


**ACER**

 Agency for the Cooperation  
of Energy Regulators

# Update on REMIT implementation

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Market Data Management & Monitoring Officer  
Market Surveillance and Analytics Team Leader

**Irish Regulatory Authority Workshop on REMIT  
Dublin, 8<sup>th</sup> May 2014**

- REMIT: what is it about and why is it needed?
- The Agency for the Cooperation of Energy Regulators
- REMIT implementation so far
  - » Registration
  - » Data collection
  - » Market Monitoring
  - » Cooperation and coordination
- The way ahead

## 1. Defines and introduces

### **prohibitions** of

- market manipulation and attempted market manipulation
- insider trading; and

### **obligations** of

- disclosure of insider information
- transaction reporting

## 2. Establishes:

- a new framework for the **monitoring** of wholesale energy markets to detect and deter market manipulation and insider trading

## 3. Provides:

- **enforcement** of the above prohibitions and the sanctioning of breaches of market abuse rules at national level.

## Why is REMIT needed?

- The wholesale energy markets are increasingly **pan-European**. Energy markets in Europe are more and more interlinked.
- Market abuse in one Member State will also **affect the price** of energy in other Member States.
- Before REMIT, **monitoring** of energy markets **was Member State and sector-specific** – resulted in a lack of clarity as to where responsibility rests

Therefore the EU judged it essential to set up a dedicated market integrity and transparency framework for the gas and electricity wholesale markets with an EU-wide monitoring scheme

## Transparency

Obligations for market participants to disclose inside information

## Integrity

Explicit prohibitions of abusive practices in wholesale energy markets

## Monitoring

A new, sector-specific, comprehensive and effective monitoring framework for wholesale energy markets

## Cooperation

Close cooperation and coordination between ACER (EU-wide monitoring) and NRAs (national monitoring, investigation and enforcement)

## Market Participants

**to publish Inside Information**

**to notify ACER of delays in the  
publication of Inside  
Information**

## Persons Professionally Arranging Transactions

**to establish and maintain  
effective arrangements and  
procedures to identify  
breaches of market abuse  
prohibitions**

**to notify NRAs, without delay,  
of suspected breaches of  
market abuse prohibitions**

**PROHIBITED**

**Trading on Inside Information**

**Market  
Manipulation**

**PROHIBITED**

**Attempted Market  
Manipulation**

**PROHIBITED**

**False/Misleading Signals**

**Price Positioning**

**Transactions involving Fictitious  
Devices/Deception**

**Dissemination of False or  
Misleading Information**

## Union wide market monitoring by ACER

Automatic  
screening of  
data



Initial  
assessment  
and analysis



## Investigation and Enforcement by NRAs

Investigation  
of suspected  
breaches



Enforcement

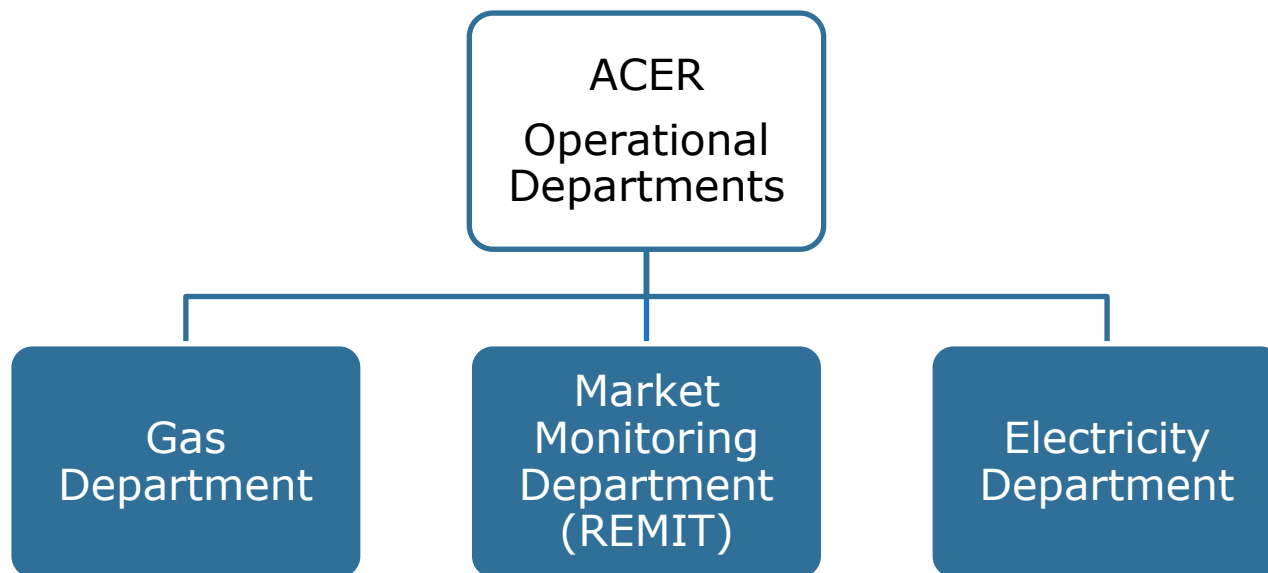
Option to monitor markets at  
national level

