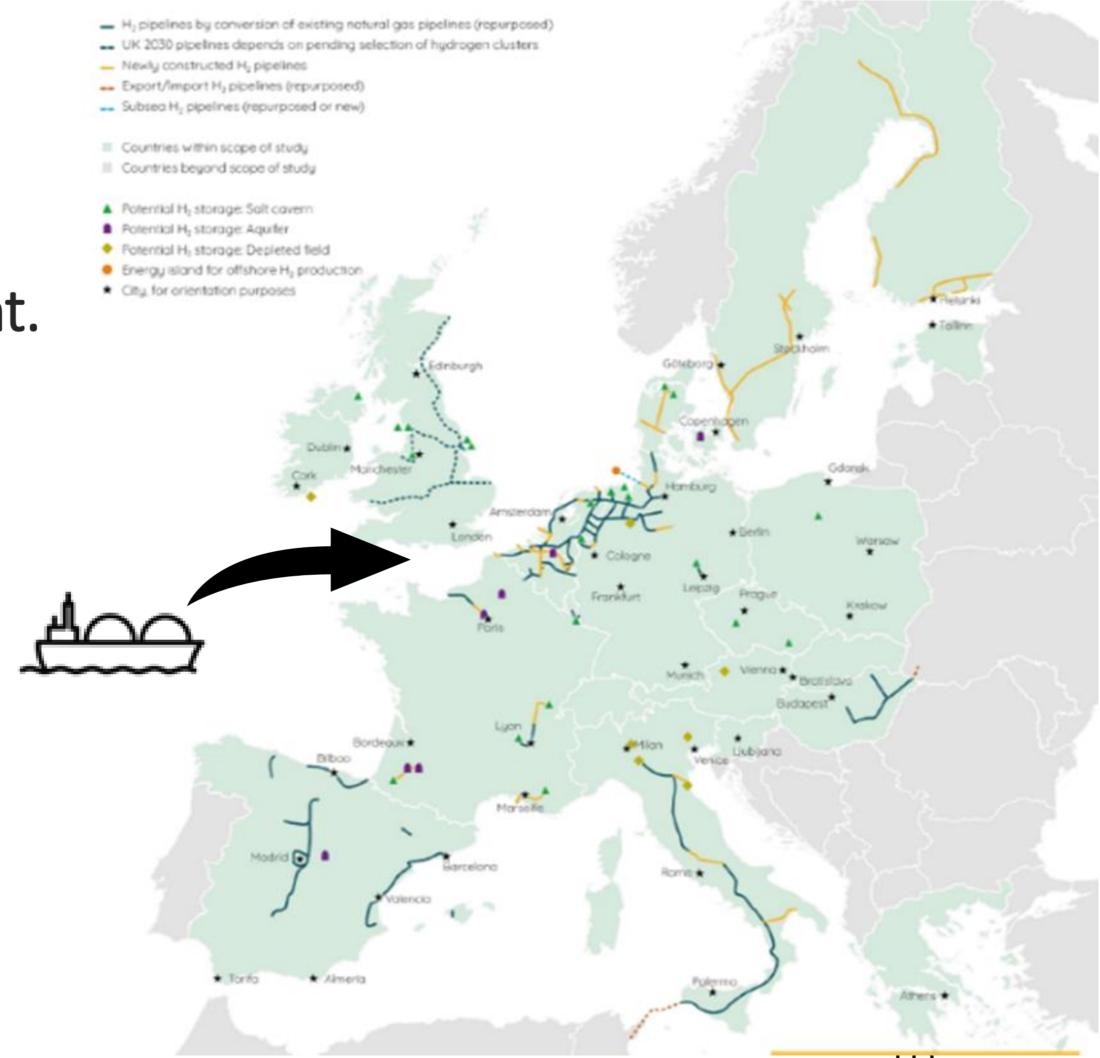
Legal advisory cost: shared 50/50 HyXchange/EFET

Possible future steps

- Automation (confirmation app?)
- Price index of GOO?
- Application of the model to EC REDII Hydrogen Certficates

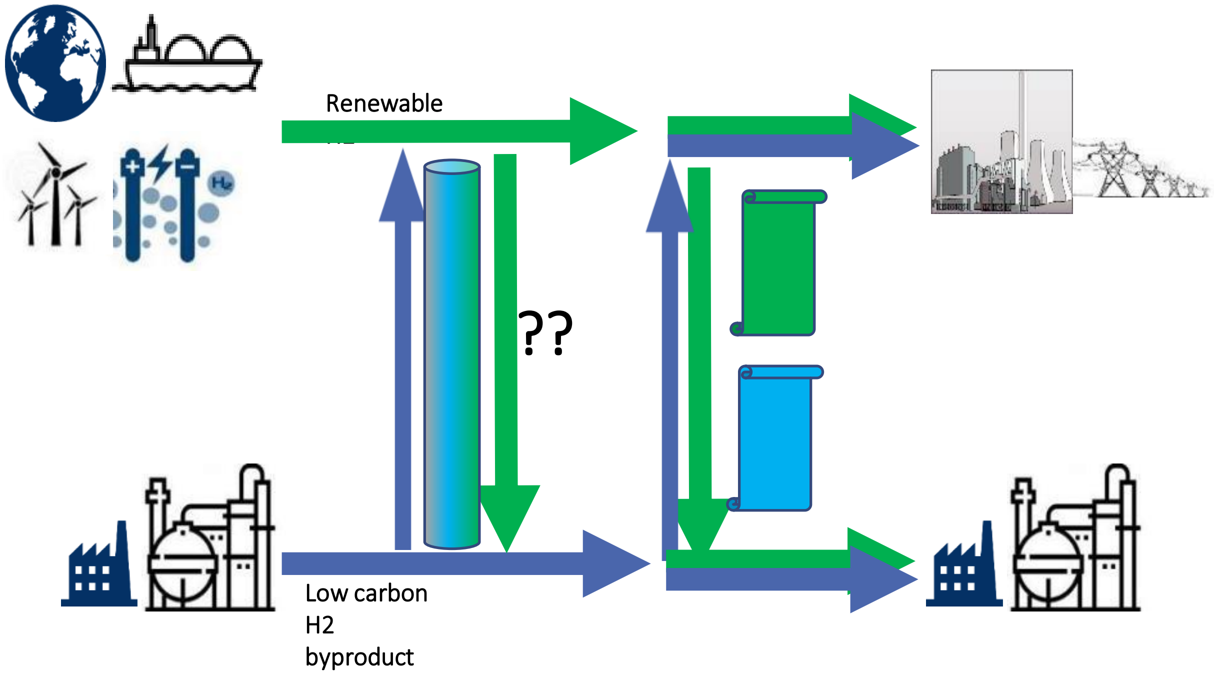
Future EC certificates: RED 2, based on mass balancing. Still separately tradable on the grid (“Gross mass balancing”)

