**EFET**

**European Federation of Energy Traders**

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**WAIVER: THE FOLLOWING CROSS PRODUCT PAYMENT NETTING AGREEMENT WAS PREPARED BY EFET EXERCISING ITS BEST DUE DILIGENCE: HOWEVER, EFET, THE EFET MEMBERS, REPRESENTATIVES AND EFET COUNSEL INVOLVED IN ITS PREPARATION AND APPROVAL SHALL NOT BE LIABLE OR OTHERWISE RESPONSIBLE FOR ITS USE AND ANY DAMAGES OR LOSSES RESULTING OUT OF ITS USE IN ANY INDIVIDUAL CASE AND IN WHATEVER JURISDICTION. IT IS THEREFORE THE RESPONSIBILITY OF EACH PARTY WISHING TO USE THIS GENERAL AGREEMENT TO ENSURE THAT ITS TERMS AND CONDITIONS ARE LEGALLY BINDING, VALID AND ENFORCEABLE AND BEST SERVE TO PROTECT THE USER´S LEGAL INTEREST.**

###### **NOTE: USERS USING THIS CROSS PRODUCT PAYMENT NETTING AGREEMENT AFTER 4 NOVEMBER 2021 ARE STRONGLY RECOMMENDED TO INCLUDE THE CLAUSE UPDATING THE IBOR INTEREST RATE DEFINITIONS PUBLISHED BY EFET ON ITS WEBSITE ON 4 NOVEMBER 2021.**

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**Cross Product Payment Netting Agreement**

Between

**…**

having its registered office at

**…**

**(Party A)**

and

**…**

having its registered office at

**…**

**(Party B)**

(referred to jointly as the „**Parties**“ and individually as a „**Party**“)

entered into on **….** (the „**Effective Date**“) (referred to as “this **Agreement**”)

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# § 4

**Specifications and Definitions**

1. **Arbitration:** For the purpose of this Agreement [ ] § 3.2 (a) shall apply.

[ ] The language specified for the purpose of § 3.2 (a) shall be: **[check box and insert language, if deviation from standard choice of § 3.2 (a) (“English”) is wanted]**

[ ] § 3.2 (b) shall apply.

[ ] The language specified for the purpose of § 3.2 (b) shall be: **[check box and insert language, if deviation from standard choice of § 3.2 (b) (“English”) is wanted]**

1. **Business Day:** For the purpose of this Agreement, Business Day means any day on which commercial banks effect deliveries of both Euro and Sterling, except all Saturdays and Sundays and those days defined as “Non-Business Days”as published in the “Payment Netting Standard European Settlement Calendar” on EFET website.
2. **Bank Accounts:** Payments pursuant § 1.4 (Payment) shall be effected to the following bank accounts:

# Bank Account of Party A: [insert bank account details] Bank Account of Party B: [insert bank account details]

1. **Default Interest Rate:** For the purpose of this Agreement, the Default Interest Rate shall be the Interest Rate plus three percent (3 %) per annum.
2. **Disputed Amounts:** For the purpose of this Agreement [ ] § 1.7 (a) shall apply.

[ ] § 1.7 (b) shall apply.

1. **Interest Rate:** For the purpose of this Agreement, the Interest Rate shall be the one month EURIBOR interest rate for 11.00 a.m.
2. **Jurisdiction:** For the Purpose of § 3.1 the applicable Jurisdiction shall be:

# [insert name of jurisdiction whose substantive law shall govern this Agreement]

1. **Principal Agreements:**
   1. For the purpose of § 1.1 (a) Principal Agreement shall be:

# [insert the Principal Agreement where NO quantity allocation is necessary in order to determine the amount to be invoiced]

* 1. For the purpose of §1.1 (b) Principal Agreement shall be:

# [insert the Principal Agreement where quantity allocation is necessary in order to determine the amount to be invoiced]

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1. **Miscellaneous:**

[Insert changes, if any, to the standard wording of the Cross Product Payment Netting Agreement, or, otherwise, delete § 4.9 as appropriate.]

Executed by the duly authorised representative of each Party effective as of the Effective Date.

## [Place of signature], [Date] [Place of signature], [Date]

***[Name of Party A] [Name of Party B]***

***[Name and Title] [Name and Title]***

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**Principal Agreement Annex**

to the Cross Product Payment Netting Agreement between [Name of Party A] and [Name of Party B]

with an Effective Date: [Insert Effective Date] (referred to as this Agreement)

1. **Principal Agreement** in accordance with the terms of this Agreement shall be:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| 1. | [ | ] | European Federation of Energy Traders General Agreement concerning Delivery and Acceptance of Electricity with an Effective Date of [ ] (the **“EFET Power Agreement”**) | |
| 2. | [ | ] | European Federation of Energy Traders General Agreement concerning Delivery and Acceptance of Natural Gas with an Effective Date of [ ] (the **“EFET Gas Agreement”**) | |
| 3. | [ | ] | Electricity Forward Agreement Association Grid Trade Master Agreement dated as of [ ] (the **“GTMA”**) | |
| 4. | [ | ] | Zeebrugge Hub Natural Gas Trading Terms and Conditions 2004 (“**ZBT Terms**”) | |
| 5. | [ | ] | The Short Term Flat NBP Trading Terms and Conditions 1997 dated as of [  or any Master agreements agreed between the Parties incorporating those terms (“**NBP Master**”) | ] |
| 6. | [ | ] | [amend as appropriate] | |

**[Check boxes as appropriate; however only agreements deriving payment obligations of the same currency (the “Netting Currency”) may be elected for the purpose of this Agreement.]**

1. **Netting Currency:** For the purpose of this Agreement, the Netting Currency shall be:

[insert the currency applicable to Payment Obligations under the applicable Principal Agreements; **however only Principal Agreements deriving payment obligations of the same currency may be applicable for the purpose of this Agreement.]**

## [Place of signature], [Date] [Place of signature], [Date]

***[Name of Party A] [Name of Party B]***

***[Name and Title] [Name and Title]***

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