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**MEMORANDUM OF UNDERSTANDING
BETWEEN
ENERGY COMMUNITY SECRETARIAT**

LLC MOLDOVATRANSGAZ

FGSZ NATURAL GAS TRANSMISSION Ltd

**CENTRAL EASTERN EUROPEAN GAS EXCHANGE COMPANY LIMITED BY
SHARES Ltd**

LIMITED LIABILITY COMPANY UKRAINIAN ENERGY EXCHANGE

LIMITED LIABILITY COMPANY GAS TRANSMISSION SYSTEM

OPERATOR OF UKRAINE

COMMODITY EXCHANGE BURSA ROMANA DE MARFURI SA

EEX CEGH GAS EXCHANGE SERVICES GmbH

TOWAROWA GIELDA ENERGII S.A.

OPERATOR GAZOCIĄGÓW PRZESYŁOWYCH GAZ-SYSTEM S.A.

ABOUT

**TRANS-REGIONAL COOPERATION ON THE DEVELOPMENT OF AN
INTEGRATED EASTERN AND SOUTH-EASTERN EUROPEAN GAS MARKET
(SEEGAS)**

MEMORANDUM OF UNDERSTANDING ABOUT TRANS-REGIONAL COOPERATION ON THE
DEVELOPMENT OF AN INTEGRATED EASTERN AND SOUTH-EASTERN EUROPEAN GAS MARKET
(SEEGAS)



MEMORANDUM OF UNDERSTANDING (hereinafter referred to as – the “**Memorandum**”) between the Energy Community Secretariat (hereinafter – the “**Secretariat**”) –, representing the Energy Community, an international organization the purpose of which is to create a stable regulatory and market framework capable of attracting investment into gas networks, power generation, transmission and distribution networks, and ensuring access to stable and continuous energy supply, that is essential for economic development and social stability; LLC Moldovatrangaz (hereinafter – “**Moldovatrangaz**”), the operator of the natural gas transmission system in the Republic of Moldova; FGSZ Natural Gas Transmission Ltd (hereinafter – “**FGSZ**”) - a legal entity that carries out activities for the transportation of natural gas by the gas transmission system for the benefit of third parties (customers) and provides management of the gas transmission system of Hungary and manages a trading platform that operates on a market basis and through which trading platform participants carry out operations on a daily basis and manage their trading portfolios, with the participation of system operators and the central counterparty for settlements; Central Eastern European Gas Exchange Company Limited by Shares (hereinafter – “**CEEGEX**”) is a legal entity that carries out activities to establish a liquid regional gas market that is in line with the leading international practices; Limited Liability Company Ukrainian Energy Exchange (hereinafter – “**UEEX**”) – a commodity exchange, which ensures the functioning of the exchange market of energy resources; Limited Liability Company "Gas Transmission System Operator of Ukraine" (hereinafter – “**GTSOU**”) - an entity that carries out activities for the transportation of natural gas by the gas transmission system for the benefit of third parties (customers) and provides management of the gas transmission system of Ukraine; Commodity Exchange BURSA ROMANA DE MARFURI SA (hereinafter – “**BRM**”) - a legal entity that carries out activities for the organization and conduct of exchange trading in the natural gas market of Romania; OPERATOR GAZOCIĄGÓW PRZESYŁOWYCH GAZ-SYSTEM S.A. (hereinafter – “**GAZ-SYSTEM**”) - an entity that carries out the transmission of gas via the transmission network throughout Poland to supply gas to the distribution networks and final customers connected to the transmission system; Commodity Exchange TOWAROWA GIELDA ENERGII S.A (hereinafter – “**TGE**”) - a legal entity that carries out activities for the organization and conduct of exchange trading



in the natural gas market of Poland, and; the EEX CEGH Gas Exchange Service GmbH (hereinafter– “**ECG**”), a legal entity that provides services for the facilitation of exchange based gas trading for regulated markets and related services for the Central and East European region, are hereinafter jointly referred to as the “**Parties**”.

