



**BANK OF GREECE**  
EUROSYSTEM

**BANK OF GREECE  
SYSTEM FOR MONITORING TRANSACTIONS  
IN BOOK-ENTRY SECURITIES (BOGS)**

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**DISCLOSURE FRAMEWORK**

**Observance by BOGS of the CPMI-IOSCO Principles for  
Financial Market Infrastructures**

**Athens, October 2017**

## I. INTRODUCTION AND GENERAL INFORMATION

The BOGS is the central depository and SSS for all debt instruments (in book-entry form) in EUR issued by the Hellenic Republic in the Greek market. The Bank of Greece is the manager and operator of BOGS. Through BOGS, Greek government and other agencies' securities are issued, registered and monitored, under the terms of specific agreements between the issuers and the Bank of Greece, and clearing and settlement of transactions in book-entry securities held in participants' accounts are carried out. The BOGS represents a section of the organizational structure of the Bank of Greece, situated within its Headquarters. It does not provide central counterparty services nor does it perform securities lending.

### General organisation

*Principle 1: Legal basis*

An FMI should have a well-founded, clear, transparent, and enforceable legal basis for each material aspect of its activities in all relevant jurisdictions.

*Principle 2: Governance*

An FMI should have governance arrangements that are clear and transparent, promote the safety and efficiency of the FMI, and support the stability of the broader financial system, other relevant public interest considerations, and the objectives of relevant stakeholders.

*Principle 3: Framework for the comprehensive management of risks*

An FMI should have a sound risk-management framework for comprehensively managing legal, credit, liquidity, operational, and other risks.

The BOGS has a well-founded, clear, transparent, and enforceable legal basis for each material aspect of its activities. Under Law 2198/1994, as currently in force, the Bank of Greece is the manager of the System for Monitoring Transactions in Book-Entry Securities (BOGS). In its role as manager of BOGS, the Bank of Greece has signed the T2S Framework Agreement, pursuant to which, as from the date of TARGET2-Securities (T2S) entering into operation (i.e. 22 June 2015) settlement of transactions in securities kept with BOGS is conducted in accordance with the provisions of BOGS Operating Regulation (Act of Governor of the Bank of Greece No. 215/2015, as in force)<sup>1</sup> and the rules governing the operation of T2S.

T2S is a technical platform via which the Eurosystem provides to central securities depositories (CSDs) book-entry securities settlement services, at European cross-border and domestic level. The Eurosystem is responsible for the governance and operation of T2S. In the context of T2S, BOGS maintains its legal relationships with its participants and continues to keep securities accounts of its participants (own portfolio and customer portfolio), according to its operating rules.

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<sup>1</sup> See [www.bankofgreece.gr/Pages/en/PaymentsSystems/bogs.aspx](http://www.bankofgreece.gr/Pages/en/PaymentsSystems/bogs.aspx).

BOGS, as a designated system for the purposes of the Settlement Finality Directive (SFD - Directive 1998/26/EC, as currently in force) is also subject to the provisions of Law 2789/2000, implementing the SFD. According to Article 3 of Law 2789/2000, as amended by Law 4021/2011, transfer orders are legally enforceable and binding on third parties, even in the event of insolvency proceedings against a participant of BOGS, provided that they were entered into BOGS prior to the opening of the insolvency proceedings, in accordance with the procedure set forth in the said law. Where transfer orders are entered into BOGS after the moment of opening of insolvency proceedings, they shall be enforceable and binding upon third parties provided that: i) the manager of BOGS can prove that it was not aware of the opening of the insolvency proceedings (Article 6 of the said law), and ii) settlement has been initiated within the business day, as defined by the rules of the system, during which the manager became aware of the opening of the insolvency proceedings. In accordance with paragraphs 3 and 4 of the same Article, the moment of entry of a transfer order into BOGS as well as the moment after which the transfer order cannot be revoked either by a participant or a third party, is further set in the BOGS Operating Regulation (Section 15.1).

The BOGS represents a section of the organizational structure of the Bank of Greece, which has in place clear and transparent governance arrangements that promote its safety and support the stability of the broader financial system and is subject to the Bank of Greece internal policies, including policies dealing with risk assessment and mitigation. Without prejudice to T2S-related functions, no functions are outsourced to third parties.

BOGS Operating Regulation, as currently in force, also provides the risk-management framework of the system. The Bank of Greece is the sole responsible agent for the revision of this framework.

