


ACER

 Agency for the Cooperation
of Energy Regulators

Update on REMIT implementation

Elio Zammuto

Seconded National Expert

**ENTSOG 6th Transparency Workshop
Brussels 11th September 2012**

- Background and timeline for REMIT implementation
- Implementation Priorities
 - Delivered
 - ✓ Notifications and transparency
 - ✓ Registration Format
 - Second Semester 2012
 - Recommendations on Record of Transactions and Implementing Acts
 - 2nd edition of ACER's Guidance
 - Stakeholder engagement (e.g. expert groups, workshops)
- ACER Workshop on Transparency 13 September, Ljubljana

Timeline for REMIT implementation



Implementation Priorities

✓ Notifications and transparency

✓ Registration Format

- **Recommendations on Record of Transactions and Implementing Acts**
- **2nd edition of ACER's Guidance**
- **Stakeholder engagement (e.g. expert groups, workshops)**

Implementation Priorities

✓ Notifications and transparency

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Registration Format: Timeline

	Activity	Timing
1	Initial consultation of the BoR	13 March
2	Public consultation	18 April – 20 May
3	Public workshop in Ljubljana	3 May
4	Final consultation of the BoR	19 June
DETERMINATION AND PUBLICATION OF THE FORMAT		26 June

Note: the Implementing Acts may impact on some aspects of the registration format, e.g. if the record of transactions also requires to identify the trader or depending on the approach to the “ultimate controller or beneficiary of trading activities”

Implementation Priorities for H2 2012

✓ Notifications and transparency

✓ Registration Format

- **Recommendations on Record of Transactions and Implementing Acts**
- **2nd edition of ACER's Guidance**
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Recommendations to the Commission on the Record of Transactions

- The Agency may make recommendations to the Commission as to the records of transactions, including orders to trade (Article 7(3))
- Scope of records of transactions depends on other specificities of the implementing acts, ACER Recommendations therefore also address other aspects of implementing acts
- Public consultation held between 20 June and 6 August 2012

Recommendations on the Record of Transactions: Timeline

	Activity	Timing
1	Public consultation	20 June – 6 Aug
2	Public workshop in Ljubljana	19 July
RECOMMENDATION ADOPTED AND SENT TO THE EUROPEAN COMMISSION		By the end of September

Consultation Document: Content (1)

- **Recommendation for a list of contracts and derivatives to be reported**
 - broad definition of contracts to be reported in the implementing act, but
 - possibility for ACER to establish a database for a list of wholesale energy contracts to be reported (MiFID role model)
- **Recommendation for reporting channels mainly through intermediaries (RRMs)**
 - for the reporting of both transactions and fundamental data
 - but possibility of direct reporting for market participants preserved

Consultation Document: Content (2)

- **Recommendation on de minimis**
 - Three options presented in the consultation paper on de minimis, internal discussions are ongoing
 - No de minimis threshold for reporting of fundamental data

Recommendations: Content

- **Recommendations for records of wholesale energy market transactions**
 - Distinguishing between records of transactions in standardised and in non-standardised energy commodity contracts as regards the reporting channels, the details and the timing to report
 - Foreseeing reporting of orders to trade in derivatives and energy commodity contracts directly from organised market places and nominations/scheduling directly from TSOs

Implementation Priorities for H2 2012

- ✓ Notifications and transparency
- ✓ Registration Format
- **Recommendations on Record of Transactions and Implementing Acts**
- **2nd edition of ACER's Guidance**
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2nd edition of ACER's Guidance

Timeline

19 July 2012

Public Workshop

Sept 2012

Publication of 2nd edition of ACER Guidance

ACER Guidance on the application of REMIT definitions according to Article 2 of REMIT

- Legal basis: Art. 16(1) of REMIT
- Describes ACER's understanding, but does not provide legal interpretation (“rules of practice, no rules of law”)
- Directed to NRAs and intended only to establish a common understanding between ACER and NRAs on REMIT definitions (Art. 2)
- Published for sake of transparency

Issues of the 2nd edition of the ACER Guidance

- In addition to the review ACER's understanding of market abuse definitions in the 1st edition of the ACER guidance, the 2nd Edition of the Guidance on the application of REMIT concentrates on the following:
 - A common understanding of the Agency and ESMA on the applicable legal framework and scope of REMIT in relation to the Market Abuse Directive (MAD);
 - Guidance on the application of the definitions of “wholesale energy product”, “wholesale energy market”, “market participant” and “market manipulation”;
 - Guidance on the application of the obligation to disclose inside information;
 - Guidance on the market abuse prohibitions; and
 - Guidance on the application of the implementation of prohibitions against market abuse according to Article 13 of REMIT.

Disclosure of inside information through platforms

Discussion Paper published 18 July 2012

Problem:

- Lack of transparency through lack of platforms for disclosure of inside information
- Existing transparency platforms often lack timeliness of disclosure
- Differences in transparency and inside information

Responses to discussion paper:

- 16 responses from stakeholders
- In general, respondents supported the application of central platforms for disclosure of inside information, particularly through the nomination of regional or national platforms by NRAs in consultation with market participants.