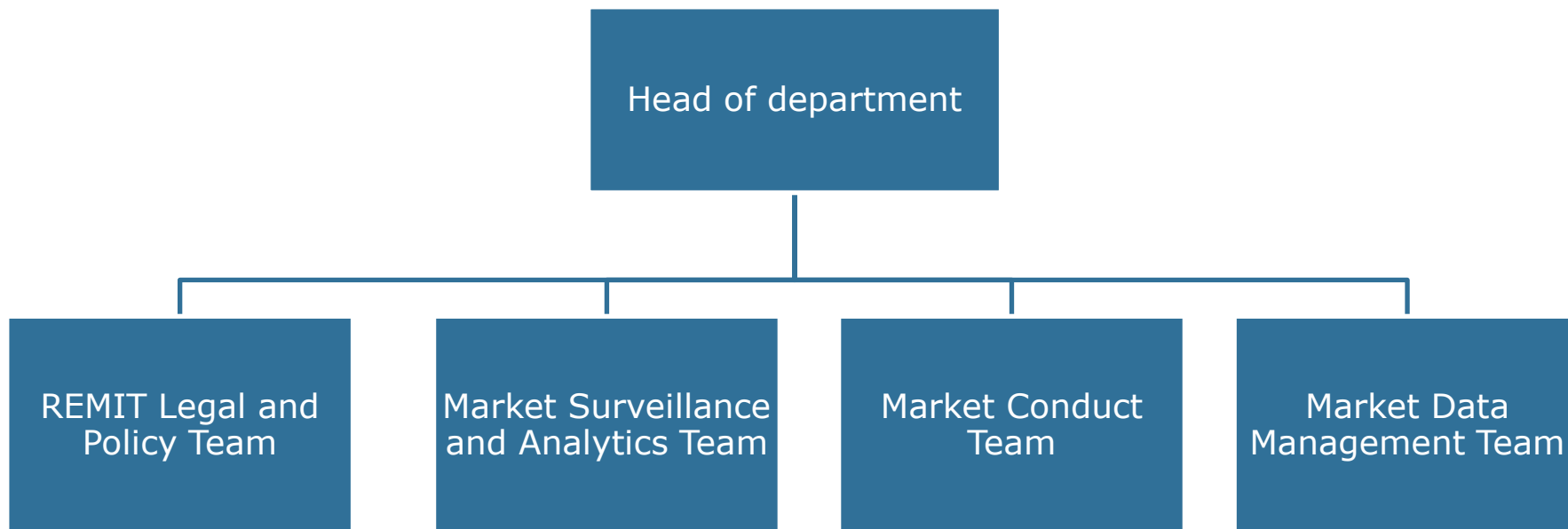


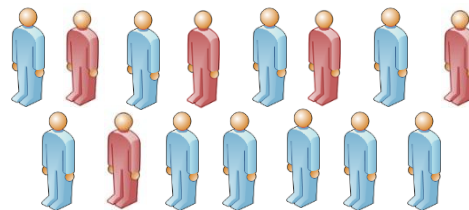
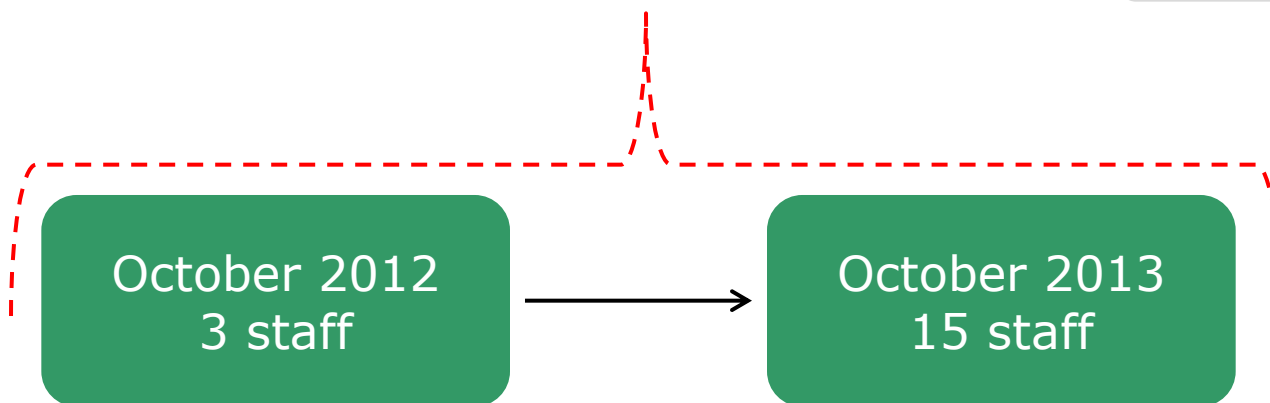
	<b>ACER</b>	<b>NRAs</b>
<b>Data Collection</b>	✓	<b>Have access to data collected by ACER</b>
<b>Monitoring</b>	✓	<b>May monitor the national markets</b>
<b>Investigation</b>	<b>Coordinates NRAs in cross-border investigations</b>	✓
<b>Enforcement</b>		✓

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The Agency for the Cooperation of Energy Regulators (ACER) is the European Union body created in March 2011 by the [Third Energy Package](#) to further progress on the completion of the internal energy market both for [electricity](#) and for [natural gas](#).







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## Implementation phase

- Focus on development and deployment of IT systems for registration of market participants, data collection and data sharing, and for the effective monitoring of wholesale energy markets.
- Started with the entry into force of REMIT on 28 December 2011.
- Completed within six months of the adoption by the EC of the Implementing Acts (IAs).

## Operational phase

- Active market monitoring to detect and prevent trading based on inside information and market manipulation.
- Involves the collection and screening of data to identify instances of possible market abuse and to notify such cases to NRAs who are responsible for investigation and enforcement. ACER will also be responsible for coordinating investigations.