- GO’s separately tradable from the commodity
- EC LCA H2 certificates: mass balancing, “go with the flow” of H2: connected to the commodity
- *Interconnected* **H2 grid: one mass balancing point.** So within *that* grid, free trade of certificates, seperately from the commodity.
- No tracing of transactions while on the grid
- Monitoring all injected / withdrawn certified hydrogen
- Preferably, full disclosure within the H2 grid
- Shipping imports: mass balancing, go with ship.



Reason for developing trading of certificates

1. Swap green and blue certificates to achieve renewable Hydrogen targets for all perties in all industries



2. Swap between locations (example)

→ Facilitating all industries to comply with the EU target of 50% renewable Hydrogen in 2050

EFET and Hyxchange Collaboration on Standard Contract

Use of EFET CMA as basis for Hydrogen STA

- National Scheme Certificate concepts and requirements to be used as a basis for development of standard, specifically for Dutch H2 certificate scheme
- Pair back master agreement specific wording (like EFET Prisma Capacity Contract)
- Consider differences for voluntary / RBNFO use regarding certification, trading certificates and providing information for eligibility under Dutch RFU
- Consider need for EEP comparable compensation mechanism for H2 certificates under Dutch RFU

Tentative timeline:

- Discussion of requirements for Dutch scheme based on proposed legislation and Hydrogen DA
- Draft until 1st June
- Discussion in June
- EFET LC Endorsement in August

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Voluntary carbon market standardisation initiative: EFET GA Appendix for VERs

Andreas Gunst, Partner, DLA Piper

EFET Single Trade Agreement for VERs

- Entry point for EFET membership: secondary transactions; work to be coordinated by Andreas Gunst, DLA Piper
- Change of work approach: independent workstreams on VCM by IETA and ISDA
- Initial draft of the IETA secondary agreement for the non-contingent delivery of carbon credits requested for alignment (firm delivery spot agreement seen as priority)
- EFET training session for all LC members before summer break (invite to follow soon)

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Update on Market Supervision Committee activities

Karl-Peter Horstmann, Chair of Market Supervision Committee

Update from Market Supervision Committee

Margining practices and liquidity for centrally cleared business:

- joint associations' paper on margining liquidity support and eligibility of guarantees and non-cash collateral
- German and Swiss margin liquidity funding schemes and further advocacy work

EMIR clearing threshold and calculation methodology:

- Frontier Economics study reviewing the EMIR commodity clearing threshold
- proposed increase of the EMIR clearing threshold and change of the calculation methodology

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Sanctions update: Belarus/ Ukraine/ Russia

Simone Goligorsky, Partner, Reed Smith

EFET Legal Committee Meeting – Sanctions Update: Russia/Belarus/Ukraine

By Brett Hillis, Leigh Hansson and Simone Goligorsky

16 May 2022

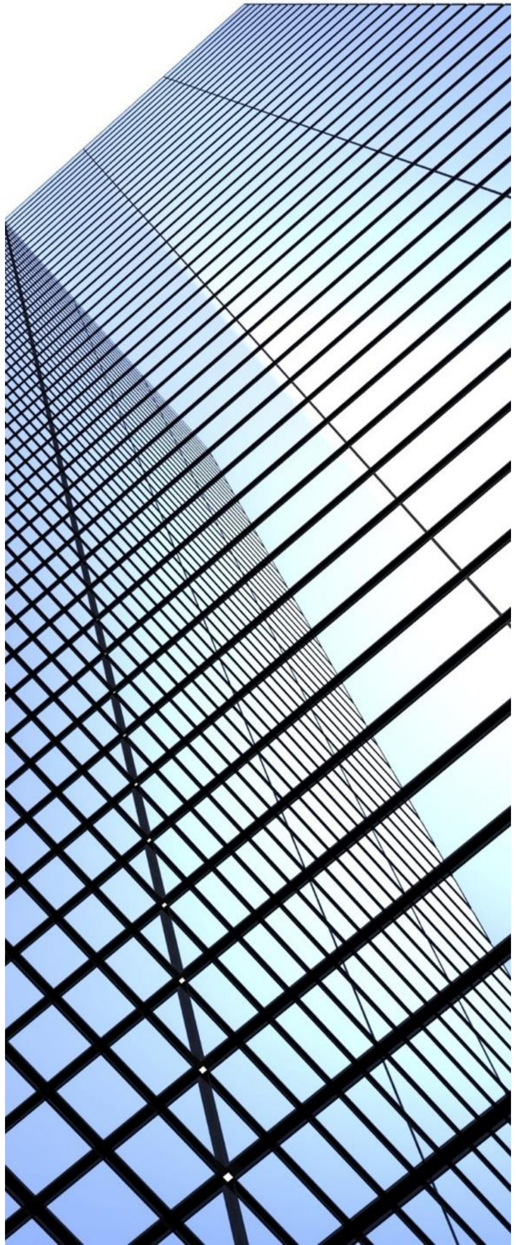
New U.S. Russia Sanctions

1. Vnesheconombank (VEB)
2. Promsyvazbank (PSB)
3. VTB Bank (VTB)
4. Bank Financial Corporation Otkritie (Otkritie)
5. Sovcombank
6. Novikombank
7. Sberbank
8. Alfa-Bank
9. Investtradebank
10. Transkapitalbank (TKB)
11. Moscow Industrial Bank (MIB)