In particular, the BOGS Operating Regulation provides, inter alia, for the following risk prevention measures:

- Strict membership criteria. Only supervised credit or financial institutions and investment companies are allowed to become direct members in BOGS.
- A series of technical functionalities available in T2S, such as hold and release mechanism, cancellation facility, recycling and partial settlement of transfer orders, as well as matching tolerance levels to ensure orderly settlement.
- In case of short positions in the securities accounts on the envisaged settlement date, participants can cover these positions, through an optional tender, within an extension period of up to seven business days, starting on the next business day after the envisaged settlement date, in accordance with procedures prescribed in detail in Section 15.3.2 and 15.3.3 of the BOGS Operating Regulation.
- Furthermore, if after the end of the extension period the transactions are still pending and in accordance with Sections 15.3.4 and 15.3.5 of BOGS Operating Regulation, the Bank of Greece as manager of BOGS shall take the following measures for covering the short positions:
  - I. Conduct a forced tender, i.e. without any request by the participant in accordance with the procedures prescribed in Section 15.3.3.

- II. Invite directly all participants to cover the short positions (buy-in) that have not been covered after the forced tender.
- Penalties may be imposed on the defaulting participant as foreseen in Section 16 of the BOGS Operating Regulation.
  - Detailed suspension and/or termination of participation procedures are in place in case of specific events, including insolvency of a participant (namely Section 18 of BOGS Operating Regulation).
  - Under Section 19 of the BOGS Operating Regulation, any asset (cash or securities) held by participants for their own account with the Bank of Greece, as manager of BOGS, shall be deemed legal collateral securing fulfillment by the participant of its obligations. In case of non-fulfillment or delayed fulfillment of the participant's obligations, the Bank of Greece, as manager, is authorised to take possession of these assets, liquidate them according to law and use the proceeds to cover the participant's obligations (principal, interest and charges). In the above framework Article 57A of the Statute of the Bank of Greece and Articles 1 to 10 of Law 3301/2004 "Agreements on the provision of collateral, application of International Accounting Standards, and other provisions", apply. Hence the Bank of Greece, as manager of BOGS, in accordance with the above law, notably Article 4 thereof, is entitled to seek to satisfy its claims by the immediate sale of the securities held in the own account of the participant.

## **Credit and liquidity risk management**

### *Principle 4: Credit risk*

An FMI should effectively measure, monitor, and manage its credit exposures to participants and those arising from its payment, clearing, and settlement processes. An FMI should maintain sufficient financial resources to cover its credit exposure to each participant fully with a high degree of confidence. In addition, a CCP that is involved in activities with a more-complex risk profile or that is systemically important in multiple jurisdictions should maintain additional financial resources sufficient to cover a wide range of potential stress scenarios that should include, but not be limited to, the default of the two participants and their affiliates that would potentially cause the largest aggregate credit exposure to the CCP in extreme but plausible market conditions. All other CCPs should maintain additional financial resources sufficient to cover a wide range of potential stress scenarios that should include, but not be limited to, the default of the participant and its affiliates that would potentially cause the largest aggregate credit exposure to the CCP in extreme but plausible market conditions.

### *Principle 5: Collateral*

An FMI that requires collateral to manage its or its participants' credit exposure should accept collateral with low credit, liquidity, and market risks. An FMI should also set and enforce appropriately conservative haircuts and concentration limits.

*Principle 6: Margin (not applicable to SSSs nor CSDs)*

A CCP should cover its credit exposures to its participants for all products through an effective margin system that is risk-based and regularly reviewed.

*Principle 7: Liquidity risk*

An FMI should effectively measure, monitor, and manage its liquidity risk. An FMI should maintain sufficient liquid resources in all relevant currencies to effect same-day and, where appropriate, intraday and multiday settlement of payment obligations with a high degree of confidence under a wide range of potential stress scenarios that should include, but not be limited to, the default of the participant and its affiliates that would generate the largest aggregate liquidity obligation for the FMI in extreme but plausible market conditions.

BOGS is a CSD, which is managed, operated and supported by the Bank of Greece. It does not provide any form of credit to its participants neither in the settlement process nor for any other purpose. BOGS does not act as a central counterparty or principal for transactions within its operations and it does not offer any banking-type ancillary services. Legally, BOGS does not have a relationship with its participants' clients. BOGS is not exposed to any significant credit/counterparty or liquidity risk. Also see relevant information under Principle 3.