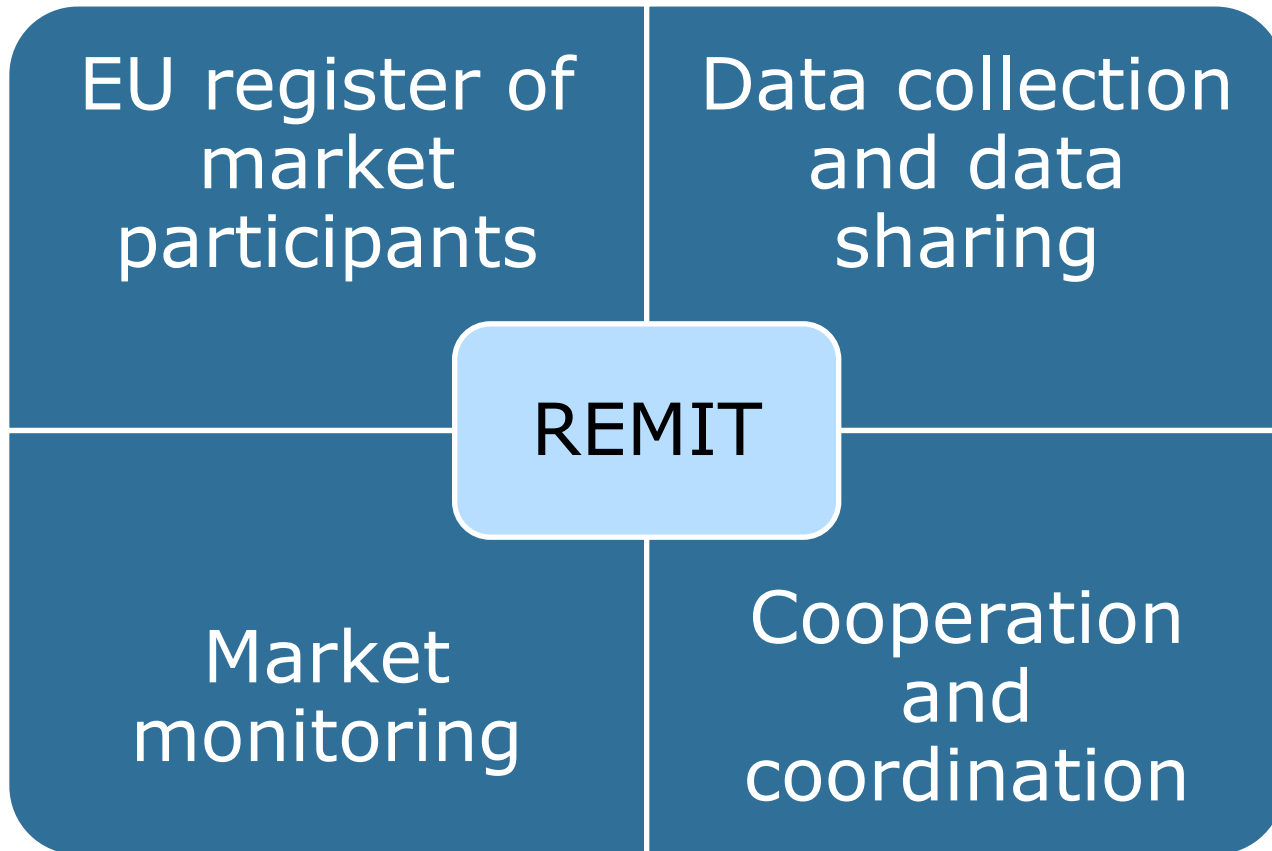
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**Market participants** have to register and update the information they provide to NRAs

**NRAs** have set up the national registers of market participants established in their own Member State, as well as the non-EU market participants active in their Member State

The **Agency** has to set up a Centralised European Register of wholesale Energy Market Participants (CEREMP)

## **Which market participants need to register?**

- All market participants, *as long as they enter into transactions that have to be reported in accordance with Article 8 of REMIT*

## **What information are market participants required to provide?**

- Data fields listed in ACER Decision no 1/2012

## **With which NRA should market participants register?**

- Market participants shall register with the NRA in the MS in which they are established or resident
- Market participants not established or resident in the Union may choose in which MS to register, as long as they are active in that MS

- Registration of MPs under REMIT is first and foremost a national process
- Each NRA shall establish a registration system by which MPs can provide registration information to that NRA no later than 3 months after the adoption of the implementing acts
- NRAs can, if they wish, open the registration process earlier than this
- NRAs are free to use whatever system they deem most appropriate for their market (possibility to use system developed by ACER for the EU register - CEREMP)
- NRAs should ensure that MPs are provided with information on how to register
- NRAs should have systems in place to effectively check the registration information provided by MPs to identify omissions and obvious errors

- CEREMP – Centralised European Register of Energy Market Participants
- Provide central register of market participants based on national registers;
- Ensure each market participant has a unique identifier (ACER code);
- Ensure historical database for changes, additions and deletions;
- Ensure secure access to appropriate data views to the different authorized parties; and

Provide NRAs with integrated system for National registers  
(for NRAs not developing their own registration system)

A. NRAs using CEREMP for national register:

- NRAs fully use the ACER system for their National Registers and allow their MPs to submit a request for registration directly on the ACER system

B. NRAs not using CEREMP for national register:

- NRAs manage National Registers on their own, therefore MPs are not users of CEREMP

## Single point of entry: ACER's CEREMP

The screenshot displays the CEREMP website interface. At the top, there is a blue navigation bar with the text 'CEREMP' and a 'Home' link. Below this, the ACER logo and the CEREMP logo are visible. The main content area features a 'Selection of National Regulatory Authority' section. A dropdown menu is open, showing a list of national regulatory authorities. The 'Energie-Control Austria' option is highlighted in blue. The list includes:

- 
- Autoritatea Nationala de Reglementari in domeniul Energiei
- Autorità per l'energia elettrica e gas
- Bundesnetzagentur
- Commissie voor de Regulering van de Elektriciteit en het Gas
- Commission de régulation de l'énergie
- Commission for Energy Regulation
- Energetický Regulační Úřad
- Energiamarkkinavirasto
- Energie-Control Austria**
- Energiamarknadsinspektionen
- Energitilsynet
- Entidade Reguladora dos Serviços Energéticos
- Institut Luxembourgeois de Régulation
- Javna Agencija Republike Slovenije za energijo
- Konkurencsiamet
- La Comisión Nacional de Energía
- Magyar Energetikai és Közmű-szabályozási Hivatal
- Malta Resources Authority
- Nederlandse Mededingingsautoriteit

## Step 1: Register System User

### CEREMP User Form

**First Name \***  ?

**Surname \***  ?

**Job Title**  ?

**Address \***  ?

**Country \***  ?

**City \***  ?

**Postal code \***  ?

**E-mail \***  ?

**Phone \***  ?

**Fax**  ?

Back

Reset

Submit



## Step 2: Enter Market Participant registration data

CEREMP [Home](#) [User Profile](#) [Logout](#)

### Market Participant Information (Registration Format Section 1)

Person Type \*  ?

Market Participant name \*  ?

Country \*  ?

Address \*  ?

City \*  ?

Postal code \*  ?

VAT number \*  ?

EIC  ?

BIC  ?

LEI  ?

GS1  ?

Website  ?

Publication inside  ?


[Back](#) [Reset](#) [Save as draft](#) [Next](#)

## Continue after saving draft

The screenshot displays the CEREMP web interface. At the top, a blue navigation bar contains the text "CEREMP" and several menu items: "Home", "User Profile", "MP", and "+ Register New Market Participant". Below the navigation bar, the header area features the logo of the Estonian Competition Authority (KONKURENTSIAMET) on the left and the CEREMP logo (Centralised European Registry for Energy Market Participants) on the right. The main content area is a white box with rounded corners, containing the text "Mark Corp (##DFT000017)" in a large, bold font. Below this text are two blue buttons: "Continue registration" and "Register new Market Participant".