WHEREAS the international obligations of Ukraine (accession February 1, 2011) and Moldova (accession May 1, 2010) as Contracting Parties to the Energy Community Treaty (hereinafter - the “**Treaty**”) provide for gradual legislative approximation of national legislation governing the energy markets,

WHEREAS the Contracting Parties to the Energy Community Treaty by Decision 2019/01/PHLG-EnC of the Permanent High Level Group of the Energy Community dated 12.12.2019, have adopted and adapted the EU Regulation 312/2014 of March 26, 2014 establishing a Network Code on Gas Balancing of Transmission Networks (hereinafter - the “**Regulation**”). And, considering that the provisions of the Regulation provide for the possibility of introducing a trading platform for balancing operations by transmission system operators and market participants to be used in order to post and accept, bids and offers for gas for the purchase and sale of natural gas,

WHEREAS the Regulation, in particular Article 10, sets the criteria for trading platforms in order to (i) ensure trade of short term standardised gas products for balancing purposes, (ii) ensure transparency and non-discriminatory access to the trading platform and (iii) safeguard the provision of services on an equal treatment basis, as well as the anonymity of trades. These features shall facilitate the creation of a liquid market for natural gas and the possibility of natural gas trading between the members of the natural gas market and to satisfy their gas trading requirements,

WHEREAS this Memorandum aims to upgrade and enhance the information exchange and related activities of the Parties to enable competition in gas trading and transparency, and deliver benefits to the wider economy of the countries in the region, by supporting the development of a liquid regional gas market, and attracting investments in the gas infrastructure,



WHEREAS the transmission system operators of Ukraine, the Republic of Moldova, Romania, Hungary and Poland, having concluded respective interconnection agreements with respective adjacent transmission system operators in accordance with the acquis, have confirmed the Parties' intentions to further develop their national markets with a goal of integrating the natural gas markets, so as to provide the possibility of accessing natural gas at prices established freely based solely on supply and demand,

WHEREAS the existing legal and technical barriers to the use of standardized short-term / - long-term products / derivatives and other forms of trading instruments in the South-East and East European natural gas markets, may slow down and/or hinder the growth of liquidity of these natural gas markets and cross-border trade. Any such barriers should be identified by the Parties and a collective effort would be envisaged to improve the situation in common agreement between all Parties and in line with European best practices,

WHEREAS the Parties intend to cooperate towards the establishment of an integrated South-East and East European gas (hereinafter – “SEEGAS”) market,

WHEREAS the implementation of the provisions of this Memorandum would contribute to actively promote the establishment of competitive gas markets in the SEEGAS region,

WHEREAS the implementation of the objectives described in the Memorandum will help to improve the region's security of supply for natural gas, and will help to improve the stabilization of price fluctuations, the formation of price benchmarks for natural gas and the provision of instruments to guarantee the implementation of agreements. The Parties agreed as follows:



I. OBJECTIVES

This Memorandum aims to provide general terms of understanding for a cooperation between the Parties towards trans-regional cooperation and integration with the purpose of the development of cross-border natural gas trading on e.g. exchange platforms with liquid short-term natural gas markets based on European best practices.

The Memorandum aims to ensure the implementation of certain aspects of the EU legislation, governing the gas markets, in order to create prerequisites for the functioning of a competitive liquid SEEGAS market. The memorandum also aims at introducing transparent and competitive, interregional, market-based pricing mechanisms and efficient cross-border gas transmission and interoperability where needed.

The expectation of the Parties is to establish and develop an equally beneficial gas exchange trading infrastructure with the help of which market participants, including TSOs, will buy/sell gas, including for balancing purposes of their trading positions, which will facilitate gas trading in general. In turn, it is expected that the development of the exchange relations will help to ensure unhindered access to the respective natural gas markets for all market participants and service providers, on non-discriminatory bases and equal terms in accordance with the EU acquis.