New U.S. Russia Sanctions

Financial Restrictions

- A number of financial restrictions have been imposed
- Ban on new investment in the Russian energy sector
- These include restrictions on providing new debt/equity with a maturity date over 14 days to certain entities (and their 50% or more owned subsidiaries) such as the following:
  - Sovcomflot
  - Gazprom / Gazprom Neft / Gazprombank
  - Transneft
- Cut off some Russian banks from SWIFT in coordination with UK/EU



New U.S. Russia Sanctions

Airspace Ban

- Closure of US airspace to all Russian flights

Vessel Ban

- Ban on Russian-affiliated ships from US ports

Energy Restrictions

- ***Complete U.S. ban on the import of crude oil, petroleum, petroleum fuels, oils and products of their distillation***

Luxury Goods / Russian Signature Goods

- Ban on imports of Russian signature goods (including vodka, spirits, seafood and non-industrial diamonds)
- Ban on exports to Russia of luxury goods

Export Controls

- New export control restrictions on Russia – similar to UK/EU restrictions
- Ban on the supply of certain professional services, including accounting, trust and corporate formation, and management consulting

New UK Russia Sanctions

Asset Freeze

- On 18 Russian banks including: Rossiya, IS Bank, GenBank, Promsvyazbank, Black Sea Bank, VTB Bank, Alfa-Bank, Gazprombank, Credit Bank of Moscow and Sberbank
- On entities including United Shipbuilding Corporation, United Aircraft Corporation, Rostec, UrakVagonZavod and Tactical Missiles Armament Corporation
- On President Putin, Minister of Foreign Affairs Sergei Lavrov and a number of Russian oligarchs (e.g. Abramovich, Sechin (Rosneft), Deripaska (EN+), Miller (Gazprom))

Restrictions on Transportation

- The UK has banned access to Russian linked vessels
- Russian aviation and space companies are banned from using UK-based insurance or reinsurance services
- Russian aircrafts prohibited from overflying or landing in the UK and being registered in the UK

New UK Russia Sanctions

Financial Restrictions

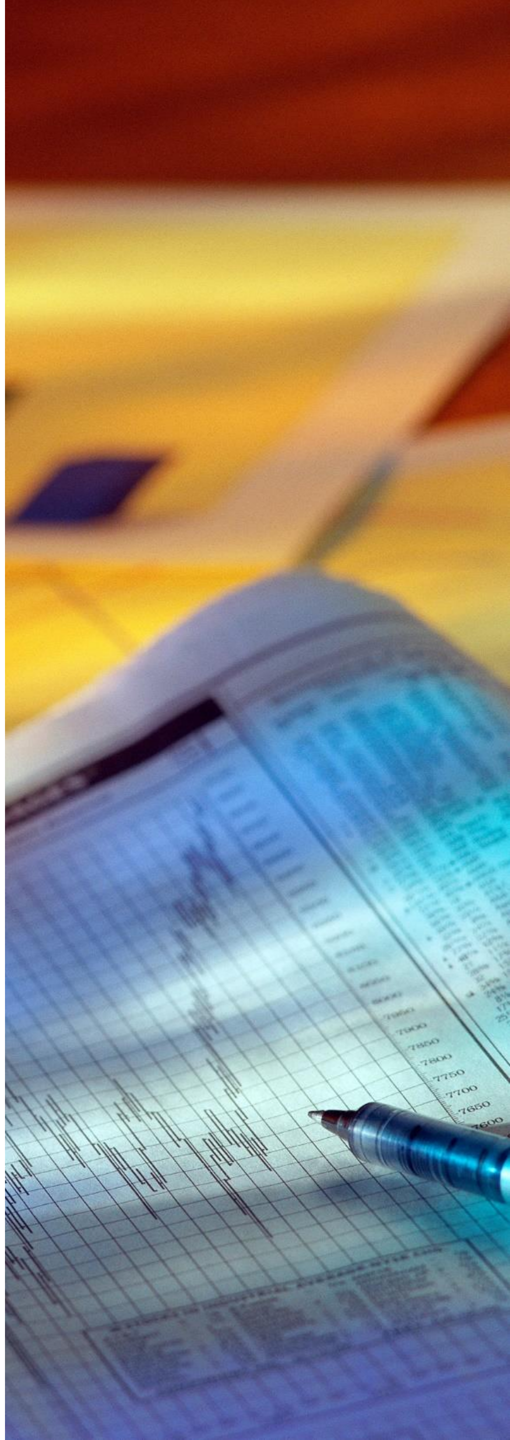
- On entities such as Gazprom Neft, Sberbank, Vnesheconombank and Rosneft
- UK entities and individuals banned from dealing in transferrable securities or money-market instruments with “persons connected with Russia” or issued by the Government of Russia
- UK financial institutions banned from establishing or continuing banking relationships with and processing sterling payments to Russian banks including Sberbank, Rossiya, IS Bank and GenBank