CEREMP   Home   User Profile   MP   + Register New Market Participant

 **KONKURENTSIAMET**  
Estonian Competition Authority

 **CEREMP**  
Centralised European Registry for Energy Market Participants

### Mark Corp (##DFT000017)

[Continue registration](#)

[Register new Market Participant](#)

CEREMP   Home   User Profile ▾   **+ Register New Market Participant**   New MP Association   Logout

KONKURENTSIAMET  
Estonian Competition Authority

**CEREMP**  
Centralised European Registry for Energy Market Participants

- One user can register multiple Market Participants
- One Market Participant can be associated with multiple users

**ACER code generation:** a checksum character (based on “Luhn Mod N” algorithm) was added in order to prevent typing errors

Unique progressive number (eventually  
prefixed by 0s up to 6 digits)

Country-code  
(2 letters)

**A000123X.EU**

Type of  
company

Checksum  
character

## Availability of the system:

- Article 9 (2) of REMIT:
  - » “Not later than 3 months after (...) the Commission adopts the implementing acts (...) national regulatory authorities shall establish national registers of market participants which they shall keep up to date”.
- Implementing acts currently under development:
  - » entering into force probably mid 2014
- CEREMP will be available from 26<sup>th</sup> May, but it is up to each NRAs to decide when registration will start in every Member State

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## Reporting of fundamental data and transaction data, including orders to trade



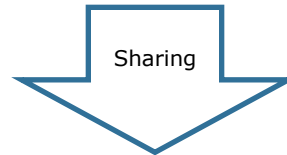
DG COMP



ACER



ESMA



- The **European Commission shall adopt implementing acts** defining the details of reporting
  - » List of reportable contracts and derivatives
  - » Details, timing and form
  - » Uniform rules
- Work to prepare the implementing acts
  - » Public consultation
  - » Expert advice
  - » ACER advice
  - » Pilot projects
- In parallel, ACER is developing IT solutions for data collection as well as mechanisms for sharing information



# Hierarchy of REMIT rules

## 1<sup>st</sup> level

REMIT

## 2<sup>nd</sup> level

REMIT Implementing Acts (IAs) on the  
basis of Article 8 of REMIT

## 3<sup>rd</sup> level

Trade Reporting User  
Manual (TRUM)

Requirements  
for the registration of  
RRMs (trade data)

Requirements  
for the registration of  
RISs (fundamental data)

Procedures, standards  
and electronic formats  
for the reporting of  
fundamental data

Technical Specification  
Document for RRM

Technical Specification  
Document for RIS



- Ongoing involvement and discussions of the implementing acts with DG ENER following the 1<sup>st</sup> comitology meeting on 20 December 2013, in particular concerning the specification of data fields.
- Commission's timeline for implementing acts:
  - » Draft rules presented to Committee – December 2013
  - » Entry into force ~ Q2 '14
  - » Start of data reporting ~ Q4 '14

- In parallel, ACER is developing:
- 3<sup>rd</sup> level REMIT rules and other REMIT policies
  - IT solutions for registration of market participants, data collection, and mechanisms for sharing information

## List of reportable supply and transportation contracts

### Negative list to define non-reportable contracts

- » OTC intragroup transactions
- » Threshold for small RES producers

### Required details listed in Annex

- » Reporting details largely to follow EMIR requirements
- » Separate tables for standard and non-standard transactions

**Details for balancing contracts to be determined at a later stage by the Agency**

## **No double reporting under EMIR/MiFID(R) and REMIT**

- » Trade repositories and financial regulators to provide reported data to the Agency

## **Trades on organised markets to be reported through the market place or other facilitators**

- » Including orders to trade

## **OTC trades to be reported by market participants or third parties on their behalf**

## Frequency

- » Standard transactions and balancing contracts – up to D+1
- » Non-standard transactions – up to M+1
- » Upon commencement of reporting all deals to be reported that are outstanding + any subsequent transactions

## Start of reporting

- » Standard deals – 6 months after adoption
- » Non-standard deals – 12 months
- » Balancing – 2 years after relevant balancing codes

## The Agency to receive data from

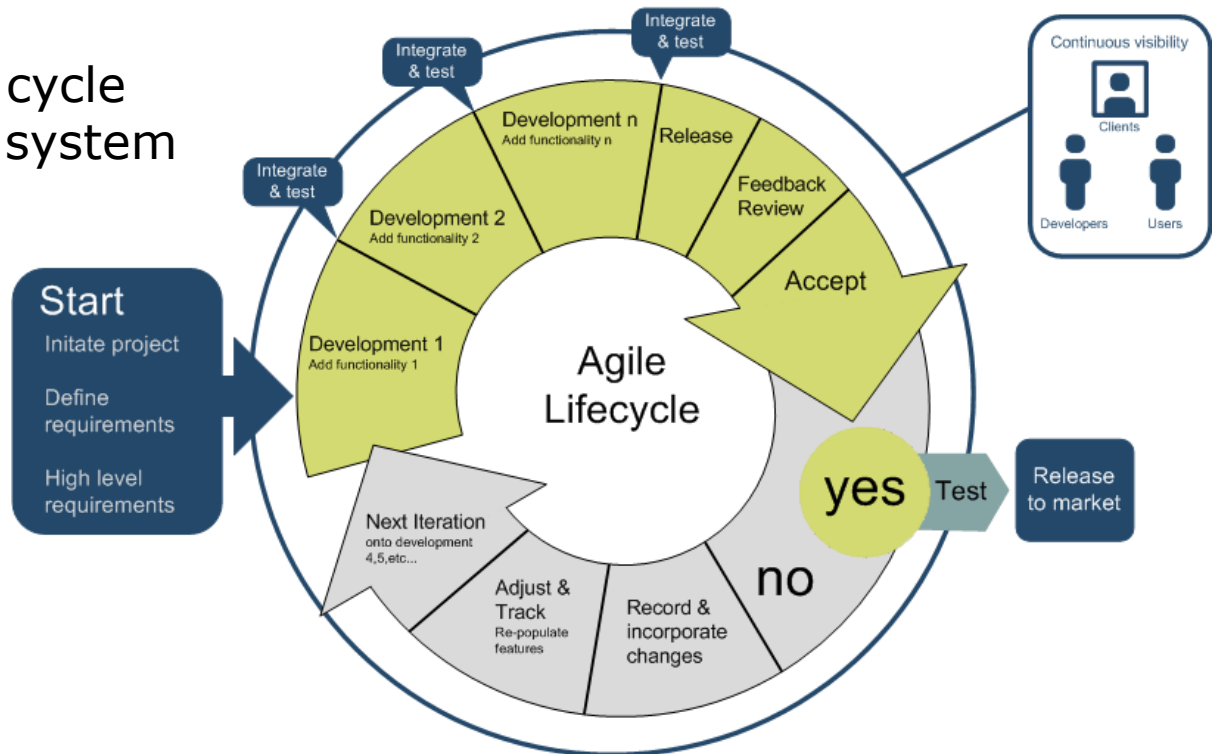
- » ENTSOs – direct access to transparency platform
- » TSOs – Auction results + individual nominations
- » LNG facilities – use of terminals, unavailability periods
- » Storage facilities – individual nominations, stock data, unavailability periods

