Electronic Settlement Agreement

**THIS ELECTRONIC SETTLEMENT AGREEMENT** is made and entered into as of [DD MMMMM, YYYY] by and among [full legal name of Party A] having its registered office at [full address] (“[abbreviation of name of Party A]”) and [full legal name of Party B] having its registered office at [full address] (“[abbreviation of name of Party B]”), referred to jointly as the “**Parties**” and individually as a “**Party**”.

**WHEREAS,**

1. The Parties regularly enter into transactions (each such transaction being a “**contract**”), governed by various master agreements and/or general terms and conditions as entered into and agreed between the Parties (each a “**Principal Agreement**” and together the “**Principal Agreements**”);
2. The Principal Agreements, as defined in Schedule A, contain, amongst other matters, provisions relating to the settlement of contracts;
3. The European Federation of Energy Traders (“**EFET**”) has developed the EFET Standard for Electronic Settlement Matching (the “**EFET eSM Standard**”), as may be amended from time to time and as publicly available on the EFET website at [www.efet.org](http://www.efet.org);
4. The Parties wish to use electronic settlement matching software which is compliant with the EFET eSM Standard in order to settle, by electronic messaging, contracts entered into between them.

**NOW, THEREFORE,** for good and valuable consideration, the receipt of which is hereby acknowledged,[[1]](#footnote-1)the Parties hereby agree as follows:

1. The Parties acknowledge that each of them is able to exchange a series of electronic messages in accordance with the terms of the EFET eSM Standard, which together constitute an “**Electronic Settlement**” in respect of a contract.
2. The Parties agree that they may confirm their understanding of the agreed terms of certain contracts entered into between them under the Principal Agreements identified in Schedule A hereto by exchanging Electronic Settlement.
3. The Parties agree that any Electronic Settlement with the status “Matched” shall be deemed to be a “Settlement” which has been agreed and accepted by both Parties for the purposes of the relevant Principal Agreement.
4. For the avoidance of doubt, the Parties agree that:
	1. The principles for the conclusion and settlement of contracts as set out in the Principal Agreements shall remain unaffected, except to the extent that Parties agree upon a new settlement period; and
	2. any other (e.g. paper) means of evidencing contracts and their settlements, to the extent allowed by the Principal Agreements entered into between the Parties, shall remain unaffected.
5. This Agreement is effective as from [DD MMMMM, YYYY] and may be terminated by either Party giving thirty (30) calendar days’ prior written notice of termination to the other Party. In the event of termination, the Agreement shall remain legally binding on the Parties but only in respect of, all rights and obligations already created or existing under the Agreement prior to the date of termination.

[**full legal name of party A**] [**full legal name of party B**]

\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Name: Name:

Title: Title:

Date: Date:

SCHEDULE A: PRINCIPAL AGREEMENTS

TO

ELECTRONIC SETTLEMENT AGREEMENT

|  |  |
| --- | --- |
| 1. [tick if applicable] | Electricity Forward Agreement Association Grid Trade Master Agreement as amended from time to time (the **“GTMA”**) |
| 2. [tick if applicable] | European Federation of Energy Traders General Agreement concerning Delivery and Acceptance of Electricity as amended from time to time (the **“EFET Power Agreement”**) |
| 3. [tick if applicable] | European Federation of Energy Traders General Agreement concerning Delivery and Acceptance of Natural Gas as amended from time to time (the **“EFET Gas Agreement”**) |
| 4. [tick if applicable] | Zeebrugge Hub Natural Gas Trading Terms and Conditions 2012 or any master agreement agreed between the Parties incorporating those terms as amended from time to time (the “**2012** **ZBT Terms**”) |
| 5. [tick if applicable]  | The Short Term Flat NBP Trading Terms and Conditions 2015 or any master agreement agreed between the Parties incorporating those terms as amended from time to time (the “**NBP Master**”)  |
| 6. [tick if applicable] | International Swaps and Derivatives Association, Inc. (“**ISDA**”) Master Agreement as amended from time to time (the “**ISDA Master Agreement**”) |
| 7. [tick if applicable] | European Federation of Energy Traders General Agreement concerning the Certificates Master as amended from time to time (the “**EFET EECS**”) |
| 8. [tick if applicable] | globalCOAL Standard Coal Agreement as amended from time to time (the **“SCoTA”**) |

1. This wording is required where English Law governs this ESA, in order to evidence mutuality. [↑](#footnote-ref-1)