## **Settlement**

*Principle 8: Settlement finality*

An FMI should provide clear and certain final settlement, at a minimum by the end of the value date. Where necessary or preferable, an FMI should provide final settlement intraday or in real time.

*Principle 9: Money settlements*

An FMI should conduct its money settlements in central bank money where practical and available. If central bank money is not used, an FMI should minimise and strictly control the credit and liquidity risk arising from the use of commercial bank money.

*Principle 10: Physical deliveries*

An FMI should clearly state its obligations with respect to the delivery of physical instruments or commodities and should identify, monitor, and manage the risks associated with such physical deliveries.

The BOGS operates in accordance with Law 2789/2000, as in force, which implements the SFD. Transactions in securities kept with BOGS are settled on the T2S platform and conducted in accordance with the provisions of BOGS Operating Regulation (in particular Section 15), and the rules governing the operation of T2S. In accordance with Article 3 par. 3 and 4 of Law 2789/2000, settlement finality and irrevocability are defined in BOGS Operating Regulation (Section 15.1).

In the context of T2S, the settlement of the cash leg of securities transactions is effected through Dedicated Cash Accounts (DCAs), which are specifically created to serve the cash

settlement of these transactions in central bank money. Although DCAs are technically supported by the T2S Platform, they constitute accounts of the TARGET2 (T2) payment system. The operation of such accounts is governed by the Guideline of the European Central Bank ECB/2012/27 on a Trans-European Automated Real-time Gross settlement Express Transfer System (TARGET2) and, where applicable, the Operating Regulations of Target2-GR (Monetary Policy Council Act No 97/2015), as currently in force, and, additionally, by the provisions of BOGS Operating Regulation. In securities transactions with a cash leg, T2S operates according to the Delivery Versus Payment principle, in central bank money, both in euro and other currencies, for European securities. The BOGS does not offer physical settlement and no safekeeping or vault services are provided for physical certificates.

## **Central securities depositories and exchange-of-value settlement systems**

### *Principle 11: Central securities depositories*

A CSD should have appropriate rules and procedures to help ensure the integrity of securities issues and minimise and manage the risks associated with the safekeeping and transfer of securities. A CSD should maintain securities in an immobilised or dematerialized form for their transfer by book entry.

### *Principle 12: Exchange-of-value settlement systems*

If an FMI settles transactions that involve the settlement of two linked obligations (for example, securities or foreign exchange transactions), it should eliminate principal risk by conditioning the final settlement of one obligation upon the final settlement of the other.

The BOGS has appropriate rules, procedures and controls to safeguard the rights of the securities issuers and holders and prevent unauthorised creation or deletion of securities. In particular, participants in BOGS can hold two different types of accounts: “own portfolio accounts” and “customers’ portfolio accounts”.<sup>2</sup> The latter are accounts pooling together all the securities (ISIN by ISIN) of the participant’s customers (omnibus account). With regard to securities held within the own portfolio account, proprietary rights are granted to the participants. Regarding securities held within the customers’ accounts (omnibus account), the participants act as custodians on behalf of their customers and proprietary rights are granted to the participants’ customers, since the below segregation and identification procedures are followed: the customers’ account has to be held separately (segregated) from the assets and property of the participants (Article 6 par. 7 of Law 2198/1994 and 12 par. 8 of Law 3606/2007 on markets in financial instruments). Furthermore, pursuant to the regulatory prudential rules on segregation (Article 12 of Law 3606/2007 in combination with

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<sup>2</sup> Another form of account in the System is a special, itemized account for “Large Customers” that can be opened by the participant under the “customers portfolio account” in the name of their individual (wholesale institutional) customers. This does not change the nature of BOGS as an indirect holding system, i.e. as not establishing any relationship between BOGS and the end investor/participant’s customer.

Annex 7 of the Act of the Governor of the Bank of Greece No. 2577/2006, as in force), participants are obliged to keep separate records per customer. Finally, in accordance with Section 9.3 of BOGS Operating Regulation, participants shall always ensure that entries in their customers' accounts correspond to the securities which have been registered in their books and whose beneficiaries are the above customers (prohibition of inflation or shortfall of securities). The beneficiaries of securities must always be indicated in the participant's books, pursuant to Article 12 of Law 3606/2007 and without prejudice to any other relevant legislation. To this end, participants shall indicate in their books, in relation to each category of customers' portfolio securities account they hold, the beneficiaries of the respective securities, with specific reference to the amount of securities which corresponds to each of the beneficiaries.