This Memorandum also aims to facilitate cooperation between the Parties on the implementation of an effective commodity clearing system for natural gas transactions that is in line with best European practices.



II. SUBJECT

The subject of this Memorandum shall be the coordination of efforts and joint activities of the Parties to achieve the objectives of the Memorandum, through the preparation and implementation of joint and individual activities and projects.

The Parties expect that, in accordance with the purpose of this Memorandum, exchange of experience and knowledge will take place on a continuous basis. This will provide an opportunity to bring together trade rules and procedures for trading of natural gas on the respective natural gas markets.

Given the defined objectives and trans-regional scope of the Memorandum, any Exchange or TSO active in the SEEGAS region, by mutual consent of all the Parties, can become a Party to the Memorandum after it has been signed. In order for any entity to be added as a Party to the Memorandum (a "New Party"), such entity shall have signed and delivered a joinder agreement in the form of Annex A attached hereto.



III. STRUCTURE OF COOPERATION

The Parties hereby express their willingness to establish a Joint Steering Committee that would identify opportunities, plan further cooperation and coordinate the implementation of the common goals described in this Memorandum. The Parties endeavor to arrange that members of the Joint Steering Committee will be represented by (a maximum of two representatives for each Party), including the respective contact persons described in Chapter VI (“Contacts”), and should meet no later than one month following the date of signing of this Memorandum to initiate discussions concerning the objectives described above.

The Joint Steering Committee would work on ensuring cooperation between the Parties through advisory and supporting activities as well as through exchange of international experience and best practices. The Joint Steering Committee would meet periodically, at least once every three months, to review and discuss the implementation of this Memorandum, to assess the achievement of the above objectives, and to consider necessary adjustments, if any. These meetings would take place either online or in person, depending on availability of the representatives and external circumstances.

The Terms of References for the Joint Steering Committee will be specified in an additional document, which will be defined during the first meeting of the Joint Steering Committee.



IV. THE ROLE OF THE ENERGY COMMUNITY SECRETARIAT

The Secretariat should cooperate with the Parties by providing independent advice and sharing international experience necessary to achieve the purpose of this Memorandum. The Secretariat would support the Parties on proper implementation of the regulatory framework and provide general regulatory, advisory support and technical assistance.

The Secretariat in accordance with its mandate to support the establishment of an integrated Pan-European energy market, would:

- a) share available information and data on areas of further cooperation in line with the SEEGAS initiative;
- b) cooperate on joint analysis and definition of possible ways to develop and implement legislation aimed at establishing or improvement of gas exchange trading and balancing. In this context, it would act as a coordinator and include representatives of the Parties, as well as representatives from the natural gas sector, in working groups aimed at improving the institutional and regulatory environment;
- c) hold joint conferences, meetings, round tables, seminars, and would establish cooperation with foreign and international organizations, as well as it would take other measures for discussion and resolution of issues that are subject of this Memorandum;
- d) explore the possibility of, and potentially facilitate, cross-border cooperation with neighbouring countries for achieving the goals established through the Memorandum.



V. THE ROLE OF PARTIES

The Parties, according and subject to their discretion, internal strategies, rules and regulations, would:

- a) share expertise and contribute to the achievement of the purpose of the Memorandum;
- b) cooperate on issues of mutual agreement and compatibility of rules for natural gas trading on the natural gas markets;
- c) cooperate on the topic of identification and possible implementation of an effective clearing system that is in line with best practices for the operation of such clearing systems in the EU in accordance with the EU energy legislation;
- d) attend and support joint conferences, meetings, round tables, seminars, cooperate with foreign and international organizations and take other measures for discussion and resolution of issues that are subject of this Memorandum.