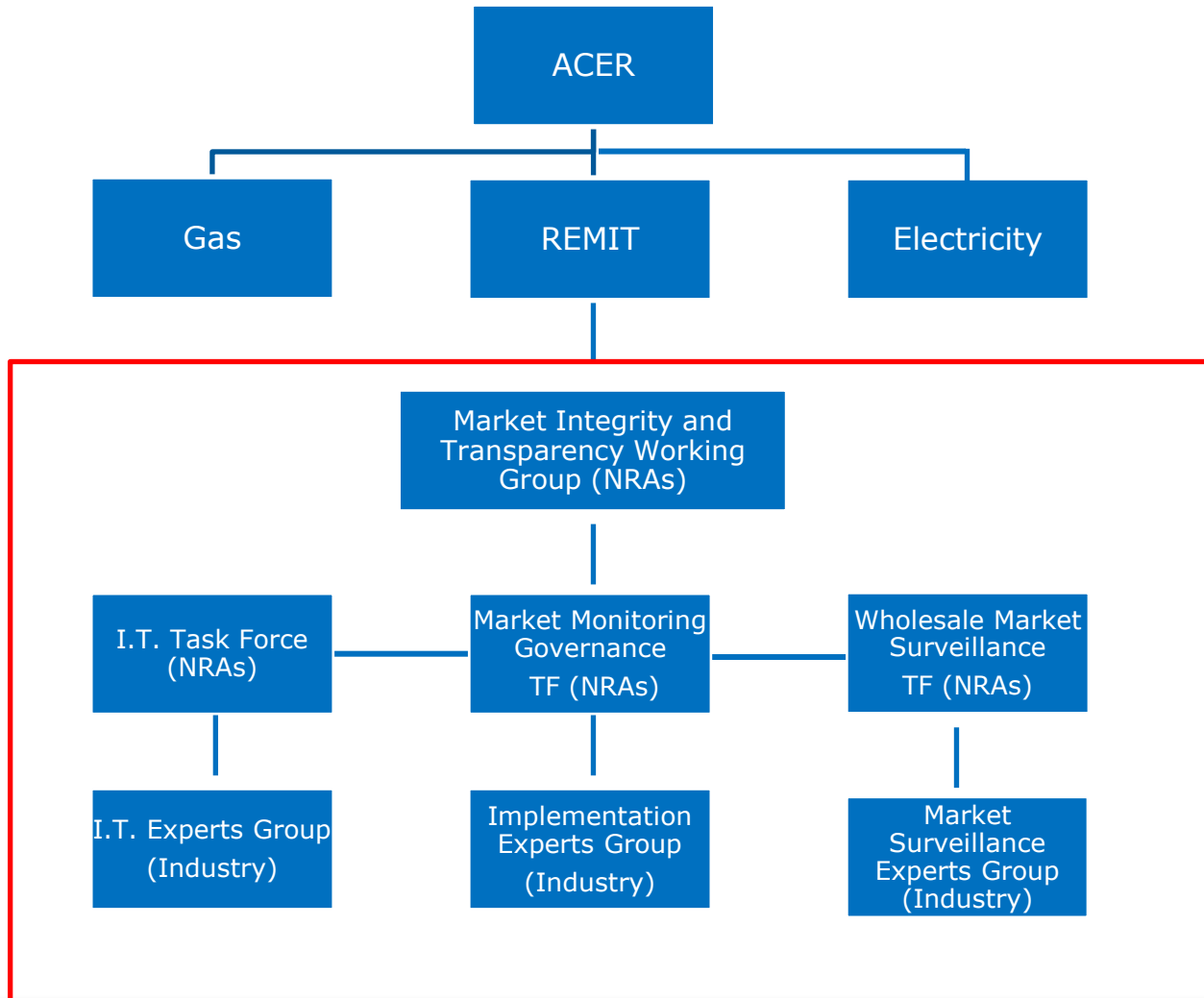
To Dos for NRAs resulting from the 2nd edition of ACER Guidance

- NRAs should nominate national or regional platforms for the disclosure of inside information, following consultations with market participants through a top-down or bottom-up approach. NRAs should notify their nominations to the Agency. The Agency would publish a list of platforms allowing for a timely and effective disclosure of inside information
- NRAs should consult with market participants on indicative national/regional thresholds for the disclosure of inside information in wholesale gas markets and notify the relevant threshold to the Agency. The Agency would publish a list of applicable indicative thresholds on its website.
- The Agency believes that such approach similar to the Accepted Market Practice regime applying in EU financial markets could be launched before the end of 2012.

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Stakeholder engagement (i.e. expert groups)



ACER Workshop on Transparency in Gas Markets

Compliance with Section 3, Annex 1, of Regulation 715/2009

- ACER is organising a workshop on transparency in gas markets on **13 September 2012**, in its premises in Ljubljana
- The Agency will present the **preliminary results** of its analysis of TSOs' compliance with the transparency requirements from Section 3, Annex 1, of Regulation 715/2009
- TSOs, NRAs and stakeholders are welcome to participate
- Detailed information on the workshop, including the agenda and link for registration, can be found in **ACER website**
- The **final results** of ACER's assessment will be presented in the next **Madrid Forum** on 2 October

Thank you for your attention!



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