



SEMOpX Rules Committee
C/O Michael Kelly
The Oval
160 Shelbourne Rd
Dublin 4
D24 FW28

29 March 2017

Our Ref: D/18/4974

SEM Committee Decision for the Regulatory Authorities in relation to SEMOpX MCF_02_18 (Modification Change Form MCF_02_18)

Dear Michael,

On 23 February 2018, SEMOpX submitted its Modification Change Form with regard to SEMOpX rules Modification Change Form (MCF) 02_18: Trading Halt if Clearing House Requests in accordance with Paragraph J.4.1.1 of the SEMOpX Rules.

The SEMOpX MCF_02_18 was submitted to the Interim Committee by the SEMOpX on 6 December 2017.

The Proposer requests to add an additional criteria under which Exchange Members will be subject to a trading halt. Under this additional scenario SEMOpX is requested to exclude an Exchange Member from trading by the Clearing House in accordance with the Clearing House's (ECC's) Clearing Conditions.

The modification is required to ensure that SEMOpX are able to comply with the requirements of the Clearing House's (ECC's) Clearing Conditions to suspend or exclude an Exchange Member from trading as a result of a breach by the Exchange Member, or the Exchange Members Clearing Member, of the ECC Clearing Conditions.

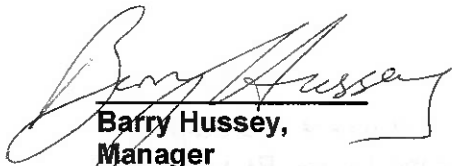
The Regulatory Authorities note that a presentation was made to the Interim Committee (BLG meeting) on 6 December 2017 where the reasoning for the proposal was explained and proposed changes to the SEMOpX rules were set out. Following the presentation a consultation process has followed, giving the opportunity to market participants to comment on the proposed change.

The Regulatory Authorities see the value of including this modification to ensure that SEMOpx is able to comply with actions that the Clearing House is able to take – as defined in the ECC Clearing Conditions and agreed between the Clearing House and Exchange Member.

The RAs also note that some of the responses submitted are of the view that further clarification under which exact conditions the Clearing House can exclude an Exchange Member is needed. However, the Regulatory Authorities are of the view these conditions have been explicitly stated in the bilateral settlement and clearing agreement signed by the Exchange Member with ECC and do not see the value of repeating the same conditions in the SEMOpx Rules.

Considering the above, and in accordance with Paragraph J.4.1.1 of the SEMOpx Rules, the Regulatory Authorities direct that a Modification, as set out in MCF_02_18, be made on a Trading Day basis with effect from two Working Days after the date of this letter.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Barry Hussey', is written over a horizontal line.

**Barry Hussey,
Manager
Wholesale Electricity Markets**