VI. CONTACTS

Any notification to be provided or made pursuant to this Memorandum would be addressed in advance and forwarded to the following contacts, which either Party notifies the other. The designated contact person for each of the Parties can be changed via an email notification to the Secretariat:

For the Secretariat:

Address: Am Hof 4, Level 5, 1010 Vienna, Austria

Attention of: Gregor Weinzettel

Fax: -

E-mail: Gregor.Weinzettel@energy-community.org

For Moldovatrangaz:

Address: MD-2044, Republica Moldova, mun. Chisinau, str. Vadul-lui-Vodă 155

Attention of: Vasile Durllesteanu

Fax: (+373) 22-300-406

E-mail: vasile.durllesteanu@moldovatrangaz.md

For UEEX:

Address: 01001, Ukraine, Kyiv, Khreschatyk, 44a

Attention of: Elizaveta Revilo

Fax: -

E-mail: e.revilo@ueex.com.ua

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For GTSOU:

Address: 44 Liubomyra Huzara Ave, 03065, Kyiv, Ukraine

Attention of: Andrii Prokofiev

Fax: -

E-mail: prokofev-ag@tsoua.com

For BRM:

Address: 50-52 Buzesti Street, 7th Floor, District 1, 011015, Bucharest, Romania

Attention of: Ioana Dragan

Fax: +40213172878

E-mail: office@brm.ro

For FGSZ:

Address: H-8600 Siófok, Tanácsház u. 5.

Attention of: Balázs Tatár

Fax: -

E-mail: btatar@fgsz.hu

For CEEGEX:

Address: Dévai utca 26-28, Budapest, 1134, Hungary

Attention of: Szőke Róbert

Fax: +36 1 304 1099

E-mail: szoke@ceegex.hu

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For ECG:

Address: EEX CEGH Gas Exchange Services GmbH, Peak Vienna,
Floridsdorfer Hauptstrasse 1, 1210 Vienna

Attention of: Frederick Bernthaler

Fax: -

E-mail: frederick.bernthaler@gashub.at

For TGE:

Address: Towarowa Giełda Energii S.A., Książeca 4 Str , 00-498 Warsaw, Poland

Attention of: Marcin Sienkiewicz

Fax: +48 22 341 99 10

E-mail: marcin.sienkiewicz@tge.pl

For GAZ-SYSTEM:

Address: ul. Mszczonowska 4; 02-337 Warszawa

Attention of: Piotr Kuś

Fax: +48 22 220 16 38

E-mail: piotr.kus@gaz-system.pl

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VII. NEXT STEPS

The Parties agree that the next steps will include the following:

1. Appointment of the authorized contact persons from each Party for coordination of efforts according to this Memorandum within 2 weeks from the date of signing of the Memorandum;
2. The Secretariat would convene the first meeting of the Joint Steering Committee no later than one month after the date of signing of the Memorandum to discuss and agree on the Terms of References aimed at achieving the objectives of this Memorandum.



VIII. FINAL PROVISIONS

This Memorandum reflects the views and intentions of the Parties to cooperate on a non-exclusive basis and in good faith. This Memorandum is non-binding and does not create any legal obligation nor liability for - or among the Parties nor obligation to cover any financial costs. Every Party is deemed to cover its own costs related to this Memorandum. No third party shall receive any legal benefit from this Memorandum. This Memorandum shall not have or be interpreted / construed to be an agreement, decision or concerted practice which may have as its object or effect the prevention, restriction or distortion of competition. All Parties undertake to adhere to a strict compliance with all applicable competition rules and will exercise due care in the implementation of this Memorandum, including but not limited to any information exchange and activities.

It is understood and agreed that nothing in this Memorandum shall be presented or interpreted as an offer, promise or obligation of any Party to finance all or part of any activity or project defined in or under this Memorandum. This Memorandum does not affect the rights and obligations of the Parties and their signatories arising from relevant regulatory agreements, legislation, rules, charters and any relevant decisions, guidelines, practices, etc. established in accordance with them.

Nothing in this Memorandum shall limit or prohibit the Parties from entering into memoranda and agreements with other parties in respect of any activity, project or area of cooperation covered by this Memorandum. The Memorandum will be open for participation of other relevant stakeholders for the development of an integrated SEEGAS markets.

