



- **Market Integrity and Transparency**

European Market Oversight Framework

ERGEG-ENTSO-E Workshop
11 October 2010

● What should be in place?

● Elements of a transparency and market integrity regime:

» **Transparency measures**

- Focus on relevant supply/demand data → **ERREG**
 - What is already there, what is still missing?

Regulation on Energy Market Integrity and Transparency - REMIT

» **Definition of insider trading and market manipulation → **EC****

- Is relevant financial regulation applicable here?

» **Regulatory monitoring and enforcement → **EC****

- Who is best placed to do the job?
- Data availability

● Market misconduct rules

- Apply existing concepts for energy markets
 - » Market manipulation, insider trading
- Coverage → all products and markets not covered by MAD (and its review)
- REMIT to set the framework, ACER to spell out detailed rules
 - » Guidelines for comitology

● Monitoring of traded markets

● EU level market monitor (ACER) to regularly screen transactions

» Centralised transaction data collection

- from various sources (traders, market places, trade repositories)
- EFET – ERGEG Pilot Project on data reporting standard

» Access to fundamental data

» Holistic view of markets → focus on cross-commodity, cross-market and cross-border misconducts

» Provide data to NRAs → replacing nascent national reporting schemes

● National energy regulators to complement ACER

» Monitoring of national markets

● Enforcement of market conduct rules

- National energy regulators (NRA)
 - » Investigative powers
 - » Access to relevant documents
 - » Penalties
 - » Cooperation with other competent authorities
 - Financial market regulators, competition authorities
- ACER shall
 - » Initiate and facilitate investigations of complex cross-platform and cross-market and cross-commodity cases

● Enforcement – cooperation mechanism

- ACER to ensure coordinated enforcement
 - » Request NRAs to investigate
 - » Commence an investigatory group
 - In case of cross-border market abuses
- NRA may request investigatory group
 - » If wholesale markets on its territory are affected by acts outside of its jurisdiction
- NRA to inform ACER of alleged market misconduct
- NRA to inform financial regulator and ACER if abuse involves financial instruments
- ACER to inform ESMA and financial regulators if abuse involves financial instruments (and vica versa)

● The way forward

- Public consultation on the proposed regime ended on 23 July 2010
- Commission has been working on a proposal
 - » Consultations with other DGs
 - » Impact Assessment completed
 - » Legal drafting
- Draft legal proposal → November 2010

- Contact:

András Hujber

European Commission
DG Energy
Unit B2 - Electricity and Gas

Rue De Mot 24-26
1049 Brussels
Tel: +32 2 2981153
andras.hujber@ec.europa.eu

