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**Annex to the GTC BGC  
on clearing and settlement, and invoicing  
V 5.0**

NON BINDING TRANSLATION

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## Document history

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## 1. Scope of the financial clearing and settlement operations

The financial clearing and settlement operations, and related invoicing, include:

- a) calculation of the money balances for each clearing period and BG;
- b) calculation of the money balances for each BG in a given settlement period;
- c) calculation of the clearing fee;
- d) invoicing of market participants (BGRs, balancing energy suppliers and natural gas suppliers);
- e) payment processing.

## 2. Basis of clearing and settlement

The components of the clearing and settlement calculations performed by the BGC for market participants are:

- the net balancing energy volumes attributable to the BGs assigned to BGRs, multiplied by the balancing energy price, and itemised by deliveries and purchases;
- physical settlement of balancing energy trades, itemised by deliveries and purchases;
- provision of reserve capacity for the balancing market;
- clearing fee;
- tax.

## 3. Invoicing, reverse charge and payment processing

- a) The payments are processed by means of direct debits or credits. Market participants receive invoices by dates determined by the BGC. They must notify the BGRs of their VAT numbers.  
All invoices are denominated in euro and state the VAT amount if the turnover is taxable and non-exempt under the Austrian Value Added Tax Act. This and any other tax or levy that may be payable in future in connection with the BGC's activities will be invoiced by the BGC in addition to the fee, and shall be paid by market participants.

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- b) If a foreign market participant has no business establishment in Austria, then non-VAT invoices will be made out for energy purchased by such market participants, as this turnover is tax exempt in Austria. The market participant shall be responsible for paying any tax to which it is liable in the country where it is domiciled, and shall hold harmless and indemnify the BGC with respect thereto.
- c) The BGC will apply the reverse charge rule under section 19(1c) in conjunction section 3(13) Value Added Tax Act 1994 as amended to credit notes issued by it for energy supplied by a foreign market participant that has no business establishment in Austria. The BGC will withhold the value added tax and remit it to the Austrian tax authorities.
- d) All market participants are obliged to notify the BGC of the opening or closure of a business establishment or registered office in Austria without delay, i.e within 14 days, in writing. In the event that a market participant fails to do so it shall hold harmless and indemnify the BGC if the latter is served with a tax demand.
- e) Invoiced amounts are due on the due date stated on the invoice, and are directly debited. Direct credit and debit instructions have T+3 settlement dates. Clearing charges can be prepaid, at the estimated amounts.
- f) All market participants must nominate an account with a bank in the EU or Switzerland to be used to administer their payments. The BGC may only decline to use a bank account on reasonable grounds. All market participants must grant the BGC or an agent of same a direct debit mandate for the bank account nominated by them in favour of an account of the BGC, and ensure that there are sufficient funds on their accounts on the due dates. Direct credit transfers will be made from the BGC's account to the accounts nominated by market participants.
- g) Debits of invoiced amounts and transfers of credits in amounts of less than EUR 5.00 will be made when the next amount in excess of EUR 5.00 is debited/transferred.

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#### **4. Right to dispute invoices**

Market participants are entitled to object to the BGC about invoices in writing within 30 days. This right does not absolve them from their duty to pay invoices that they believe to be incorrect, subject to clarification of the contested issues. If the objection is not made within the notice period the invoice shall be deemed to be binding. The BGC will rectify incorrect invoices during the next two clearing and settlement periods, and will itemise the correction on the subsequent invoice.

#### **5. Adjustments to prepayments**

The BGC reserves the right to adjust prepayments on the basis of the clearing and settlement data available to it.

#### **6. Set-off of counterclaims**

The set-off of counterclaims is normally excluded.

However it is permissible for the BGC in the event of the impending insolvency of a market participant. Set-Off is also permissible against a claim of a contracting party where there is a legal connection between such claim and the liability, and where the claim is upheld by a court of law or the BGC acknowledges the claim.

#### **7. Changes in the legal position**

In the event of a change in the legal position, and in particular amendments to the Austrian Value Added Tax Act, the BGC's invoicing practices shall immediately be adjusted to comply with the new legislation irrespective of whether this annex has been so adjusted.