Trade Restrictions

- UK entities and individuals banned from supplying oil refining goods and “critical industry goods” to Russia / persons in Russia, including electronics, telecommunications, and military / aerospace / marine goods and technology
- UK entities and individuals banned from purchasing or importing iron, steel, silver or wood products originating from Russia, as well as luxury products
- Import tariff increases of up to 35% on products such as platinum and palladium

Energy Restrictions

- Phased ban on Russian oil



New EU Russia Sanctions

Blocking sanctions

- On Bank Rossiya, Promsvyazbank, VEB.RF, Otkritie FC Bank, Novikombank, Sovcombank, and VTB Bank with certain transactions authorised for the termination of contracts or other agreements by 24 August 2022 of operations

- On Russians involved in the decision to claim DNR and LNR including 351 members of Russia's parliament and 27 high profile individuals and entities

- On President Putin, Sergei Lavrov and a number of Russian oligarchs, including Nikolay Tokarev (CEO of Transneft) and German Gref (CEO of Sberbank)

- On a number of Russian companies, including Yantar Shipyard and PO More Shipyard

Donetsk and Luhansk regions

- Wide-ranging sanctions on DNR and LNR regions, largely mirroring existing EU sanctions on Crimea/Sevastopol

- These sanctions include, in particular, trade and investment restrictions concerning those territories relating to the export and import of goods, technology, real estate, tourism etc.

New EU Russia Sanctions

Financial restrictions

- On Russia and its government and the Russian Central Bank or entities / bodies acting on behalf / at the direction of the Russian Central Bank it is prohibited to:
  - purchase, sell or otherwise deal with transferable securities and money-market instruments issued after 9 March 2022 by them; or
  - making/ being part of arrangements creating new loans or credit after 23 February 2022

- In relation to VTB Bank, Gazprombank, VEB, Rosneft, Transneft, Sovcomflot and Gazprom Neft, among others, it is prohibited to:
  - purchase, sell, provide investment services for or assistance in the issuance of, or otherwise deal with any transferable securities and money-market instruments issued by them (or their more than 50% owned subsidiaries) after 12 April 2022 ; or
  - make / be part of any arrangement to make new loans or credit to them (or their more than 50% owned subsidiaries) (**without any maturity threshold applying**)

- Exceptions apply, such as, regarding loans intended for providing emergency funding for EU entities more than 50% owned by Sberbank, VTB Bank, Gazprombank, VEB or Rosselkhozbank

- **BUT** payment terms/delayed payment for goods or services are not considered loans or credit caught by the regulation, provided they are not used to circumvent the prohibition on new loans/credit

- Prohibitions related to capital market activities

- Removal of Sberbank, Credit Bank Moscow, and the Russian Agricultural Bank from SWIFT (pending approval of the 6th sanctions package)

New EU Russia Sanctions

Energy Industry

- Prohibition on the sale, supply, transfer or export of certain listed goods and technology to any natural or legal person, entity or body in Russia or for use in Russia, including items suited for use in oil refining, and items which enhance Russian industrial capabilities
- The prohibition also applies to the provision of technical assistance, brokering services and other services as well as of financing or financial assistance related to the listed goods and technology
- Temporary exemption to the prohibition for supplies under contracts concluded before 26 February 2022, expiring on 27 May 2022
- Prohibition on the purchase or import of a number of products originating in or exported from Russia, including coal and other solid fossil fuels, iron and steel products, and good which generate significant revenues for Russia
- Prohibition on new investments into Russian energy companies, including acquisition, financing, joint ventures, and providing investment services
- Licences are available for the urgent prevention or mitigation of events likely to have a serious and significant impact on human health and safety or the environment
- Phased ban on Russian crude oil by the end of 2022, with possible exemptions for Slovakia and Hungary until the end of 2024, and the Czech Republic until June 2024 (pending approval of the 6th sanctions package)

Other affected Industry Sectors

- Restrictions to the aviation, space, technology and duel-use goods and technology sectors
- Banning of all Russian flights over EU airspace – no equivalent restrictions regarding EU ports yet

What are we seeing so far…

- Heightened due diligence but uncertainty around practical application of measures
- Reluctance to cover credit to any Russian counterparty
- Interest in secondary market for transferable securities and money-market instruments
- Despite Russian oligarchs divesting interests in certain entities, heightened suspicion around such claims (especially if no new owners / beneficiaries are named)
- Heightened wariness / self-sanctioning activities from various sectors
- Various MNCs / majors exiting any Russia business (e.g. oil majors divesting of their shareholding)
- Certain nations which have remained neutral in the past (e.g. Swiss / Singapore) adopting measures

Belarus

Overview of Belarus Sanctions

U.S. Sanctions

- U.S. persons are prohibited from engaging in any transaction with Specially Designated Nationals
- Non-U.S. persons will be at risk of sanctions if they provide "material support" to any of the sanctioned persons, companies or their subsidiaries
- No U.S. dollars for transactions with sanctioned persons / 50 Percent Rule

EU/UK Sanctions

- Asset freezes against targeted individuals and companies
- Sectoral sanctions including restrictions in relation to trading in certain potash and petroleum products
- Financial restrictions prohibiting access of certain Belarusian entities and state-owned financial institutions to EU/UK capital markets

New sanctions against Belarus

U.S.

