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**CESR and ERGEG advice to the European Commission in the context of the  
Third Energy Package**

**Draft response to Questions E.11, E.18 and E.19 – transparency**

**Introduction**

Tullett Prebon Energy (TPE) is a London based arm of the Tullett Prebon Plc, a London Stock Exchange listed Inter-Dealer Broker (“IDB”). It is a division of Tullett Prebon (Europe) Limited which is authorised and regulated by the FSA in the UK to conduct broking in physical gas and electricity and their derivatives. TPE only arranges/brings about deals between counterparties and do not execute with or for counterparties in this business. Transactions are carried out using a combination of voice and screen based broking. The screen is a regulated MTF with the MIC Code of ‘TBEN’. TPE does not use any non-MTF electronic platform for the broking of these products.

In response to the questions posed within this paper we would like to comment on the following:

**Considerations for policy options; Question 16.** *Is there any part of electricity and gas markets (either spot or energy derivatives trading) where there is a lack of pre- and post-trade information which affects the efficiency of those markets or a part of them? In any case, please provide examples and your reasoning.*

Our view would be to keep the status quo and ‘Option 1’. The reasons for this are as follows:

1. We already supply voice and screen data to our Trade Association, the London Energy Brokers Association (“LEBA”). This is post- trade information only. We are in agreement that this transparency issue should not be extended to pre-trade information.
2. We would not wish for certain types of information being disseminated to the market which may in effect benefit a competitor, i.e. sensitive and confidential data.

3. Any information we supply that will be obtained by market participants must be at a cost. Any gathering and dissemination of information by a regulator must not impact on our commercial ability to distribute this information to those willing to pay for it.
4. The costs of implementation and maintaining a process of collating and supplying information must be of a minimal nature. Our model operates on very thin margins due to commercial pressures and any additional costs involved with new requirements must not impact materially on our revenues.

We therefore reiterate again that Option 1 is the preferred process. If however Option 2 is deemed necessary then the impact should be limited to the following:

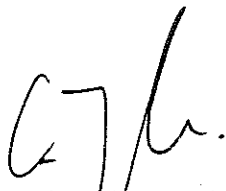
- data is limited to volumes and prices
- all trade data is aggregated and anonymised
- it is not published on a daily basis but on a monthly or quarterly basis
- there is a delay in the publication of data
- firms are paid for the provision of trade data and
- intellectual property rights of the firm is protected and recognised, and that ownership remains primarily with the firm.

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It is worth noting that our MTF on which all our screen broking is carried currently meets the requirements under Option 2.

I trust this correspondence has been of help to you, however should you require any further information or have any queries, then please do not hesitate to contact me.

Yours faithfully,



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Tullett Prebon Group Limited