The securities in each account cannot be removed or transferred unless participants have sent instructions to BOGS for such transfer. The instructions may be sent by the participants either via SWIFT or entered in BOGS' system via a web-based application of the latter. There is no technical or legal possibility for BOGS to intervene in the amount of securities held in it. Securities accounts in BOGS are not allowed to have a negative balance.

The entitlement of investors/customers of participants in BOGS to securities is further legally protected from attachment, including attachment by the participants' creditors (Article 7 par. 2 of Law 2198/1994 and Article 12 par. 10 and 11 of Law 3606/2007 combined with Article 3 par. 2(b) of Law 3606/2007, Section 15.2 of the BOGS Operating Regulation). The assets of investors/participants' clients are also protected from insolvency of a participant, as they are not included in the insolvency estate (Article 23 par. 3-5 of Law 3606/2007, Article 145 par. 3 of Law 4261/2014, Section 15.2.3 of the BOGS Operating Regulation). In case the customers' portfolio account balance is not adequate to satisfy the investor's claim, the investor is satisfied by way of priority from the participant's own portfolio account (Article 8 of Law 2198/1994).

Securities in BOGS are issued and maintained in dematerialized form.

The BOGS allows participants to eliminate principal risk, given that transactions in securities kept with BOGS are settled on the T2S platform, which operates according to the Delivery Versus Payment principle, in central bank money, both in euro and other currencies.

## **Default management**

### *Principle 13: Participant-default rules and procedures*

An FMI should have effective and clearly defined rules and procedures to manage a participant default. These rules and procedures should be designed to ensure that the FMI can take timely action to contain losses and liquidity pressures and continue to meet its obligations.

*Principle 14: Segregation and portability (not applicable to SSSs nor CSDs)*

A CCP should have rules and procedures that enable the segregation and portability of positions of a participant's customers and the collateral provided to the CCP with respect to those positions.

The BOGS has in place effective procedures to manage a participant's default as described in detail in its Operating Regulation. The BOGS Operating Regulation (namely Sections 18 and 19) stipulates the specific circumstances and events (either constituting or triggered by the default of a participant), upon the occurrence of which the Bank of Greece as the manager of BOGS, may suspend and/or terminate participation in BOGS, as well as the appropriate procedure to be followed in each specific case and the consequences after termination/participation becomes effective.

In particular, the Bank of Greece as manager of BOGS may terminate a participant's membership for a serious reason, such as:

- the participant's failure to fulfil participation requirements;
- unacceptable risks to the operation of BOGS or the smooth operation of the financial market caused by the continuation of such participation, including cases of material or recurrent breaches of the BOGS Operating Regulation by the participant, which place the latter's credibility in doubt and jeopardise the smooth operation of BOGS or of the financial market; and
- other reasons stipulated in the Operating Regulation

Such a decision may be issued at any time, on condition that it is preceded by a written notification to the participant concerned three (3) days prior to termination. The notification to the participant shall briefly set out the reasons of the termination.

The termination becomes effective as of the date on which all of the participant's transactions, of which BOGS was notified at the latest 3 days prior to termination on the initiative of the Bank of Greece as manager of BOGS, are finally settled.

Termination occurs ipso jure and becomes immediately effective, independently of any notification, in case of a participant's insolvency, appointment of a government commissioner or other receiver, liquidation, permanent withdrawal of authorisation or withdrawal of its authorization to participate in BOGS.

Furthermore, the manager of BOGS may suspend (and ultimately terminate) a participant's membership, for up to 30 days, in cases of;

- change in the participant's financial situation, which, at the reasonable discretion of the Bank of Greece, is likely to lead the participant to suspension of payments or insolvency;
- attachment or seizure imposed on the participant's property, which, at the reasonable discretion of the Bank of Greece, puts at risk the participant's smooth operation or the fulfillment of its obligations;

- permanent or temporary failure by the participant to fulfill his obligations under the BOGS Operating Regulation, which creates an immediate risk to the smooth operation of BOGS;
- decrease in the value of the collateral provided by the participant to BOGS to secure the fulfillment of his obligations, whereby continuation of participation creates an immediate risk to BOGS;
- provisional withdrawal of authorization; and
- any event which can lead the manager of BOGS to reasonably deem that continuation of participation may put at risk the smooth operation of BOGS or of the financial market.