- Sanctions imposed on two Belarusian state-owned banks, Belinvestbank and Bank Dabrabyt, as well as the Belarusian defense and security industries
- Transactions involving the official business of international organisations such as the UN and the of U.S. Government by its employees, grantees or contractors are authorised

UK

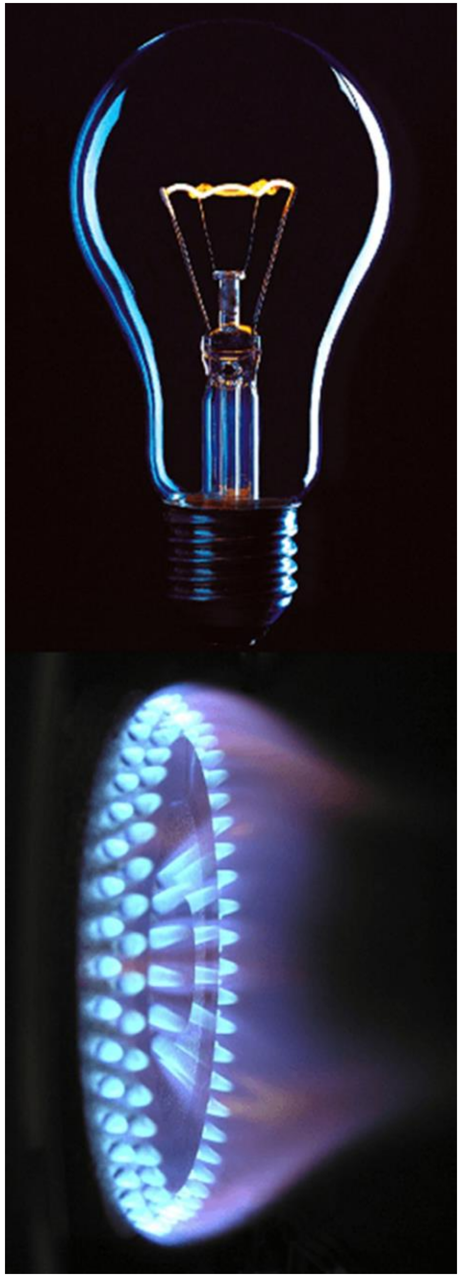
- Sanctions imposed on senior defence officials and two military enterprises, including Major General Victor Gulevich, Deputy Minister of Defence Major General Andrey Zhuk, and JSC 558 Aircraft Repair Plant
- UK announced it would cut off all export finance support to Belarus – it will therefore no longer issue any new guarantees, loans or insurance exports

EU

- Renewed application of existing sanctions against Belarus until February 2023
- Sanctions imposed on Belarusian individuals, who facilitated the Russian military aggression from Belarus
- Prohibition on the purchase, import or transportation of wood products, timber, cement, rubber, iron and steel originating from Belarus

Points to consider

- **Current crisis could have a number of implications beyond sanctions, e.g.:**
  - Impact on energy/commodity prices
  - Impact of counterparty creditworthiness
- **Ensure that exposure levels are adequately managed**
- **Wind-down grace periods for existing transactions**
  - Depends on types of transactions affected, and issuing authority
- **Consider impact on:**
  - Future trades
  - ‘Existing’ v. ‘ancillary’ contracts
- **Adequate protection will be key**



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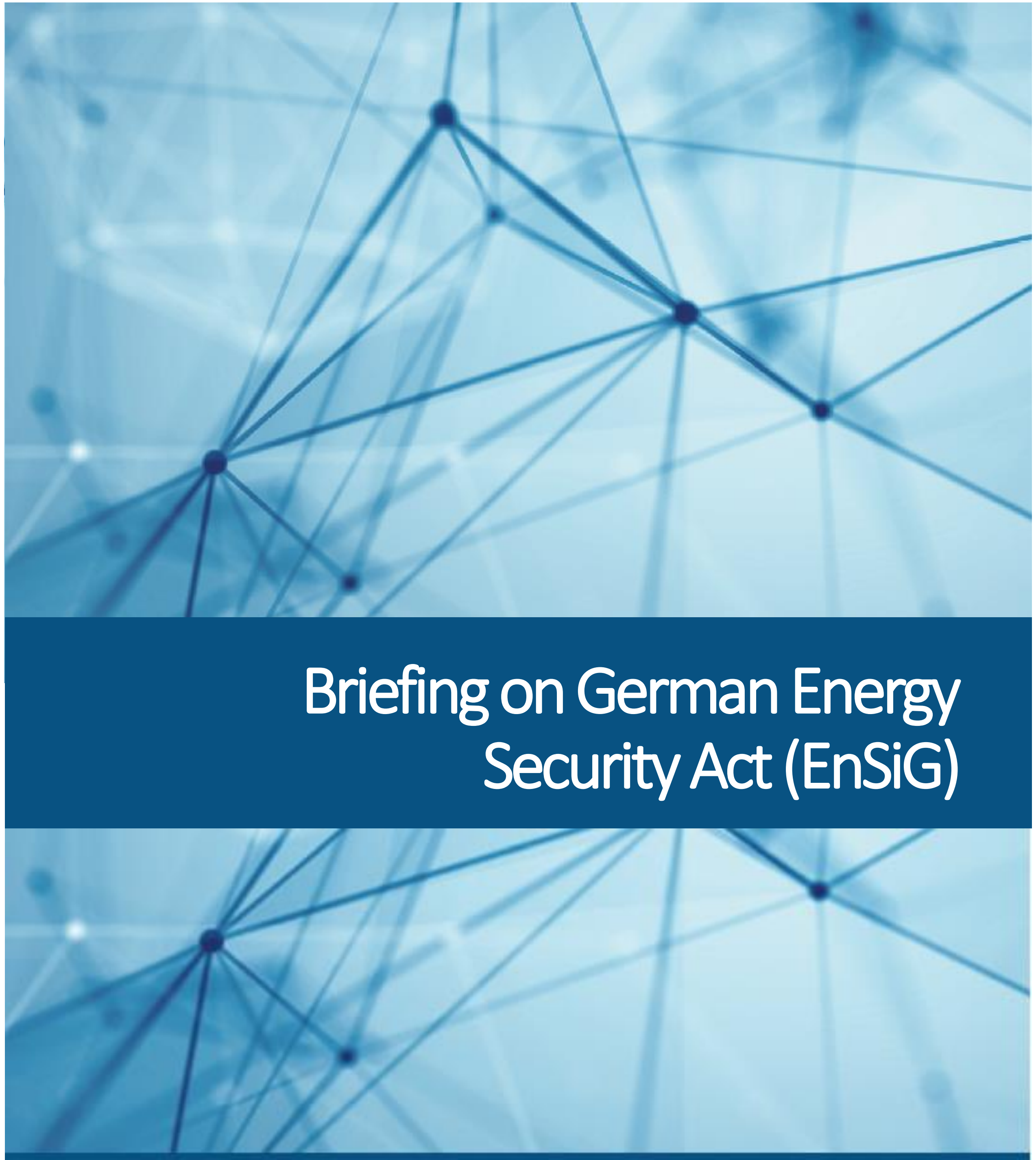
Briefing on German Energy Security Act (EnSiG)