## Daily reporting cycle

1<sup>st</sup> development cycle  
ARIS Pilot Project (July – December 2013)

**2<sup>nd</sup> development cycle**  
**ARIS Prototype (ongoing)**

3<sup>rd</sup> development cycle  
ARIS production system

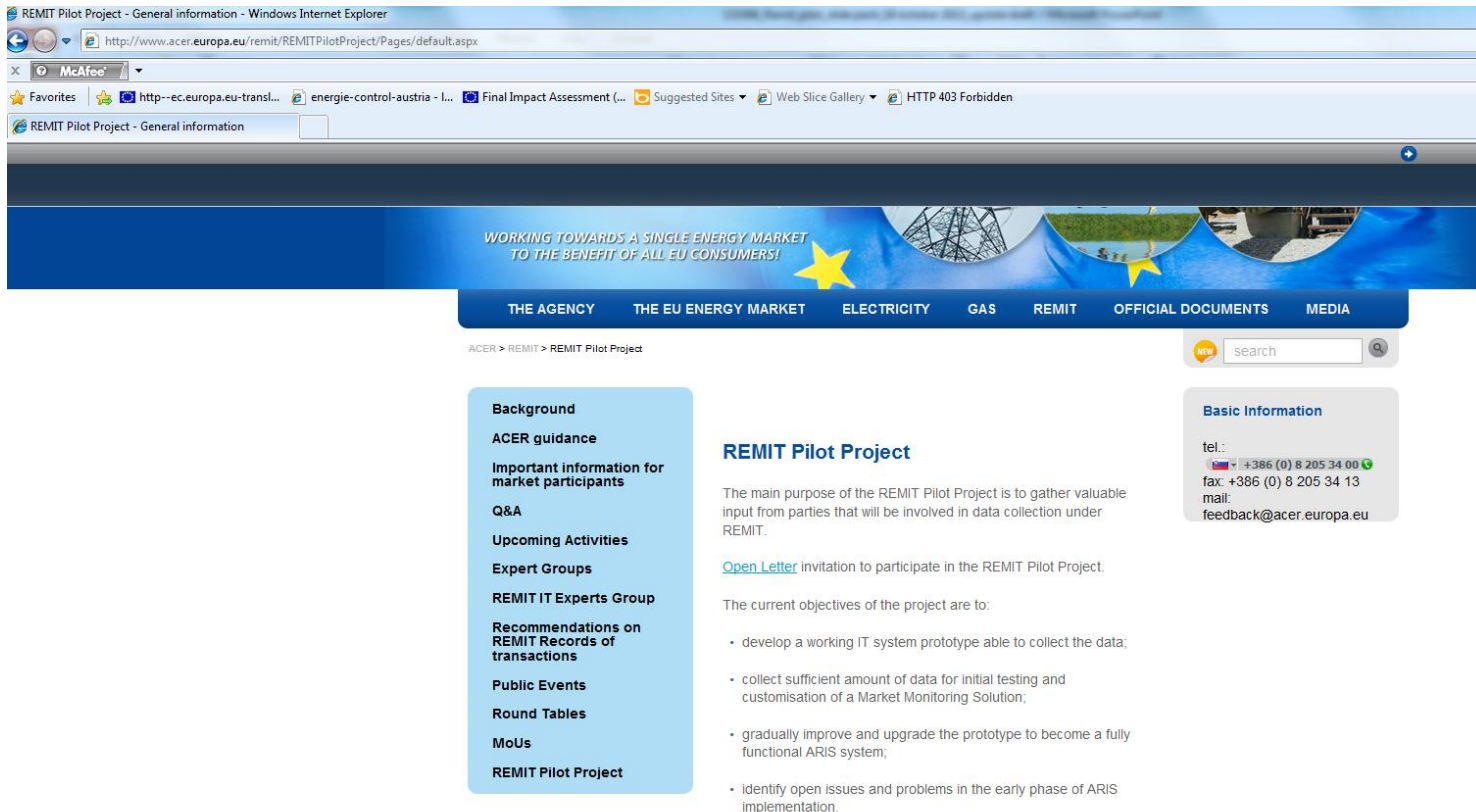


- Goal: Prepare for full system launch in 2014
- Primary scope: Data collecting to facilitate market monitoring
  - » Representative cross-section of key parties were invited through expert groups network (PXs, Broker(s) and/or RRM, TSO and/or ENTSO, energy companies for non-standard; anonymised data for December 2012)
  - » Results presented to NRAs and pilot participants in Q4 2013
- Lessons learned
  - » Although the pilot was limited in scope, ACER proved that it is able to quickly prepare, develop, implement and support an IT solution for data collection
  - » Draft versions of default XML schemas were developed for the data reporting, taking into consideration input received from pilot participants
  - » Significant effort will be required from market participants to properly prepare for data collection



- Goal: To further enhance ARIS development and to result in consistently anonymised data
  - » Data collection will focus on data types to be reported in the first phase of data collection (i.e. 6 months after the adoption of the implementing acts)
    - » Transactions in standardised supply contracts, including orders to trade
    - » Derivatives
    - » Fundamental data
    - » (Inside information and reference data)
  - » Pilot participants can report anonymised data via 3 routes:
    - » Web-based user interface
    - » Secure file transfer protocol (SFTP)
    - » Web services (machine-to-machine interface)
  - » Evaluation and next steps are planned for late spring 2014

<http://www.acer.europa.eu/remit/remitpilotproject>



REMIT Pilot Project - General information - Windows Internet Explorer

http://www.acer.europa.eu/remit/REMITPilotProject/Pages/default.aspx

McAfee

Favorites | http--ec.europa.eu-transl... | energie-control-austria - I... | Final Impact Assessment (... | Suggested Sites | Web Slice Gallery | HTTP 403 Forbidden

REMIT Pilot Project - General information

WORKING TOWARDS A SINGLE ENERGY MARKET  
TO THE BENEFIT OF ALL EU CONSUMERS!

