

CEER
Council of European
Energy Regulators

PAPER

CEER Views on the Market Integration and Supervision Package

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The Council of European Energy Regulators (CEER) welcomes the Commission's proposals on Market Integration and Supervision as they aim to simplify the regulatory framework and reduce unnecessary burdens for market participants. We note that the Package takes into account the outcome of the Gas Market Task Force Report and the Commission's report on MIFID II from May 2026, namely on maintaining the Ancillary Activities Exemption (AAE) and the REMIT carve-out (C.6), improving data sharing between authorities, extending ad-hoc over-the-counter (OTC) reporting to trading venues and the application of EU position limits to non-EU venue positions.

In the past, CEER has published its opinion on DG FISMA's public consultation on commodity derivatives markets (May 2025)[1] and on ESMA's Call for evidence on a comprehensive approach for the simplification of financial transaction reporting (September 2025),[2] which we would like to reiterate at this point.

CEER welcomes greater simplification and regulatory stability

We support measures that improve coherence and consistency between financial regulation and the sector-specific regulation of electricity and gas markets, while recognising that the two regimes are complementary but distinct. CEER considers that recent reforms, including the revised REMIT framework which entered into force on 7 May 2024, have already strengthened the supervisory framework, improved cooperation between energy and financial authorities, and addressed key institutional and governance issues. CEER therefore calls for the full implementation of these recent reforms before considering further new legislation or substantial changes to reporting arrangements.

CEER warns that constant legislative change, overlapping rules and shifting monitoring responsibilities create uncertainty, undermine market confidence, deter investment and may jeopardise security of supply. Stability is essential to allow investors to operate effectively and to maintain the attractiveness of European wholesale energy markets.

We welcome the objective of reducing duplicative reporting through a "report once" approach. CEER supports reducing the burden on market participants, provided that simplification does not compromise data completeness or impair the ability of regulators to carry out their market-surveillance mandates.

[1] See: https://www.ceer.eu/wp-content/uploads/2025/05/DG-Fisma-PC-reply-CEER-2-05-25.pdf

[2] See: https://www.ceer.eu/wp-content/uploads/2025/09/CEER-Response-ESMA-Call-for-evidence_CEER_final_V2.pdf

CEER considers that REMIT provides comprehensive coverage of transactions and orders in wholesale energy markets, including spot and derivative products, irrespective of trading venue and whether contracts are physically or financially settled. REMIT also captures fundamental data and inside information, which are essential for effective market monitoring and enforcement.

CEER considers that a workable approach would be to use the regime with the wider information requirements as the main reporting channel. In particular, REMIT data could be made available by the Agency for the Cooperation of Energy Regulators (ACER) to the European Securities and Markets Authority (ESMA) and national competent authorities through robust data-sharing arrangements, without significantly increasing costs or reporting burdens for market participants.

CEER also supports improved alignment of definitions and data fields across regimes where appropriate, for example in relation to market participants, contracts and reference indices. Such alignment would improve comparability and facilitate data sharing between energy and financial regulators.

However, CEER cautions that the current Article 8(3) REMIT double-reporting exemption is based on an assumption of equivalence between REMIT and Markets in Financial Instruments Regulation/ European Market Infrastructure Regulation (MiFIR/EMIR) reporting which does not exist in practice. CEER considers that REMIT provides a broader and more granular dataset, specifically calibrated to the physical and operational realities of energy markets. CEER therefore recommends reforming the exemption so that REMIT reports are recognised as fulfilling applicable financial reporting requirements, rather than the reverse.

CEER welcomes that its recommended stepwise and coordinated approach has been taken up: financial reporting frameworks should first be streamlined among themselves, while the perspective of REMIT and energy regulators is already taken into account. Cross-sector alignment should then be considered once a mature and stable reporting architecture is in place.

