

Instruction 6
**Regarding the elements Daily Account Structure
and
reports provided by the RCE to the CM**

1. Daily Account Structure

- i. **Account balance** = Total Bonds established by the CM
 - Bonds are *established by the CM* (e.g.: PB or cash by payment order) or *drawn by the RCE* from the Cash Account through Direct Debit
 - The Account balance is positive (minimum 0)
 - **The balance of the account analytically highlights the cash funds**
- ii. **Risk Limit** = Total Margins required to be constituted by the CM
 - Total margins: Cumulated Initial Margin + Cumulated Variation Margin + Cumulated Physical Delivery Margin
 - The cumulated Initial Margin may have a negative value (-) or 0
 - The cumulated Variation Margin may have a negative value (-) or 0 or a positive value (+); *if there are positive Variation Margin on the Contract they shall be adjusted to the maximum clearing level according to the Regulation, in order to calculate the cumulated Variation Margin.*
 - The cumulated Physical Delivery Margin may have a negative value (-) or 0
- iii. **Margin Call** = the list with Additional Bonds necessary, respectively **(i)+(ii) < 0**. *The value of the Margin Call is (i)+(ii).*
- iv. **Trading limit** = the situation of surplus of Bonds, respectively **(i)+(ii) > 0**. *The value of the trading limit is (i) + (ii)*
- v. **Cash available** = funds in the Account Balance deposited in cash and unblocked in Margin Bonds. *It exists only if (1) +(2) >0.*
 - Cash available is a part of the Account Balance with a value between 0 and at most the value of the Account Balance.
 - Cash available represents the amount that can be effectively withdrawn by a CM in accordance with *the Instruction on Determining the Daily Schedule* and in

compliance with *the Instruction on Determining the Values of the Physical Delivery Margin*.

- Cash available represents a sum of money available to the CM not being affected by Open Positions or Market orders
- Cash available is highlighted in the daily situations submitted to the CM.
- Cash available can be requested at any time by the CM, but the release to the banking system (*its payment*) is made only on condition of maintaining it within the Risk Limit at the end of the Day.

vi. **Tariffs.**

Rates are only calculated at the Account level. They are not taken into account when establishing the level of the Bonds, the Trading Limit or the Margin Call.

2. Reports provided by the RCE to the CM

List of reports:

2.1 Trading report

- Includes the list of Transactions executed during the current Day

2.2 Report on orders

- Includes the list of orders entered on the Market during the current Day
- Highlights long-term trading orders valid for the next Day

2.3 The daily situation of the Account

It is available from the date of opening Positions on a Contract until the end of the Delivery Period.

It highlights the duration orders at the end of the Day and the initial margins retained.

It contains the synthetic situation of the Account regarding the Bonds, Margins and Trading Limit / Margin Call.

It highlights the cash deposits / withdrawals and other bonds

2.3.1 Report for Contracts prior to the Delivery period

- .A. regarding the Positions and the Initial Margin on the Contract**

- It includes the gross and net Positions on each Contract individually
- It includes the values of the Initial Margin per Net Position / Contract
- It includes the total Initial Margins: the cumulated Initial Margin.

B. regarding the marking on the Market and the Variation Margin

- It includes calculations from the Marking on the Market for each Transaction individually (*marking on a gross basis*) by comparing the price of the Transaction with the Daily Settlement Price
- It includes the Daily Settlement Price
- It includes the calculation regarding the Variation Margin / Contract, including the highlighting of the positive Variation Margin on the Contract that does not fall for compensation
- It includes the calculation regarding the total Variation Margins, respectively the Variation Margin cumulated on the Account

2.3.2 Report on the Contracts in the Delivery Period:

It is available from the date of entry into the Delivery Period of a Contract until the end of its Delivery Period.

2.3.2.1 Report on the situation of the retained and released bonds

- *it includes the margins retained for the Delivery Period*
- *it includes calculations regarding the release of bonds during the Delivery Period*

2.3.2.2 Report on payments and receipts related to delivery for a CM according to Transactions

- It highlights the situation of payments due daily for the Support Asset *operated one day in advance for each day of the Delivery Period*
- It highlights the situation of daily receipts for *each day of the Delivery Period, at the end of that Day*
- It presents a summary of the payments and receipts accounted for up to the current Day and of the deliveries and payments remaining to be executed from the Delivery Period

- It presents a net daily calculation (*financial netting*) for the clearing of cash flows (*in the case of Opposite directions Positions entered in the Delivery Period*) related to each delivery day by reporting to the Transactions and the prices from the related Transactions.

Note:

The detailed technical reports are provided by the RCE IT system!