THE AGENCY | THE EU ENERGY MARKET | ELECTRICITY | GAS | REMIT | OFFICIAL DOCUMENTS | MEDIA

ACER > REMIT > REMIT Pilot Project

search

**Background**

- ACER guidance
- Important information for market participants
- Q&A
- Upcoming Activities
- Expert Groups
- REMIT IT Experts Group
- Recommendations on REMIT Records of transactions
- Public Events
- Round Tables
- MoUs
- REMIT Pilot Project

**REMIT Pilot Project**

The main purpose of the REMIT Pilot Project is to gather valuable input from parties that will be involved in data collection under REMIT.

[Open Letter](#) invitation to participate in the REMIT Pilot Project.

The current objectives of the project are to:

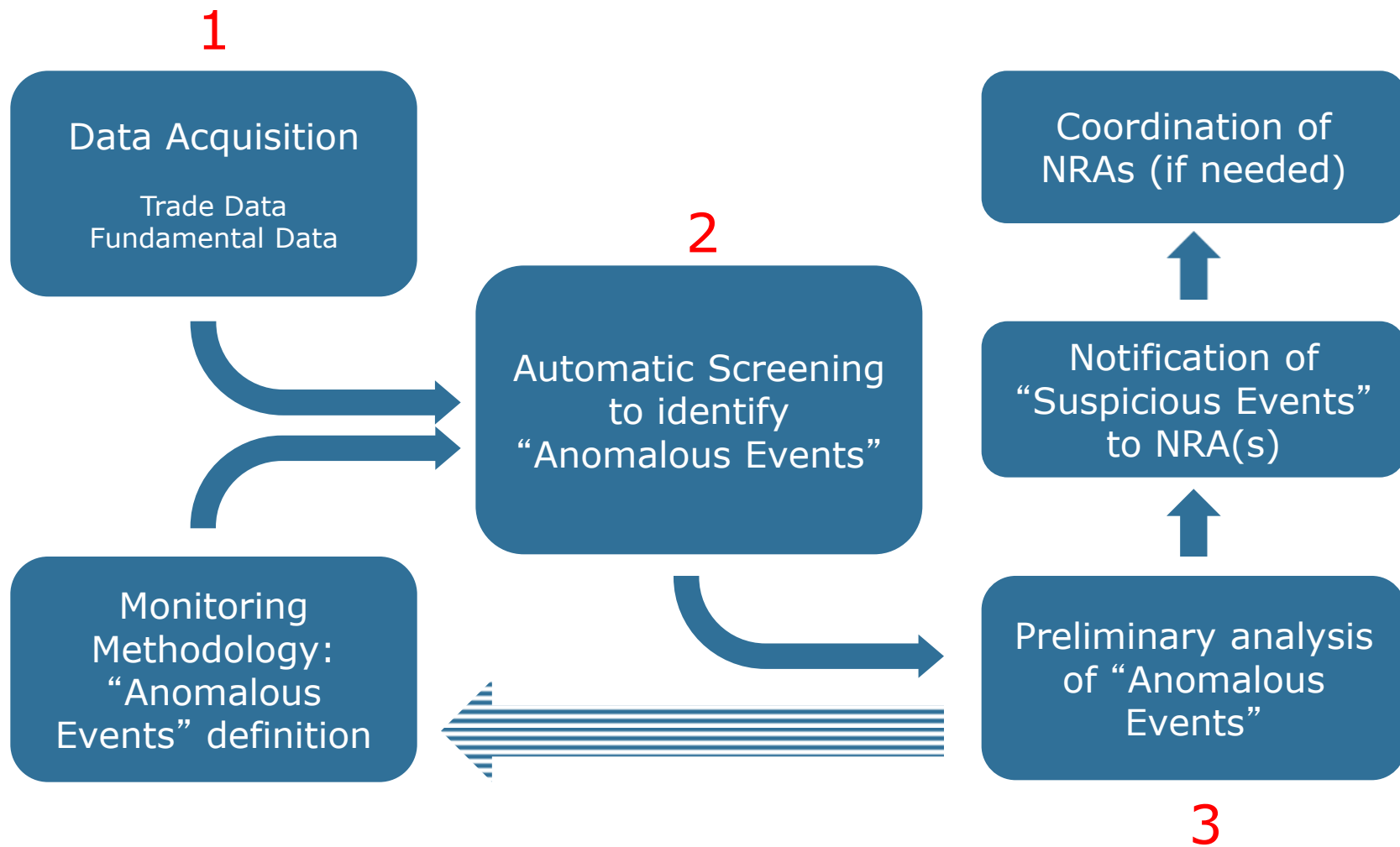
- develop a working IT system prototype able to collect the data;
- collect sufficient amount of data for initial testing and customisation of a Market Monitoring Solution;
- gradually improve and upgrade the prototype to become a fully functional ARIS system;
- identify open issues and problems in the early phase of ARIS implementation.