Jan Haizmann, Legal Committee Chair



Energy Security Act 1975

- The Energy Security Act (Energiesicherungsgesetz, "EnSiG") was passed in 1975 in response to the first oil crisis.
- In the event of a disruption or threat to the energy supply, it empowers the German government to enact certain ordinances to ensure that vital energy needs are met.
- Amendment of Energy Security Act to cater for gas supply crisis as result of sudden supply disruptions

Reform of the Energy Security Act

Section	Comment
§ 12 Compensation for losses from expropriation	Provides for compensation mechanism for financial losses. Requires more details on discovery of compensation amounts and the time of its calculation
§17 Trusteeship of critical infrastructure	Company which is running critical infrastructure (e.g. grid, storage, etc.) in energy can be put under trusteeship, if there is „ concrete risk of operator not fulfilling ist purpose to the benefit of the wider community“ and therefore poses a risk to supply of energy. **Order** by Federal Minstry of Industry and Climate, leading to taking over the control over company or parts thereof **Sunset Date:** 6 months Extendable by another 6 months, if risk to supply of energy persists
§ 18 Expropriation of critical infrastructure	Expropriation of owner of critical infrastructure if trusteeship insufficient to secure the supply with energy, transfer of all shares or parts of company to state agency
§ 24 Price Variation Clause in case of sharply reduced gas supply	Price-variation clause is allowing gas suppliers to unilaterally change price of gas across the value chain should the gas supply be “sharply reduced” and only if he Federal Network Agency have declared SoS Alarm Level or Emergency level due to substantially reduced gas supply, gas importing companies are enabled to adapt the price along the delivery chain on an “acceptable level” and have to communicate the new price to their customers before it enters into force. Non-applicability for financial instruments (communication of EEX) Stellungnahme der EEX AG zu den Möglichkeiten der Preisanpassungen nach §24 des Vorschlages für das Energiesicherungsgesetz Non-applicability for OTC-contracts within scope of § 104 Insolvency Act mentioned in the reasoning of the EnSiG. Further clarification of exact scope is required.

Energy Security Act Legislative Timeline

DATE	Milestones	EFET Involvement
12.04.22 20.04.22	Government Draft Discussion with Stakeholders	EFET underlines serious concerns about planned Energy Security Act EFET Position published
26.04.22	German Parliament First Reading (*Drucksache 20/1501)*	
9.05.22	Public Hearing in Climate and Energy Committee	EFET responds to questions of member of parliament and reiterates concerns with various points, including the price variation clause
11.05.22	Discussion Climate and Energy Committee	EFET makes contact with some members of Climate and Energy Committee
12.05.22	2nd Reading and Endorsement of by Parliament	
29.05.22	Discussion in Budesrat (Upper House)	

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Polish sanctions against Russia and Belarus

Sonia Auguscik, Legal Committee

Polish sanctions against Russia and Belarus

Key provisions

Polish Sanctions Act

Act on special measures to combat support for aggression against Ukraine and to protect national security, effective as of 16 April 2022, is **an addition** to a package of sanctions that have been adopted at the EU level. The act:

- creates a national list of persons and entities subject to sanctions;
- introduces additional, Poland-specific, restrictive measures;
- imposes a national embargo on coal from the territory of Russia and Belarus;
- provides for administrative and criminal liability for non-compliance with the national and EU sanctions.

Polish sanctions against Russia and Belarus

Key provisions

Polish Sanctions List

The list is **supplemental** to the EU sanctions. It comprises around 15 individuals and 35 entities and the restrictive measures generally include:

- freeze of all funds and economic resources;
- ban on provision of funds or economic resources, directly or indirectly, to the entity;
- ban on participation, knowingly and intentionally, in activities intended to circumvent the restrictions;
- disqualification from public procurement proceedings;
- for individuals: entry into the register of foreigners deemed persona non grata on the territory of Poland.

Polish sanctions against Russia and Belarus

Key provisions

Energy sector

Novatek Green Energy Sp. z o.o. (registered in Cracow, Poland):

- freeze of all funds and economic resources;
- ban on provision of funds or economic resources, directly or indirectly, to the entity;
- ban on participation, knowingly and intentionally, in activities intended to circumvent the above restrictions;
- disqualification from public procurement proceedings.

OAO Novatek (registered in Moscow, Russia):

- freeze of all funds and economic resources;
- ban on provision of funds or economic resources, directly or indirectly, to the entity;
- ban on participation, knowingly and intentionally, in activities intended to circumvent the above restrictions.

Polish sanctions against Russia and Belarus

Key provisions

Energy sector

PAO Gazprom (registered in Moscow, Russia):

- freezing the exercise of rights from shares and other securities, freezing the dividend;
- ban on participation, knowingly and intentionally, in activities intended to circumvent the above restrictions.

