



Europex position on the CEER Draft Advice on the
introduction of

Europe-wide Energy Wholesale Trading Passport

CEER workshop

31 May 2011

Admission to trading: Core competence of Energy Exchanges

- We agree with the CEER view that a Single European Energy Market and the call by the European Council for a fully integrated market by 2014 can be first and foremost be achieved for **wholesale markets**
... and Energy Exchanges are some of the **most visible results of the liberalization**
- Providing safe, reliable and transparent trading conditions is our primary objective – the **admission** of new member is one of our **core competences** (e.g. KYC-rules, trading exams)
- Complementary to exchanges **clearing houses**/ counter parties have sophisticated rules regarding the posting of collateral and credit
- Against this backdrop we welcome that the importance of special requirements for trading activities related to trading venues and counter parties are **recognized and therefore not in scope** of the recommendations
- We underline though the need for a **central list** hosted by ACER including all registered trading companies falling under REMIT making the new rules better applicable. This will also be beneficial in the fight **against cross-border VAT-fraud** as fraudsters are better traceable throughout Europe.
 - **We welcome the idea of a harmonized registration system throughout Europe**

Registration seems to be more appropriate than certification

- There should be no **deceptive perception** that the passport can solve all security problems in Energy markets. (“There is no cure for crime.”)
- We support the goal of the passport to **overcome entry burdens** in the members states
- **REMIT** is the right place to handle the passport – infringement could lead in the last consequence to a **withdrawal** from the registry
- In this case though to guarantee that interests of market participants are also protected, it should be considered to establish a **legal remedy** against the withdrawal of the passport on union level
- A passport should cover **basic requirements** (e.g. proof of no criminal record)
- We see it as **critical** that the energy market access regime shall certify that the trader has appropriate
 - organizational - and IT-structures
 - trading competence
- Reason: Controlling such requirements needs experience and proximity to the market and its market participants in order to be **efficient**
- In a cost-benefit analysis a mere **registration** process seems to be more **promising**