**Basic Information**

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+386 (0) 8 205 34 00  
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mail:  
[feedback@acer.europa.eu](mailto:feedback@acer.europa.eu)

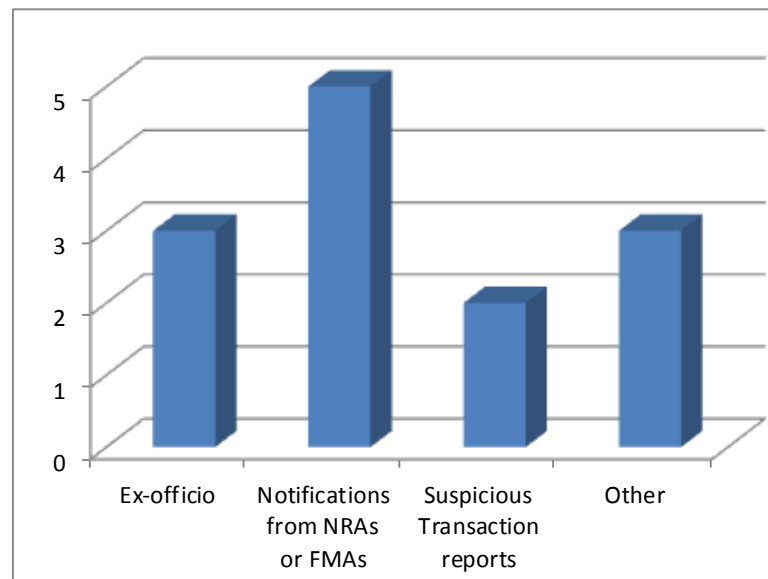
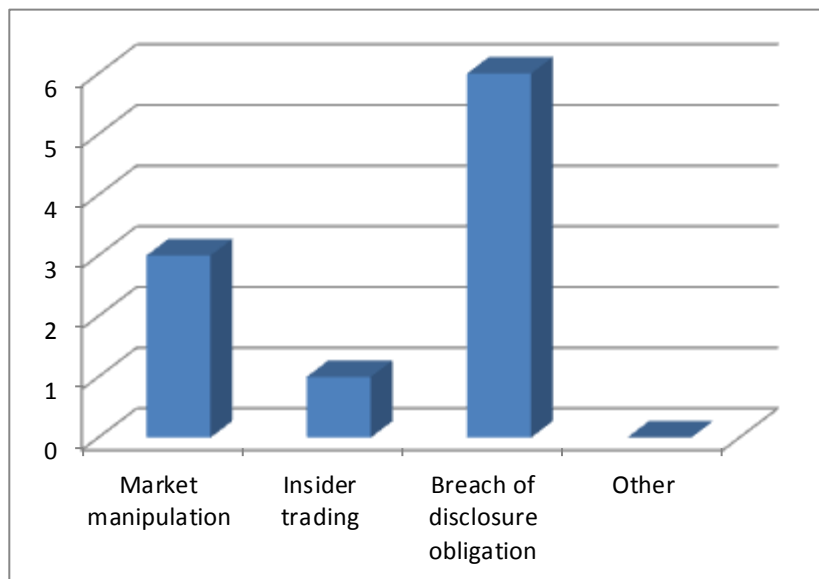
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	ACER	NRAs
Article 7	Shall monitor all trading activities in wholesale energy products to detect and prevent trading based on inside information and market manipulation.	<p>Shall cooperate at regional level and with ACER in carrying out the monitoring of wholesale energy markets.</p> <p>May monitor trading activity in wholesale energy products at national level.</p>
Article 16	<p>Shall have the power, where, inter alia on the basis of initial assessments or analysis, it suspects that there has been a breach of REMIT</p> <ul style="list-style-type: none"> <li>a) to request information from NRAs</li> <li>b) to request NRAs to commence an investigation and to take appropriate action to remedy any breach found</li> <li>c) establish and coordinate an investigatory group with concerned NRAs in case of cross-border impact</li> </ul>	<p>NRAs receiving a request under Article 16(4)(a) or (b) shall immediately take the necessary measures in order to comply with that request.</p> <p>Shall without delay inform ACER in as specific a manner as possible where they have reasonable grounds to suspect that acts in breach of REMIT are being, or have been, carried out.</p>
Article 13		Shall ensure that the prohibitions of insider trading and market manipulation and the obligation to publish inside information are applied.



- Design study for market monitoring software (March–June 2013)
  - » Provides a roadmap for the remainder of the SMARTS Integrity software implementation
- Pilot project for market monitoring software (July–Nov. 2013)
  - » Software beta version installed
  - » Sample data set imported (anonymised data for December 2012)
- Prototype consultancy from NASDAQ OMX – in progress
- SMARTS Integrity customisation, testing and deployment in 2014 after more data collected during the prototype phase
- Follow-up delivery of new SMARTS modules (fundamental data viewer, auction analysis) in mid-2015

- Due to the fact that data collection under REMIT did not take place in 2012, ACER relied on notifications of suspected breaches of REMIT from NRAs and from persons professionally arranging transactions and on public sources for its market monitoring activities.
- In 2012, a total of 10 cases of potential breaches of REMIT were reviewed by ACER



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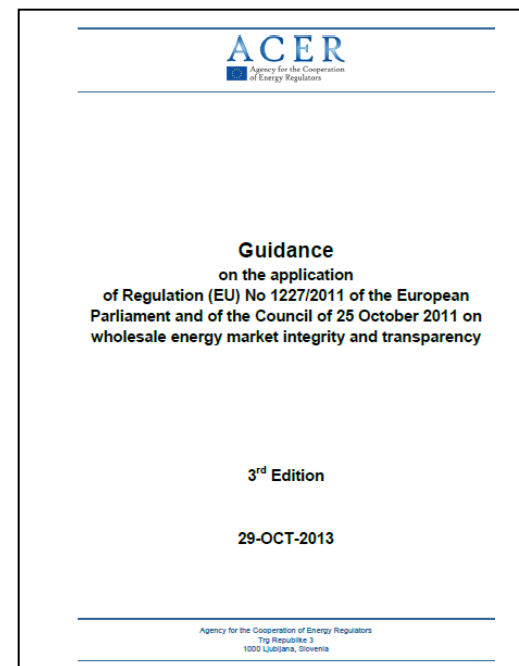




