

Standard terms

**LICENCE TO SUPPLY ELECTRICITY TO FINAL CUSTOMERS  
FOR THE PERIOD OF VALIDITY OF THE ELECTRICITY MARKET  
TRANSITIONAL ARRANGEMENT**

**Licence to supply electricity to final customers [..... (licence no.)] for  
the period of validity of the Electricity Market Transitional Arrangement  
under Article 80(3) of the Electricity Market Regulation Laws 2003-2017,  
granted in accordance with the Law.**

Exercising its powers under the Electricity Market Regulation Laws 2003-2017 ('the Law'), as well as any other powers under any other laws, regulations and decisions to this effect, **CERA** shall grant this licence to Supply Electricity to final customers for the period of validity of the Electricity Market Transitional Arrangement, according to which company

**[..... (THE LICENCE HOLDER)]**

is licensed in accordance with the provisions of the Law to purchase and supply electricity to final customers.

**The licence to supply to final customers is granted under the following conditions:**

**1. Interpretation**

The words, terms and expressions defined in the Law, the Electricity Market Transitional Arrangement regulations pursuant to Decision No 118/2017 by CERA, and the Electricity Market Regulation Laws of 2004 (issue of licences) have the same meaning in this licence.

Different wording, terms and expressions used in the licence which are not interpreted by the Law or these regulations shall have the meaning ascribed to them in the licence.

## **2. Compliance with the Electricity Market Regulation Laws 2003-2017 and the resulting regulations, regulatory decisions and decisions**

The licence holder shall ensure that all activities covered by this licence are in compliance with the provisions of the Law and the resulting regulations, regulatory decisions and decisions, as well as any subsequent revisions and amendments thereof.

Non-compliance by the licence holder to any provision of the Law or regulations, or the Electricity Market Transitional Arrangement or any resulting regulatory decisions or decisions, or the specific terms and conditions set out in the licence, shall entitle CERA to impose an administrative fine on the licence holder; to suspend the activity of the licence; to revoke the licence or to terminate the licence, pursuant to the provisions of Article 27 of the Law.

## **3. Compliance with the regulations and rules deriving from the Electricity Market Regulation Laws 2003-2017**

The licence holder shall ensure compliance with all regulations and rules deriving from the Law relating to this licence, namely:

- (1) Compliance with the relevant provisions of the Electricity Market Transitional Arrangement;
- (2) Compliance with the applicable rules on transmission and distribution;
- (3) That the licence holder's activities are carried out in a manner which does not distort competition and that the licence holder does not abuse their possible dominant position in the electricity market.

## **4. Compliance with other laws, regulations, decrees and decisions**

The licence holder shall have the obligation and the responsibility to respect and comply with all applicable laws, regulations, decrees and decisions of the Republic of Cyprus, and to ensure that the activities covered by this licence are in compliance with any other laws, regulations, decrees or decisions of the Republic of Cyprus.

This licence shall not release its holder from the obligation to obtain any other authorisations and licences required by any other Law and/or regulations.

## **5. Powers to obtain information**

The holder of this licence shall be obliged to provide CERA with any documents, information or other material which CERA may require in order to carry out their tasks and exercise their responsibilities and powers.

## **6. Right to enter and inspect**

The holder of this licence shall be obliged to allow CERA or authorised representatives to enter their premises, to provide them with any document or other material requested, and to keep records, documents and registers as requested.

## **7. Keeping separate accounts**

(1) The holder of this licence shall be obliged to keep separate accounts for each of the activities for which a licence and/or exemption from a licence is required in accordance with Articles 34 and/or 35 of the Law.

(2) The holder of this licence shall be obliged to submit for inspection and to publish their annual accounts.

## **8. Confidentiality obligation**

It is forbidden for the licence holder to disclose or provide to a third party, by any means, any confidential data or information which they have been informed of or notified about while exercising their powers, and shall be obliged to prevent discriminatory disclosure of information regarding their activities.

Information necessary for effective competition and the effective operation of the electricity market shall be made publicly available.

## **9. Solvency requirements**

The licence holder shall be obliged to have the necessary economic and financial standing and solvency towards the TSOC, depending on their financial report in the electricity market as provided for in the regulations for the Electricity Market Transitional Arrangement.

## **10. Licence amendment**

This licence may be amended in accordance with the provisions of the Law and the resulting regulations, regulatory decisions and decisions, as well as any subsequent revisions and amendments thereof.

## **11. Licence transfer**

The holder of this licence shall not be entitled to sell/transfer this licence sooner than at the end of at least two (2) years from the start date of their active engagement with final customers in the Electricity Market Transitional Arrangement.

After two (2) years, the licence may be transferred in accordance with the provisions of the applicable relevant Law and relevant regulations.

## **12. Changes in legal person ownership**

(1) In case the licence holder is a legal person and there are plans to change the legal entity ownership, they shall be obliged to obtain prior written approval from CERA.

(2) A request for a change to the ownership of the legal person shall be submitted at least 3 months prior to the proposed change, in accordance with the provisions of the Law and relevant regulations in force.

(3) In the event of any ownership change without prior written approval by CERA, CERA may withdraw this licence, subject to the provisions of Article 27 of the Law.

## **13. Cross-subsidies prohibition**

The licence holder may not receive any subsidy from or provide any subsidy:

(1) for any other activity and/or to an undertaking connected to the licence holder

(2) to any other company or entity currently directly or indirectly holding shares of the licence holder, or any undertaking connected to the licence holder.

#### **14. Public service obligations and other obligations**

The licence holder shall be obliged to fulfil all Public Service Obligations in accordance with the Legislation and the decrees currently in force or in force during the period of validity of the licence; to comply with any decisions by the Minister reached pursuant to Articles 89 and 90 of the Law, published in the Cyprus Government Gazette and imposing additional public service obligations or other obligations to the licence holder; and to take the measures necessary for implementing such decisions.

#### **15. Consumer protection**

The licence holder shall comply with the articles of the Law with regard to electricity consumers rights and protection, and shall comply with any decisions by CERA reached in accordance with these articles.

#### **16. Discrimination avoidance**

The licence holder shall carry out the activities covered by this licence in a manner consistent with equal treatment and non-discrimination between users regarding the services provided under the exclusive rights regime.

#### **17. File keeping**

The licence holder shall be obliged to keep the data relating to all electricity supply contracts transactions with final customers and the TSOC for at least 5 years, and make this data available to CERA when required.

#### **18. Fees**

The licence holder shall be obliged to pay CERA all fees as set out in the regulations for licence Fees in force.

#### **19. Suspension of activity of the licence, revocation and termination of the licence**

CERA may suspend the activities of the licence or withdraw the licence or terminate the licence in accordance with the provisions of the relevant Law in force and/or the resulting regulations.

**20. Period of validity of the licence**

This licence to supply electricity to final consumers is granted **solely** for the period of validity of the Electricity Market Transitional Arrangement. The licence shall cease to be valid on the effective date of the Electricity Market Rules laid down in Article 81(6) of the Law.

It is understood that when the Electricity Market Laws, as provided for in Article 81(6) of the Law, enter into force, CERA will issue to the holder of this licence a licence for the Supply of Electricity to final consumers in accordance with the legislative framework in force, for a time period not exceeding twenty (20) years.

Nicosia, [.....(date)]

**Chairman**

**Vice-Chairman**

**Member**