

**DETERMINATION OF THE MARKET SURVEILLANCE AND COMPLIANCE PANEL
MSCP/2003/D6**

Market Surveillance and Compliance Panel (“MSCP”)

Mr Joseph Grimberg, Chair
Professor Lim Chin
Mr Lee Keh Sai
Mr TPB Menon

Date of Determination

13 August 2003

Party

Energy Market Company Pte Ltd (“EMC”)

Subject

Late issuance of electronic funds transfer instructions

Applicable Rule in the Singapore Electricity Market Rules

Section 9.2 of the Market Operations Market Manual (Settlement)

“The EMC shall issue an invoice and electronic funds transfer instructions to the clearing bank on the tenth business day after each trading day in accordance with sections 5.2.3 and 5.2.4, Chapter 7 of the market rules. The EMC shall instruct the clearing bank as follows:

- a) For a market participant owing to the EMC, the clearing bank shall be instructed to debit the market participant’s bank account for the specified dollar amounts on the market participant payment date, pursuant to section 5.8.2 of Chapter 7 of the market rules. The market participant payment date shall be the twentieth day after [the] trading day subject to business day convention.
- b) For a market participant owed by the EMC, the clearing bank shall be instructed to credit the bank account of the market participant for the specified dollar amount on the EMC payment date, pursuant to section 5.8.2 of Chapter 7 of the market rules. The EMC payment date shall be the twenty-first day after the trading day subject to business day convention.”

Facts and Circumstances

The deadline for the EMC to issue electronic funds transfer instructions in relation to Seraya Energy Pte Ltd ("Seraya") pursuant to section 9.2 of the Market Operations Market Manual (Settlement) fell on 15 January 2003.

The description of Seraya's bank account in the EMC's electronic settlement system deviated slightly from that of the clearing bank. As a result, the EMC was unable to issue the electronic funds transfer instructions to the clearing bank successfully on 15 January 2003 as required. The EMC rectified the error in its settlement system and the electronic funds transfer instructions for Seraya were issued to the clearing bank the next day, ie 16 January 2003.

There was no impact on the settlement process resulting from this incident.

Determination

In a statement made on 30 December 2002, the MSCP gave notice of the enforcement policy it would adopt in the event of a rule breach during the 3 months immediately following market start.

The MSCP determined on the basis of the facts referred to above, that the EMC breached section 9.2 of the Market Operations Market Manual (Settlement) of the Singapore Electricity Market Rules.

However, the breach was rectified quickly, self-reported and there was no impact on the settlement process.

Therefore, the MSCP determined that no enforcement action was to be taken.

A handwritten signature in black ink, consisting of a stylized 'J' followed by a horizontal line and a small flourish at the end.

Joseph Grimberg
Chair, Market Surveillance and Compliance Panel