

Harmonisation of trade and supply licences

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EFET

European Federation
of Energy Traders
SO YOU CAN RELY ON THE MARKET



Licences SEE and CEE I

	REQUIREMENT FOR A LOCAL ESTABLISHMENT			
	WHOLESALE ELECTRICITY	RETAIL ELECTRICITY	WHOLESALE GAS	RETAIL GAS
Austria			no	
Albania			yes [*]	
Bosnia and Herzegovina		yes		yes Republika Srpska
Bulgaria			no	
Croatia			no	
fYR of Macedonia			yes	
Greece			no	
Hungary			no	
Kosovo*			yes [*]	
Moldova		yes		yes
Montenegro	no	yes		No gas market
Poland			no	
Romania			no	
Serbia			yes [*]	
Slovakia			yes	
Ukraine		yes		no

Licences SEE and CEE II

	ELECTRICITY		GAS	
	WHOLESALE	RETAIL	WHOLESALE	RETAIL
Albania	yes [*]		yes	
Austria	no			
Bosnia and Herzegovina	yes		yes Republika Srpska	
Bulgaria	yes			
Croatia	Yes [**]			
fYR of Macedonia	yes		yes	
Georgia	no			
Greece	yes		no	yes
Hungary	yes		yes	
Kosovo*	yes [*]		yes[*]	
Moldova	yes		yes	
Montenegro	no	yes	No gas market	
Poland	yes			
Romania	yes	yes	yes	
Serbia	yes [*]			
Slovakia [**]	yes			
Ukraine	yes		no	yes

Requirements for Wholesale Energy Trading I

- Large number of European Trading Companies are reluctant to **expand electricity and gas trading activities towards SEE and CEE countries**
- Increase of trading activities, liquidity and trust in these markets are the principle for further investments

Obstacles:

- Requirement of a local tax establishment , subsidiary or branch
- These requirements are linked **with high costs for market participants**:
 - Offices, staff and set up an entirely new business.
 - Wholesale energy market participants have **their trading floors including back and middle office, legal, regulatory, compliance and control functions** usually set up **within one legal entity**.
 - This is primarily done to **ensure efficient operation and controls across the business**, and to avoid direct exposure to multiple local tax and labour law requirements in Europe

Business Case, retail business in CEE, SEE

Business opportunities for a trading retail company (non EU)			
	Inhabitant	Power Consumption	Subsidiaries& branches, adress
Albania	2,8	6,72	1
Bosnia and Hezegovina	3,5	11,9	1
Bulgaria	7,2	35,3	
Croatia	4,2	16,2	
Macedonia	2,1	7,35	1
Greece	11	56,1	
Hungary	9,8	40,2	
Kosovo	1,9	5,3	1
Moldova	3,2	4,5	1
Montenegro	0,7	3,3	1
Poland	38,6	154,4	1
Romania	19,9	52,7	1
Serbia	7,1	30,4	1
Slovenia	2,1	14,28	1
Slovakia	5,4	29	1
Ukraine	42,9	147,0	1
	162,4	614,6	12
Austria	8,7	70	
Germany	82,2	607	
	90,9	677	

Trust in markets

- **Pacta sunt servanda**
 - All market participants have to register and conclude contracts with relevant system operators (TSO) to provide adequate collaterals
- **REMIT**
 - Obligation to register all relevant data of market participants in Centralised European Register of Energy Market Participants (CEREMP)
- **Financing of Regulators**
 - Regulatory fee can be collected via network tariff applied to final customers

Thank you for your attention

