

Suciu Popa advised BRM throughout the entire process of launching the central counterparty service for week and month forward transactions



The Romanian Commodities Exchange (BRM) has recently launched the central counterparty service for week and month forward transactions. The platform is expected to include longer maturities in the future, with an additional clearing fund being set up by year-end. The fund is currently fed by BRM with 1.5 million euros, which can cover any price variations determining transaction defaults.

The aim of this new platform is to reduce the financial effort of the market participants in guaranteeing gas sale transactions and increase liquidity on the medium and long-term gas standard product market. The system, which is based on a statistical approach on market risk, requires only a 15-20% guarantee commitment from the parties to transactions in favour of BRM, which, in return, provides full coverage of the financial risk by BRM, which acts as counterparty to all transactions. The system uses three types of margins (initial, variation and delivery margins), which cover all phases of a contract, from the transaction phase to actual delivery. The margins ensure that the transaction price is marked-to-market price at all times, therefore protecting both the market participants and the central counterparty against price volatility and contract default.

Suciu Popa advised BRM throughout the entire process of launching the new platform, designing tailor made procedures and regulations for long-term central counterparty transactions, as well as participating in consultations with stakeholders in order to ensure that the new service responds to market needs and is well received by the market. The **Suciu Popa** team involved in this mandate was led by [Miruna Suciu](#) – *Managing Partner* and [Andrei Georgescu](#) – *Partner*, and comprised three other lawyers specialized in energy, capital markets and regulatory matters.

Now active on the Romanian law firm's arena for over 3 years, **Suciu Popa** has been acknowledged every year since 2016 as leading firm by international legal directories such as *Legal 500 EMEA*, *IFLR 1000* or *Chambers & Partners*, in terms of *Energy & Natural Resources*, *Capital Markets*, *Mergers & Acquisitions*, *Litigation & Arbitration*, *Project Finance*, *Public Procurement* and *Infrastructure* practice area.