

Technical Rule no. 14 rev. 2 MGAS

(under article 4 of the Natural-Gas Market Rules, approved by the Ministry of Economic Development with its Decree of 6 March 2013, as subsequently amended and supplemented)

Title	Loss of Qualifications or Default by the Bank Issuing the Bank Guarantee
Reference Legislation	Article 70, para. 70.8, and Article 80, para. 80.1 – Natural-Gas Market Rules

In force from 1 October 2024

Table of contents

Technical Rule no. 14 rev. 2 MGAS	1
Loss of Qualifications or Default by the Bank Issuing the Bank Guarantee	1
1. Foreword.....	3
2. Loss of qualifications by the bank issuing the bank guarantee	3
2.1 Guarantees provided according to Annex C of the MGAS Rules.....	3
2.2 Guarantees provided according to Annex E of the MGAS Rules.....	4
3. Default by the bank issuing the bank guarantee.....	5
3.1 Guarantees provided according to Annex C of the MGAS Rules.....	5
3.2 Guarantees provided according to Annex E of the MGAS Rules.....	5

1. Foreword

Article 70, para. 70.8 of the MGAS Rules provides that, if the bank issuing the bank guarantee or the controlling company issuing the statement referred to in Article 70, para. 70.7 of the MGAS Rules no longer meets one or both of the requirements set forth in Article 70, para. 70.2 of the MGAS Rules, or if the controlling company loses the control of the bank issuing the bank guarantee as per Article 2359, paras. 1 and 2 of the Italian Civil Code, then the bank guarantees issued by such bank shall remain valid until the date specified in the Technical Rules.

Article 80, para. 80.1 of the MGAS Rules provides that the bank guarantees issued by the bank that, after receiving a request for enforcement, fails to make the consequent payment within the time limits specified therein, shall remain valid until the date established in the Technical Rules.

2. Loss of qualifications by the bank issuing the bank guarantee

2.1 Guarantees provided according to Annex C of the MGAS Rules

In the event that the bank issuing the bank guarantee or the controlling company that has issued the statement referred to in Article 70, para. 70.7 of the MGAS Rules, loses one or both of the qualifications set forth in Article 70, para. 70.2 of the MGAS Rules, or if the controlling company loses control of the bank issuing the bank guarantee, pursuant to Article 2359, paras. 1 and 2 of the Civil Code, the relevant bank guarantees issued by such bank as a guarantee provided by the Market Participant to GME for the purposes of financial adequacy verifications:

- for the share of the overall amount allocated to MGAS netting markets, they remain valid until the end of the invoicing period comprising the sixtieth calendar day following that on which the loss of the qualification has occurred, unless the Market Participant priorly posts another suitable guarantee and the request to return the bank guarantee submitted is positively verified by GME according to Article 71, para. 71.9 of the MGAS Rules.
- for the share of the overall amount allocated to the MT-GAS, they immediately lose their validity both for the submission of bids/offers and the conclusion of trades, and the registration of the net position to be delivered at the PSV. It is understood that such bank guarantees remain valid in relation to the management of default;
- for the share of the overall amount allocated to the PCE, they remain valid until the end of the invoicing period comprising the sixtieth calendar day following that on which the loss of

the qualification has occurred, unless the Market Participant priorly posts another suitable guarantee and the request to return the bank guarantee submitted is positively verified by GME according to Article 80, para. 80.8 bis of the ME Rules.

If the Market Participant is also an Electricity Market Participant, Technical Rule no. 03 ME applies.

2.2 Guarantees provided according to Annex E of the MGAS Rules

In the event that the bank issuing the guarantee or the controlling company that has issued the statement referred to in Article 70, para. 70.7 of the MGAS Rules, loses one or both of the qualifications set forth in Article 70, para. 70.2 of the MGAS Rules, or if the controlling company loses control of the bank issuing the bank guarantee, pursuant to Article 2359, paras. 1 and 2 of the Civil Code, the relevant bank guarantees issued by such bank as a guarantee provided by the Market Participant to GME for the purposes of financial adequacy verifications:

- for the share of the overall amount allocated to MGAS netting markets, they remain valid until the end of the invoicing period comprising the sixtieth calendar day following that on which the loss of the qualification has occurred, unless the Market Participant priorly posts another suitable guarantee and the request to return the bank guarantee submitted is positively verified by GME according to Article 71, para. 71.9 of the MGAS Rules.
- for the share of the overall amount allocated to the PCE, they remain valid until the end of the invoicing period comprising the sixtieth calendar day following that on which the loss of the qualification has occurred, unless the Market Participant priorly posts another suitable guarantee and the request to return the bank guarantee submitted is positively verified by GME according to Article 71, para. 71.9 of the MGAS Rules.

If the Market Participant is also an Electricity Market Participant, Technical Rule no. 03 ME applies.

3. Default by the bank issuing the bank guarantee

3.1 Guarantees provided according to Annex C of the MGAS Rules

The bank guarantees issued by banks that, after receiving the request for enforcement, fail to make the consequent payment within the time limits stated therein:

- for the share of the overall amount allocated to MGAS netting markets, for the purpose of financial adequacy verifications, they remain valid until the end of the invoicing period comprising the thirtieth calendar day following that on which the event has occurred, unless the Market Participant priorly posts another suitable guarantee and the request to return the bank guarantee submitted is positively verified by GME according to Article 71, para. 71.9 of the MGAS Rules.
- for the share of the overall amount allocated to the MT-GAS, for the purpose of financial adequacy verifications, they immediately lose their validity both for the submission of bids/offers and the conclusion of trades, and for the registration of the net position to be delivered at the PSV. It is understood that such bank guarantees remain valid in relation to the management of default;
- for the share of the overall amount allocated to the PCE, for the purpose of financial adequacy verifications, they remain valid until the end of the invoicing period comprising the thirtieth calendar day following that on which the event has occurred, unless the Market Participant priorly posts another suitable guarantee and the request to return the bank guarantee submitted is positively verified by GME according to Article 71, para. 71.9 of the MGAS Rules.

If the Market Participant is also an Electricity Market Participant, Technical Rule no. 03 ME applies.

3.2 Guarantees provided according to Annex E of the MGAS Rules

The bank guarantees issued by banks that, after receiving the request for enforcement, fail to make the consequent payment within the time limits stated therein:

- for the share of the overall amount allocated to MGAS netting markets, for the purpose of financial adequacy verifications, they remain valid until the end of the invoicing period comprising the thirtieth calendar day following that on which the event has occurred, unless

the Market Participant priorly posts another suitable guarantee and the request to return the bank guarantee submitted is positively verified by GME according to Article 71, para. 71.9 of the MGAS Rules.

- for the share of the overall amount allocated to the PCE, for the purpose of financial adequacy verifications, they remain valid until the end of the invoicing period comprising the thirtieth calendar day following that on which the event has occurred, unless the Market Participant priorly posts another suitable guarantee and the request to return the bank guarantee submitted is positively verified by GME according to Article 71, para. 71.9 of the MGAS Rules.

If the participant is also an Electricity Market Participant, Technical Rule no. 03 ME applies.