The legal and practical consequences of termination/suspension are described in detail in Articles 18 and 19 of the BOGS Operating Regulation.

These provisions ensure that the manager of BOGS can take timely action to contain losses and continue to meet its obligations. The BOGS is practically unaffected by participants default, as it provides no service incurring any significant credit or counterparty risk. It follows the procedures relevant to settlement finality rules of the SFD and its implementing Law 2789/2000 in case of a participant default, as described under Principle 1 above.

## **General business and operational risk management**

### *Principle 15: General business risk*

An FMI should identify, monitor, and manage its general business risk and hold sufficient liquid net assets funded by equity to cover potential general business losses so that it can continue operations and services as a going concern if those losses materialise. Further, liquid net assets should at all times be sufficient to ensure a recovery or orderly wind-down of critical operations and services.

### *Principle 16: Custody and investment risks*

An FMI should safeguard its own and its participants' assets and minimise the risk of loss on and delay in access to these assets. An FMI's investments should be in instruments with minimal credit, market, and liquidity risks.

### *Principle 17: Operational risk*

An FMI should identify the plausible sources of operational risk, both internal and external, and mitigate their impact through the use of appropriate systems, policies, procedures, and controls. Systems should be designed to ensure a high degree of security and operational reliability and should have adequate, scalable capacity. Business continuity management should aim for timely recovery of operations and fulfillment of the FMI's obligations, including in the event of a wide-scale or major disruption.

The BOGS is managed by the Bank of Greece, which constantly monitors its administration and operations and assumes all business risks related to its operations. It does not rely on custodians for its operations.

BOGS human resources policies are the same as those of the central bank, having regard to the specialized knowledge, skills and credibility required for ensuring the proper operation and management of the system, the technical and business support to its participants as well as safeguarding the processing of data. In addition, BOGS is subject to strict policy for physical security. The hardware configuration and backup tapes are kept in a secure and protected computer room where access is restricted to authorized and trained personnel only.

BOGS system is designed to provide the necessary processing capacity and adequate backup facilities taking under consideration the most complex of the situations that could arise in the securities market. The system is able to handle very large volumes of transactions that very much exceed the daily volumes observed in normal circumstances. It runs on HP Proliant servers, working in High Availability Cluster Mode. The data is stored in an IBM Enterprise Storage Server. In the production environment, the application runs on a set of 2 HP Proliant servers. All components of the servers (disk, CPUs, controllers, power supplies, batteries and fans) are configured in pairs for fault tolerant operation. All servers have two local mirrored disks, where the operational system resides. In case of disk failure, the healthy disk guarantees system continuity with no interruptions and no data loss.

In order to protect the application database (which includes business data) from hardware and software failures (including human errors) at the end of the business day, a backup of the database is taken, including all data of the same day's transactions. The backup is stored into both an IBM Enterprises Storage Server and a tape. Finally an application based auditing system records users' actions during the business day and is accessible to the Auditors.

In addition to the above, a detailed operational risk analysis is conducted by the Bank of Greece IT experts and contains scenarios of potential threats to the system itself. These scenarios cover situations such as power-shutdown, hardware failure and physical disasters. In order to manage such scenarios, a Business Continuity Center (BCC) has been set up at the Information Systems Department of the Bank of Greece located in Halandri, 10 km from the Bank's Headquarters in Athens, which can be used in case access to the main building is for any reason not possible. In addition, a Disaster Recovery site has also been established in the same building. It contains the same data as the Production one and provides uninterrupted operation in case of failure of the latter. The two systems operate on the same TCP/IP network allowing transferred online information between them. The line used is a dedicated line (10Mbs/sec) single access dual home. There is also a telecommunication line in operation, which can be used for transferring data between the two systems. In case of data loss, the daily and weekly database backups are used to restore the data. The Disaster Recovery System has 6 HP Proliant servers, working in High Availability Cluster Mode. Two servers are hosting the database and the other four host the application and the communication services. The data is stored in an IBM Enterprises Storage Server. The data between production and Disaster Recovery are replicated online, in real-time.

In order to check the data accuracy of the Disaster Recovery System, a test is performed at the Disaster site on a biannual basis. During the test, in order to assess the complete

functionality of the Recovery system, a business day is started at the recovery site and all the functionalities of the application are tested.

It is estimated that in case of a serious breakdown, it will take about an hour to operate the Disaster Recovery System, including the time required for the personnel to move to the Disaster Recovery site.

