

CESR / ERGEG

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Amsterdam, 29<sup>th</sup> August 2008

Response of VDM Energy Trading on consultation paper on CESR's/CEBS's advice to to the European Commission in the context of the Third Energy package, Market Abuse

Dear Sir,

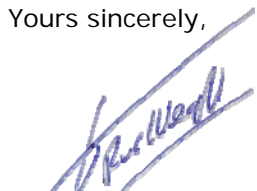
We are pleased to participate in the consultation round on Market Abuse. In the appendices you will find a short description of our company and the detailed answers to your questions.

In general we are concerned about the lack of transparency we encounter in the European energy wholesale markets. Not only is limited information available but there are also large differences between various countries. We agree with you proposed responses and would like to emphasize that harmonization across countries and enforceable sanctions are key.

This response expresses the views of VDM Energy Trading on the energy wholesale markets only and does not imply or provide an opinion of Van der Moolen Holding.

If you have any additional questions, please do not hesitate to contact me.

Yours sincerely,



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**Appendix 1: Detailed answers**

1) Do you agree with the analysis of the market failures in the electricity and gas markets as described above? If not, please provide reasons for your disagreement.

We agree with the analysis.

2) What is your opinion on the analysis provided above on the scope of MAD in relation to the three different areas: disclosure obligations, insider trading and market manipulation?

We agree with the analysis and would like to emphasize that enhancing the disclosure obligations are at the moment key for the further development of the markets

3) Do you agree with the conclusion above that greater pre- and post trade transparency would not be sufficient in the context of market abuse?

We agree

4) Do you agree with the analysis above on the importance of the transparency/disclosure of fundamental data? If yes, would you consider it useful to set up at the European level a harmonized list of fundamental data required to be published? Is an exhaustive list conceivable or is it necessary to publish additional data on an ad hoc basis if it is considered to be price sensitive?

We agree. We are strongly in favor of harmonization as the markets get more and more integrated. We believe it should be possible to draw up such a list and implement it throughout Europe.

5) Which information retained by specific participants of the electricity and gas markets (e.g. generators, TSO) should be published on an ad hoc basis if it is price sensitive?

- Changes in planned maintenance
- Real time outage (generation, transportation and storage)
- Aggregate gas storage levels (daily)
- Aggregate generation levels (daily)

In order to ensure the quality of the data, enforceable sanctions are key. We believe the Nordpool model is a good starting point.

6) What is your opinion on the proposals of CESR and ERGEG in the three different areas: disclosure obligations, insider trading and market manipulation?

We agree with the proposals and believe they would be a good step forward.

### **Appendix 2 : Short company description:**

VDM Energy Trading started on the 1st of January 2008. It is a 100% subsidiary of Van der Moolen Holding NV. Van der Moolen is an international securities trading and brokerage firm active in securities, futures, derivatives indexes and exchange traded funds. Van der Moolen is active on the important securities exchanges in the United States and Europe.

VDM Energy Trading is purely trading for its own account and is active in Electricity, gas, emissions and fuels in North West Europe. It is a trading member of Endex and EEX. Via a service contract we also trades in physical products and on ICE. The staff members have been active in the in the European Energy markets for over 10 years.