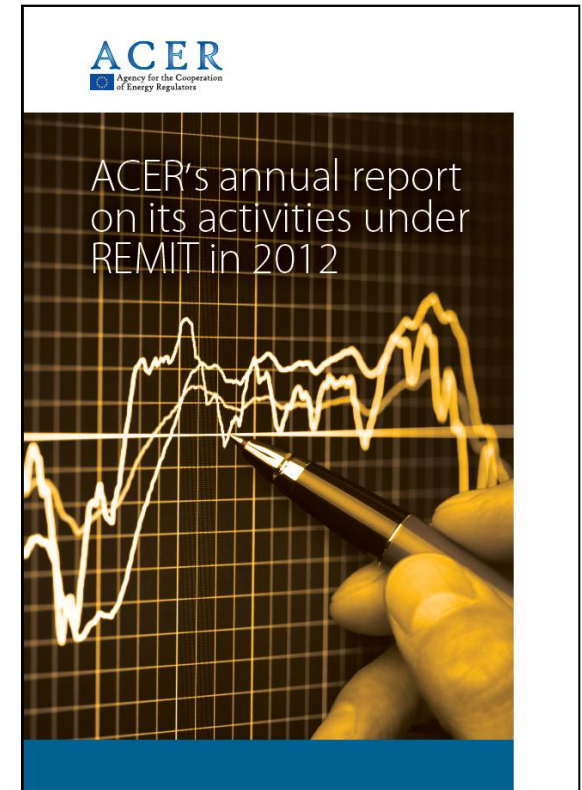
Further engagement through public consultations and workshops, roundtable discussions and Pilot Project for REMIT implementation

- Legal basis: Art. 16(1) of REMIT
  - » “ACER shall aim to ensure that NRAs carry out their tasks under REMIT in a coordinated and consistent way. ACER shall publish non-binding guidance on the application of the definitions set out in Article 2 of REMIT”
- **Directed to NRAs** and intended only to establish a common understanding between ACER and NRAs on the application of REMIT – does not provide legal interpretation
- Published for sake of **transparency**
- 1<sup>st</sup> edition was published in December 2011, 2<sup>nd</sup> edition in October 2012, and 3<sup>rd</sup> edition in October 2013

- New chapter: Registration of market participants
  - Role of NRAs in the registration process
  - Which market participants are obliged to register?
  - What information is market participants required to provide?
  - Requirement to keep the registration information up to date
  - With which NRA should market participants register?
  - Deadline for submitting the registration form
- Contracts to final customers (wholesale energy products)
- Definition of inside information (indicative thresholds)
- Effective disclosure of inside information (dual approach)



- Published on 7 November 2013, accessible via the Official Documents > Publications section of the ACER website
- The report includes:
  - » A presentation of the activities of ACER with regards to the REMIT implementation
  - » ACER's monitoring activities in wholesale energy products
  - » An assessment of the operation and transparency of market places
  - » Conclusions and recommendations
- ACER recognises the importance of informing the public of its REMIT activities, in particular as not all REMIT activities of ACER result in public actions



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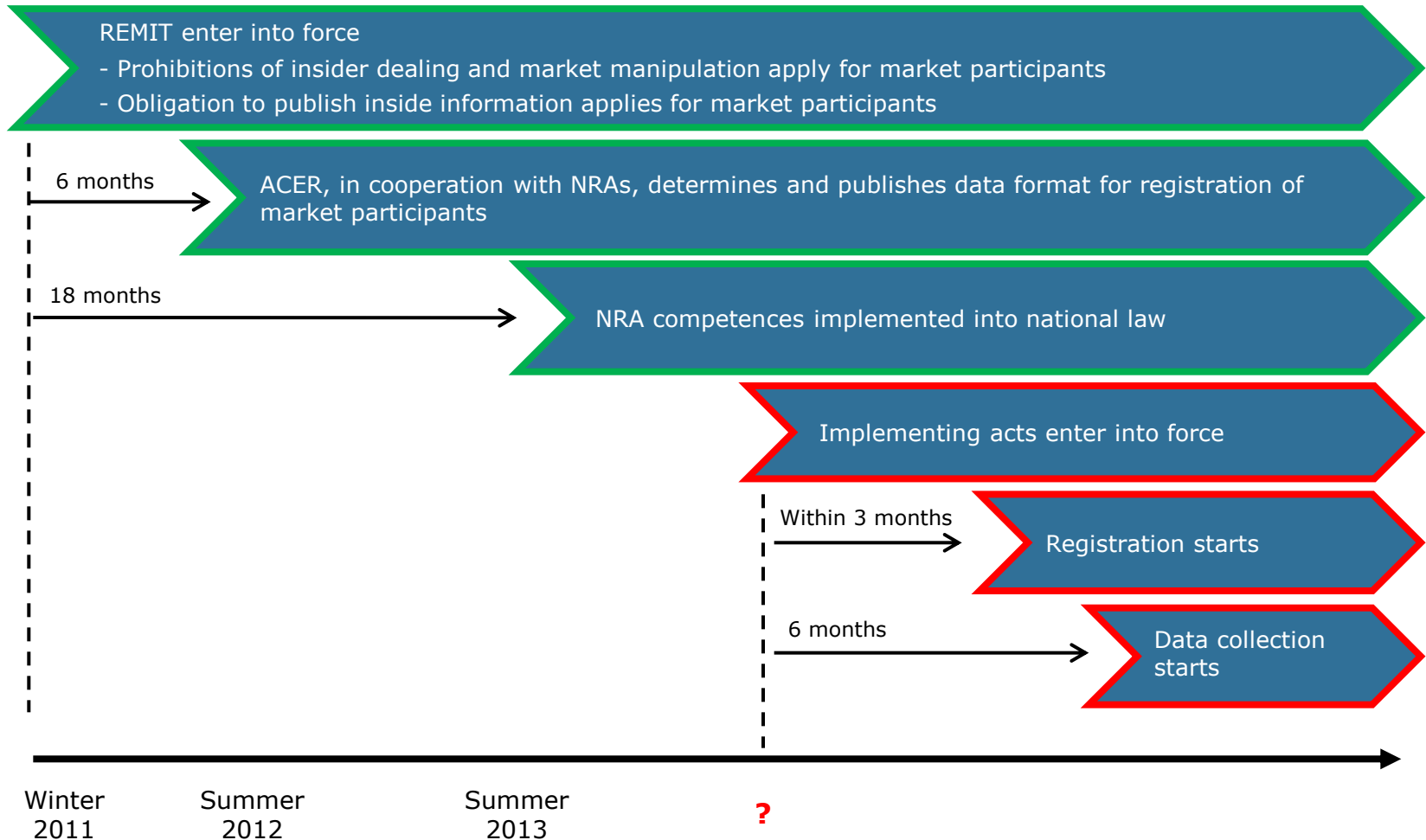
# Timeline for REMIT implementation



Phase 1: Triggered by entry into force of REMIT



Phase 2: Triggered by entry into force of REMT implementing acts



# Questions?

**Thank you for your attention!**



**[www.acer.europa.eu](http://www.acer.europa.eu)**