Finally, there is a Risk Management Unit in the Bank of Greece, which, in cooperation with BOGS, identifies and assesses all operational risks, which are then reported to the Risk Management Committee of the Bank of Greece.

## Access

*Principle 18: Access and participation requirements*

An FMI should have objective, risk-based, and publicly disclosed criteria for participation, which permit fair and open access.

*Principle 19: Tiered participation arrangements*

An FMI should identify, monitor, and manage the material risks to the FMI arising from tiered participation arrangements.

*Principle 20: FMI links*

An FMI that establishes a link with one or more FMIs should identify, monitor, and manage link-related risks.

BOGS participation requirements are objective, risk-based, non-discriminatory and publicly disclosed (Section 3 of BOGS Operating Regulation). They permit fair and open access.

Licensed credit or financial institutions and investment companies, CSDs (including ICSDs) eligible for participation in Eurosystem credit operations as well as other CSDs and entities subject to specific terms and conditions can be accepted as participants in BOGS. Participants' connectivity to the T2S platform as well as procedures for termination and suspension of participation in BOGS are also described in detail in the BOGS Operating Regulation (respectively Section 3.3 and - namely - Section 18).

The BOGS does not foresee tiered participation arrangements and does not have any relationship with underlying clients of its participants. Risks and their materiality are monitored and assessed at the level of the direct participant, taking into account all of its activities.

The BOGS has one direct link as investor SSS with Clearstream Banking AG-CASCADE (CBF). The link was established in January 2012 and is used only for transfers of Eurosystem eligible securities issued at CBF by the European Financial Stability Facility and the European Stability Mechanism. The services are offered directly by BOGS to its participants. No custodian, agent or operator intervenes between BOGS and CBF for any of the services provided. The

link has been positively assessed by the Eurosystem and it is listed amongst the eligible links on the ECB website. It operates according to Eurosystem oversight standards.

## Efficiency

*Principle 21: Efficiency and effectiveness*

An FMI should be efficient and effective in meeting the requirements of its participants and the markets it serves.

*Principle 22: Communication procedures and standards*

An FMI should use, or at a minimum accommodate, relevant internationally accepted communication procedures and standards in order to facilitate efficient payment, clearing, settlement, and recording.

The BOGS is an efficient and modern system, meeting the needs of its participants and the market it serves, in terms of the technology it uses, clearing and settlement arrangements and safety of its operations. BOGS personnel is in continuous communication with its participants for technical or any other issue that might arise in relation to its procedures and welcome and evaluate any input or proposed changes related to its operations and Operating Regulation.

The BOGS uses internationally accepted communication procedures and standards and BOGS participants are requested to comply with these standards. All settlement/confirmation messages are channeled via SWIFT and under SWIFT protocols (ISO 15022) with no exemptions. This communication standard is used for both domestic and cross-border operations. Participants may have access to BOGS web application upon request (through GUI –Graphical User Interface) for monitoring the status of their instructions or for sending new ones. Guidance on the use of the web application is provided on the website of the Bank of Greece.

## Transparency

*Principle 23: Disclosure of rules, key procedures, and market data*

An FMI should have clear and comprehensive rules and procedures and should provide sufficient information to enable participants to have an accurate understanding of the risks, fees, and other material costs they incur by participating in the FMI. All relevant rules and key procedures should be publicly disclosed.

*Principle 24: Disclosure of market data by trade repositories (not applicable to SSSs nor CSDs)*

A TR should provide timely and accurate data to relevant authorities and the public in line with their respective needs.

The BOGS has clear and comprehensive rules and procedures, incorporated in its Operating Regulation, which are publicly available on the website of the Bank of Greece. The ultimate authority on possible amendments and additions to BOGS Operating Regulation is, by law, the Bank of Greece (the manager of the system), which is entitled at any time to amend the provisions, on condition that notification of the amendment is given to the participants in writing at least eight (8) business days prior to its implementation, unless an urgent amendment is deemed necessary and the urgency of the matter is well founded. The manager is committed to consultation with the participants before introducing any essential amendment. The BOGS is in continuous contact with its participants and welcomes any comment or proposed changes to BOGS Operating Regulation. BOGS fees policy is clearly described in Section 17 of its Operating Regulation. Fees, fines and other charges can be adjusted by the manager of BOGS. Such adjustments shall be communicated to the participants in writing two months before becoming effective.