Any dispute arising from the interpretation or application of any provision of this Memorandum of Understanding will be resolved through consultation.

This Memorandum shall come into force on the date it is signed by the last of the Parties and shall remain in force until either Party notifies the other in writing of its intention to terminate this Memorandum. In such case, the Memorandum shall terminate for the respective Party in 30 (thirty) days after receipt of the notice.

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This Memorandum may be supplemented by annexes and modified by mutual consent of all the Parties.

IN WITNESS WHEREOF THE SECRETARIAT, Moldovatransgaz, UEEEX, LLC GTSOU, BRM, FGSZ, CEEGEX, GAZ-SYSTEM, TGE and ECG each of which acts through its duly authorized representative, signed this Memorandum of Understanding in English language original copies, one for each Party.

ENERGY COMMUNITY SECRETARIAT:

By: _____

Name: Dr Janez Kopač

Title: Director

Date: 19-07-2021

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MOLDOVATRANSGAZ LLC:

By: _____

Name:

Title:

Date:



SRL „Moldovatrangaz”
Adresa juridică: 5200 R. Moldova,
or. Drochia, c/p 24
tel: (+373) 252 65244; fax: 65248
IBAN: MD45VI022243100000066MDL
BC „Victoriabank” SA filiala nr.31 Drochia
TVA 5200032 / IDNO: 1003607010109
Sediul: mun. Chişinău, str. Vadul lui Vodă 155
e-mail: office@moldovatrangaz.md
www.moldovatrangaz.md

„Moldovatrangaz” LLC
Legal address: Postal Code 5200
R. of Moldova, Drochia, P.O. BOX 24
tel: (+373) 252 65244; fax: 65248
IBAN: MD45VI022243100000066MDL
BC „Victoriabank” SA branch nr.31 Drochia
TVA 5200032 / IDNO: 1003607010109
Main office: 155 Vadul lui Voda str., mun. Chisinau,
e-mail: office@moldovatrangaz.md
www.moldovatrangaz.md

Nr. 27-636

Chisinau, 12 July 2021

JANEZ KOPAČ Director of Energy Community Secretariat

Your Excellency,

Hereby I declare that the text of the SEEGAS Memorandum of Understanding is acceptable for LLC Moldovatrangaz.

With this letter, LLC Moldovatrangaz considers itself as signatory of the SEEGAS Memorandum of Understanding.

However, considering the current corporate procedures and actual commitments to ensure the fulfilment of the independent transmission operator's conditions, I declare that LLC Moldovatrangaz can only formally accede to the Memorandum of Understanding upon the completion of the ongoing unbundling process in line with the Third Energy Package.

Please accept, Your Excellency, the assurances of my highest consideration.

Iurie Dolghier

Director

Vienna, 19 July 2021

Mr. Iurie Dolghier

Director, "Moldovatrangaz" LLC

Dear Director,

The Energy Community Secretariat takes note of your letter of 12 July 2021 Nr. 27-636 and supports that your letter and this reply are considered equivalent to a signature of the SEEGAS Memorandum of Understanding by "Moldovatrangaz" LLC.

In any event, this cannot be construed as acceptance or recognition by the Energy Community Secretariat, in whatever form or content, of compliance in the ongoing unbundling process of Moldovatrangaz in line with the Third Energy Package.

A handwritten signature in blue ink, appearing to read "Janez Kopač".