CEER raises concerns on the deletion of the AAE

We are surprised by amendments discussed in the European Parliament concerning deleting the Ancillary Activity Exemption (AAE). We explicitly express serious concern about any proposal in this regard. CEER considers that revisiting the AAE offers little value, as the current provisions are sufficient and have not appeared problematic since the entry into force of MiFID.

CEER considers it important to maintain the existing AAE framework. Energy companies are fundamentally different from investment firms, and subjecting them to requirements designed for financial institutions, including additional capital requirements, would therefore be disproportionate and could increase hedging costs, ultimately leading to higher costs for consumers and adversely affecting EU competitiveness. CEER warns that changing the exemption could have substantial side effects on market liquidity and could lead to the withdrawal of certain market participants, or even their relocation.

CEER also considers that market supervision should not impose additional obligations under financial regulation on energy derivatives, given on the one hand the specificities of wholesale energy markets and on the other the close links between financial instruments and wholesale energy products, both which are properly address in REMIT (Regulation on Wholesale Energy Market Integrity and Transparency[3]). A balanced and pragmatic approach based on existing rules would better preserve market stability and trust.

CEER further notes that energy companies use derivatives primarily to hedge risks related to their production and supply activities and considers that such hedging activity, where ancillary to their main commercial business, does not pose a systemic risk to the financial system or a risk to private investors.

CEER raises concerns on a more restrictive recalibration of position limits

CEER considers that the current position limits framework has proven sufficiently robust and that there is no evidence of significant shortcomings that would justify a more restrictive recalibration. Energy derivatives play an essential role in enabling energy companies to hedge production and supply risks, without necessarily giving rise to the systemic risks or investor protection concerns typically associated with financial activities. While ESMA and financial authorities have an important role in the position limits framework, ACER and, where appropriate, energy NRAs should be duly consulted when measures concern wholesale energy products, given their sector-specific expertise and understanding of the interaction between physical and derivative energy markets. In addition, REMIT exposure reporting should complement financial position reporting, supported by enhanced data sharing between energy and financial authorities, thereby providing a more comprehensive view while avoiding unnecessary additional requirements for market participants.

CEER raises concerns on an extended role for ESMA

We support enhanced cooperation and data sharing between ACER, ESMA, national energy regulators (NRAs) and national financial authorities which is properly addressed in REMIT. CEER considers such data sharing to be a more cost-effective solution than creating an alternative centralised data-collection mechanism, which could entail significant transition costs, monitoring disruptions, data-quality problems and long implementation periods.

[3] See: https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A02011R1227-20250205

Moreover, we have serious concerns about proposals for a substantially more centralised supervision of wholesale energy markets. CEER considers that an EU-level coordination body bringing together financial and energy supervision is unnecessary and unjustified, particularly as the questions raised on enhanced supervisory cooperation largely duplicate existing legal provisions.

CEER stresses that wholesale energy market supervision depends on detailed national market specificities, including market rules, physical assets and infrastructure. NRAs are therefore well and better placed to conduct investigations and enforcement actions, while ACER has a key European monitoring and coordination role, particularly for cross-border investigations.

CEER considers that the revised REMIT framework has already strengthened cooperation between energy regulators, ACER, financial authorities and ESMA. Rather than introducing additional administrative layers or fundamentally changing the institutional framework, CEER advocates strengthening existing cooperation links, including through improved data sharing and aligned confidentiality protocols.

Any enhanced role for ESMA should therefore remain compatible with the distinct objectives of energy and financial market supervision. CEER considers that ACER and energy regulators should be involved where measures affect wholesale energy products, given the sector-specific knowledge required.

In summary, CEER supports a proportionate and sequenced simplification agenda that reduces duplicative reporting, improves data sharing and preserves the effectiveness of energy market surveillance. However, further centralisation of wholesale energy market supervision and the deletion of the AAE would risk undermining market liquidity, investment confidence and the tailored oversight framework established under revised REMIT. We therefore call for the full implementation of the recent reforms, a “report once” approach based on robust data sharing, and the maintenance of the existing AAE framework.

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