The sanctions list also includes the coal and petrochemical trading companies (e.g. SUEK Polska, KTK Polska, BELOIL Polska, Barter Coal).

Embargo on coal:

- the act prohibits both **imports** into Poland of coal originating in Russia or Belarus and the **transit** of such coal through the territory of Poland;
- the embargo introduces new documentation requirements for entities trading in coal within Poland: **declarations identifying the country of origin.**

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Russia counter-sanctions

Aygul Adamson, Legal Committee

Russia counter-sanctions

New payment scheme for European buyers of Russian gas

- **Russian President's Decree No. 172 of March 31, 2022:** buyers of Russian natural gas based in "unfriendly states" (or in cases when gas is supplied to an "unfriendly state") are obliged to pay for gas in Russian roubles:
    - Non-compliance with this requirement could lead to a halt to further supplies.
    - The requirement is somewhat mitigated by the special payment procedure, according to which buyers of gas must open accounts in both Russian roubles and non-rouble currency at *Gazprombank* and initially pay for gas in non-rouble currency, which is then sold by *Gazprombank* on the *Moscow Exchange* against Russian roubles credited to the buyer's rouble account and subsequently paid to the seller of gas.

- NB: European Commission's Guidance on "Gas imports FAQs – as of 21 April 2022"
- Gazprom's suspension of gas deliveries to Poland and Bulgaria "due to absence of payments in roubles" as of 27 April 2022.

Russia counter-sanctions

- **Russian President's Decree No.252 of 3 May 2022** "On retaliatory special economic measures in connection with unfriendly actions of certain foreign states and international organisations"

- **Decree of the Government of the Russian Federation No. 851 of May 11, 2022** "On measures to implement the Decree of the President of the Russian Federation of May 3, 2022 No. 252"

1. Gazprom Germania GmbH (Germany)
2. Gazprom NGV Europe GmbH (Germany)
3. Astora GmbH (Germany)
4. ZGG – Zarubezhgazneftehim Trading GmbH (Austria)
5. Gazprom Schweiz AG (Switzerland)
6. WIEE Hungary Kft. (Hungary)
7. WIEE Bulgaria EOOD (Bulgaria)
8. IMUK AG (Switzerland)
9. WIBG GmbH (Germany)
10. WIEH GmbH (Germany)
11. WINGAS GmbH (Germany)
12. WINGAS UK Ltd (UK)
13. WINGAS Sales GmbH (Germany)
14. WINGAS Holding GmbH (Germany)
15. Industriekraftwerk Greifs wald GmbH (Germany)
16. VEMEX ENERCO s.r.o. (Slovakia)
17. WINGAS Benelux s.r.l. (Belgium)
18. Gazprom Marketing & Trading Ltd. (UK)
19. Gazprom Global LNG Ltd. (UK)
20. Gazprom Marketing & Trading Ltd. France SAS (France)
21. Gazprom Marketing & Trading USA Inc. (US)
22. Gazprom Marketing & Trading Switzerland AG (Switzerland)
23. Gazprom Marketing & Trading Singapore PTE. Ltd. (Singapore)
24. Gazprom Marketing & Trading Retail Ltd. (UK)
25. Gazprom Mex (UK) 1 Ltd. (UK)
26. Gazprom Mex (UK) 2 Ltd. (UK)
27. PremiumGas S.p.A. (Italy)
28. VEMEX s.r.o. (Czech Republic)
29. VEMEX ENERGIE a.s. (Czech Republic)
30. WIEE ROMANIA SRL (Romania)
31. EuRoPol GAZ S.S. (Poland)

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Dutch legal reforms relating to close-out netting: impact of WHOA proceedings

LC Secretariat

Progress report on EFET – Energie-Nederland advocacy campaign

Dutch Act on Court Approved Pre-Insolvency Restructuring Schemes ("WHOA")

- WHOA issue handled as Bill 36.040 implementing the EU Restructuring Directive by the House of Representatives Permanent Committee of Justice and Security. Latest Committee report published on 19 April.
- The current extreme situation in the energy market has made the issue more acute (higher collaterisation of trades for Dutch companies, higher end customer price).
- EFET-Energie-Nederland plea for an industry-wide netting exemption (building on the example of the 2020 UK law) made:
  - through our engagement with members of the Dutch Parliament - joint position paper sent to the 4 fractions in Parliament that are in the coalition (thus VVD, CDA, D66 and CU), plus their spokespersons for energy.
  - Joint social media action continued.
- Jan Haizmann's interview to Energeia Energienieuwsfrom 10th May raising EFET's concerns regarding the negative impact of the WHOA Act.
- Further advocacy steps contemplated, depending on the progress

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Progress report on EFET – LEBA Credit Automation Project

Nick Jackson, COO, Griffin Markets

Griffin Markets Europe SAS Credit Presentation

16th May 2022

GRIFFIN

Credit Challenges

- Manual process;
- No standardisation;
- Credit lists queued up;
- No guarantee on when it will be processed;
- Problems exacerbated by current high prices.

Solution

- Standardisation;
- Machine readable;
- Use Trayport Credit API;
- Excel format to be used to define and develop standard;
- xml format for ease of implementation;
- Pilot project – Griffin/RWE.

GRIFFIN

Standard Format

- Credit can be set against individual counterparties or groups of counterparties.
- Credit can be set against individual markets or groups of markets.
- Credit set for specific dates. No rolling credit.
- Preferred sleeve option.
- Credit can be set for and against DMA accounts (individually or in groups).

GRIFFIN

Progress to date

- In conjunction with RWE we have proved that the XML format is workable – no show stopping issues identified with the file format
- RWE have generated a file from production data which would likely be one of the largest we can expect from the market participants
- We can load this file into our test back office system
- We have mapped the static data required to interpret it
- We can submit this file to our test Trayport platform and we see credit change in front of our eyes.
- Griffin systems take about 3 minutes to load this in, 2 minutes to compare it and 2 minutes to submit it to the Trayport platform

  It is a wonderful thing to see.

GRIFFIN

Questions and follow up

We would be pleased to take any questions now or if you wish to discuss further we welcome direct contact:

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Email : nick.jackson@griffinmarkets.com

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Review of the EFET standard CPPA: status quo report

EFET standard CPPA

Status quo report

Review of the EFET standard CPPA

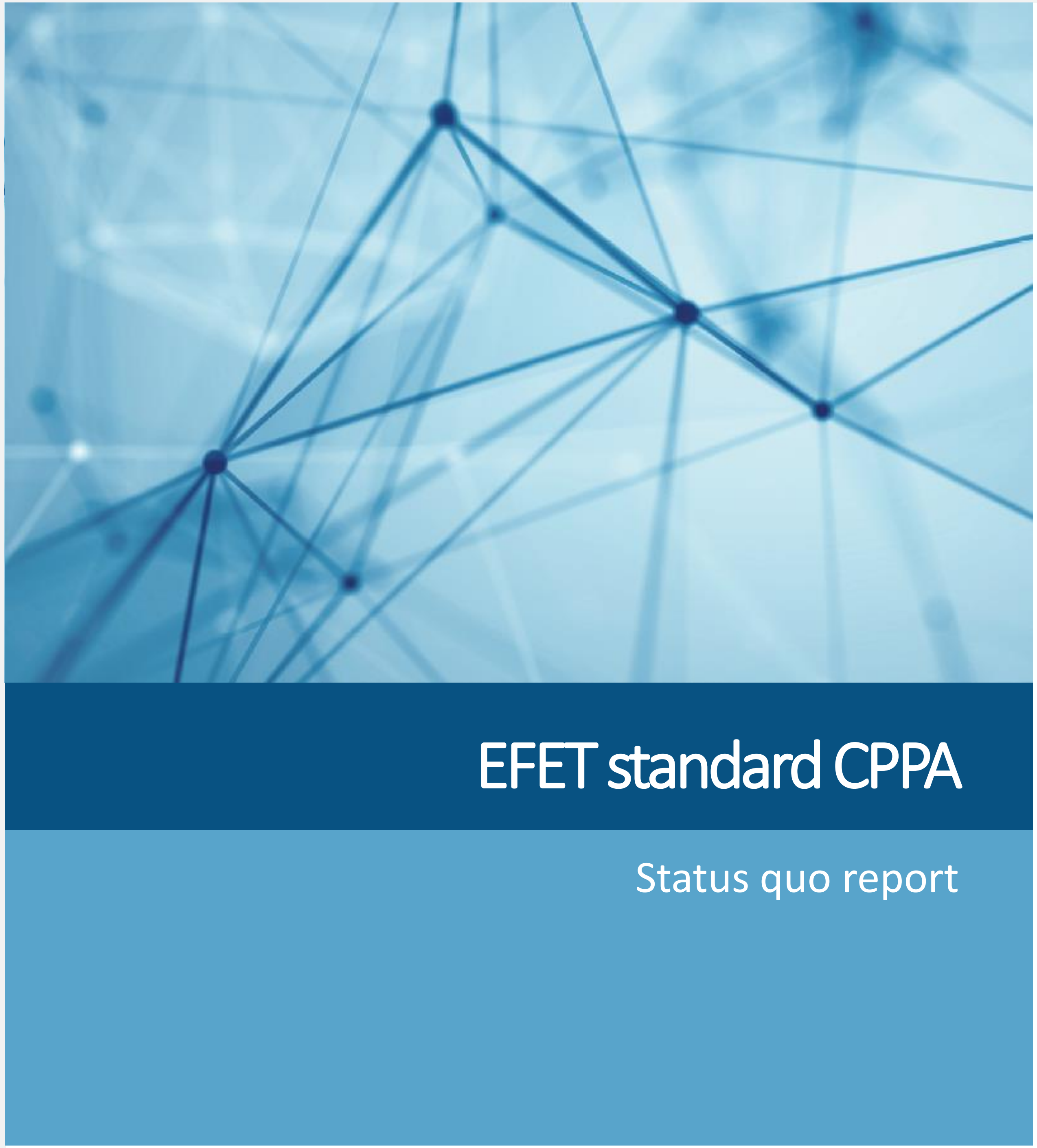
- Current review angle is focused on reducing the complexity of the template and making it better suited to the needs of users
- Draft version 2.0 exclusively for physical settlement, with optional annexes that can be fully customised for a specific project and jurisdiction

→ Tendency to avoid too far-reaching standardisation of commercial matters

→ Keeping the CPPA template flexible and avoiding too much detail

→ Some options can be explained in the guidance notes accompanying the new template

→ Action: next task force discussion in June (invite to follow soon)



Uptake of the EFET standard CPPA

Growing interest in the corporate PPA markets in the Southeast Europe (Romania, Bulgaria, Croatia, Greece):

→ **Guidance Notes for the Bulgarian PPA market** – launch session during the RE-Source Southeast event in Sofia, 1 June 2022;

→ **Guidance Notes for the Romanian PPA market** – launch session during the ETCSEE conference in Budapest, 16 June 2022.

Update from LC working groups

LC Secretariat

- Improvement of close-out netting (Italy, Bulgaria)
- Working group on emergency management
- Qualification of GoOs in light of MiFID
- Update from Carbon Neutrality Strategy Group
- Trading Compliance WG
- FinTech WG
- Georgian OTC market – use of EFET GA Power
- Biogas Template

AOB, conclusions and closing remarks
Next Legal Committee meeting – Q3 2022

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Thank You!

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