On behalf of the Energy Community Secretariat
Dr Janez Kopač

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LIMITED LIABILITY COMPANY UKRAINIAN ENERGY EXCHANGE

By: _____

Name: *Oleksii Dubovs*

Title: *Chairman of Committee*

Date: *23.06.2021*



MEMORANDUM OF UNDERSTANDING ABOUT TRANS-REGIONAL COOPERATION ON THE DEVELOPMENT OF AN INTEGRATED EASTERN AND SOUTH-EASTERN EUROPEAN GAS MARKET (SEEGAS)

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LLC GAS TRANSMISSION SYSTEM OPERATOR OF UKRAINE

By: _____

Name: *Sergiy Melogon*

Title: *Director General*

Date:

MEMORANDUM OF UNDERSTANDING ABOUT TRANS-REGIONAL COOPERATION ON THE
DEVELOPMENT OF AN INTEGRATED EASTERN AND SOUTH-EASTERN EUROPEAN GAS MARKET
(SEEGAS)

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COMMODITY EXCHANGE BURSA ROMANA DE MARCHURI SA

By: _____

Name: PURICE GABRIEL

Title: President – Director General

Date: 28.06.2021



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FGSZ NATURAL GAS TRANSMISSION Ltd

By: _____

Name: Kristóf Lajos Terhes

Title: CEO

Date: 22.06.2021

By: _____

Name: Ákos Rétfalvi

Title: Director of Trading and Business Services

Date: 22.06.2021

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A handwritten signature in blue ink, appearing to be "R. B. J.", located in the bottom right corner of the page.

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EEX CEGH Gas Exchange Services GmbH (abbreviated as ECG)

By: Gottfried Steiner

Name: Gottfried Steiner

Title: Managing Director

Date: 28th June 2021

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CENTRAL EASTERN EUROPEAN GAS EXCHANGE COMPANY LIMITED
BY SHARES Ltd

By: _____

Name: Dániel Garai

Title: CEO

Date: 02.07.2021

Róbert Szóke

Head of Operation and Surveillance

02.07.2021

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TOWAROWA GIELDA ENERGII S.A.

By: _____

Name:

Title:

Date:

VICE PRESIDENT OF THE MANAGEMENT BOARD

Adam Miodkowski

VICE PRESIDENT OF THE MANAGEMENT BOARD

Piotr Listwoń
Piotr Listwoń

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GAZ-SYSTEMS SA
Gas Market Development Division
Deputy Director

By: 

Name: Piotr Kuś

Title: DEPUTY DIRECTOR, NATURAL GAS MARKET DEVELOPMENT

Date: 25/06/2021

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Annex A

[Form of]

MEMORANDUM OF UNDERSTANDING

ABOUT

**TRANS-REGIONAL COOPERATION ON THE DEVELOPMENT OF AN
INTEGRATED EASTERN AND SOUTH-EASTERN EUROPEAN GAS MARKET
(SEEGAS)**

JOINDER AGREEMENT

This joinder agreement (hereinafter – “**Joinder Agreement**”) to the SEEGAS Memorandum of Understanding (hereinafter – “**the Memorandum**”), dated XX-XX-2021, is executed and delivered as of XX-XX-XXXX by the undersigned Party.

Capitalized terms used but not otherwise defined herein are used as defined in the Memorandum.

WITNESSETH:

WHEREAS, the undersigned Person (hereinafter - the "**New Party**") wishes to become a Party to the Memorandum,

the New Party hereby acknowledges that such New Party has received and reviewed a complete copy of the Memorandum,

THEREFORE, the New Party hereby agrees as follows:

In accordance with Section II. of the Memorandum, the New Party by its signature to this Joinder Agreement becomes a Party to the Memorandum as if originally named therein as a Party. The New Party hereby agrees to all the terms and provisions of the Memorandum applicable to it. Likewise, each reference to the Parties in the Memorandum shall be deemed to include the New Party.

All notices, requests and demands to or upon the New Party shall be governed by the terms of the Memorandum.

MEMORANDUM OF UNDERSTANDING ABOUT TRANS-REGIONAL COOPERATION ON THE
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CONTACT PERSON

For _____ :

Address:

Attention of:

Fax:

E-mail:

* * *

IN WITNESS WHEREOF, the undersigned has caused this Joinder Agreement to be duly executed and delivered by its duly authorized representative as of the day and year first written above.

By: _____

Name:

Title:

Date: