REMIT investigations and case management
European experience – Developments – Lessons learnt

Blaz Kladnik
Market Surveillance and Conduct Department
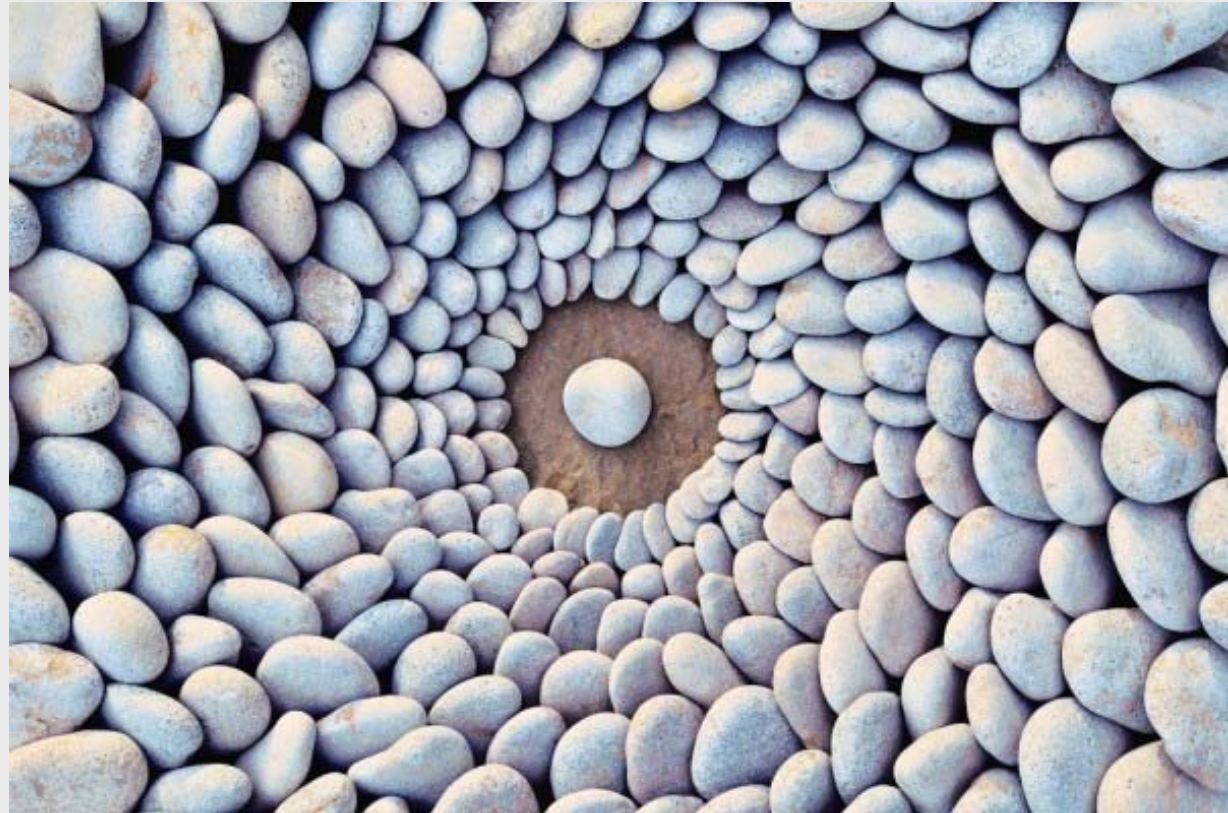ACER

To authorised parties only

Energy Community Secretariat

Mission Performance Organisation

*Empowering the delivery of **consistent** REMIT breach decisions across the EU in a **coordinated** environment.*

Note: Governance and coordination aspects related to REMIT data are not covered in this presentation.

2020 Performance Highlights

Building trust through monitoring of wholesale gas and power markets

1
EU-wide market surveillance

2.5bn
Transactions reported per year

630
delivery points or zones

>15k
Registered market participants

127
Suspicious transaction reports

9
Alert types in production

117
Reporting entities (RRMs)

29
NRAs

1000
Alerts shared with NRAs

165k
Triggered Alerts

7
Initial Assessments Notified
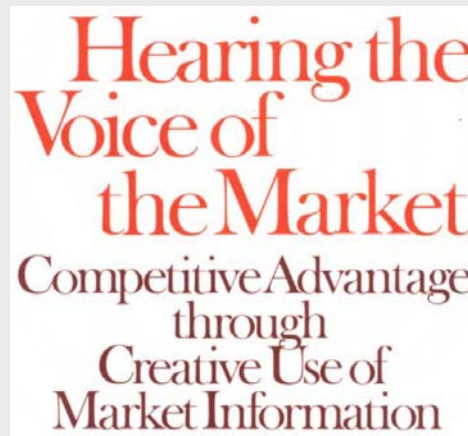
49m
€ in Fines by NRAs

EU monitoring coverage

Market Surveillance and Conduct Department at ACER

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European Union Agency for the Cooperation of Energy Regulators

Market Surveillance Teams

Triage and Referrals Team

Market Conduct Team

How to come to cases of market abuse under REMIT?

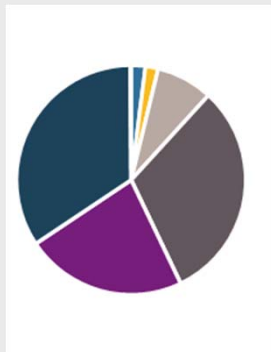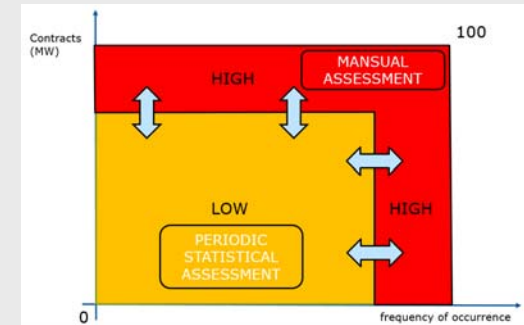# *ACER's In-House Market Abuse Detection*

ACER European Union Agency for the Cooperation of Energy Regulators

REGULATORY SCHOOL

Alert logic

Prioritisation logic

Guidance

Classification
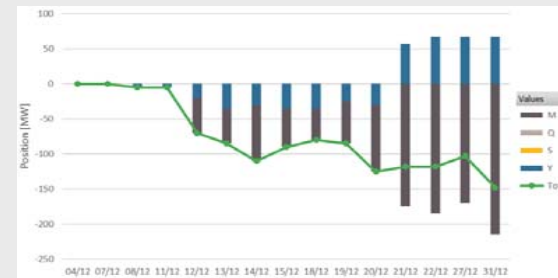
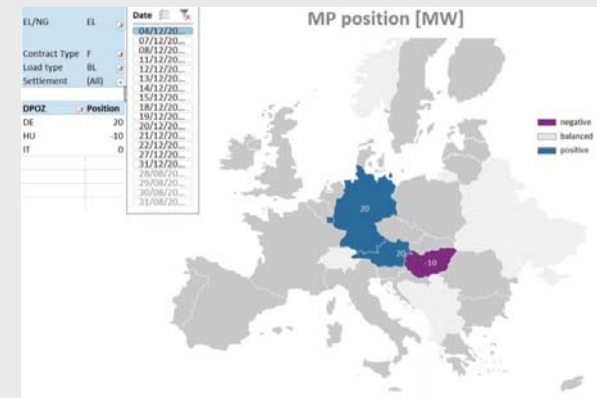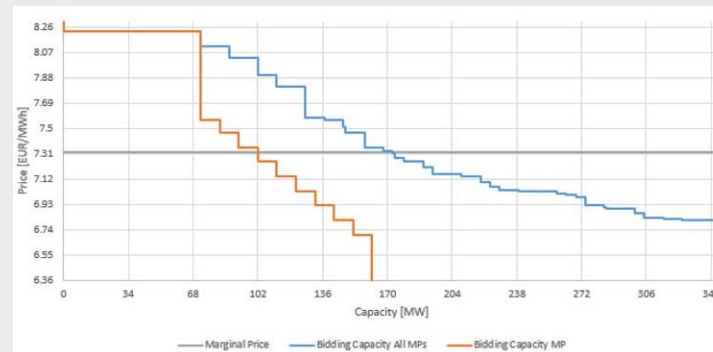**Alert Management System**

ACER's In-House Analyses

Market participant specific statistics
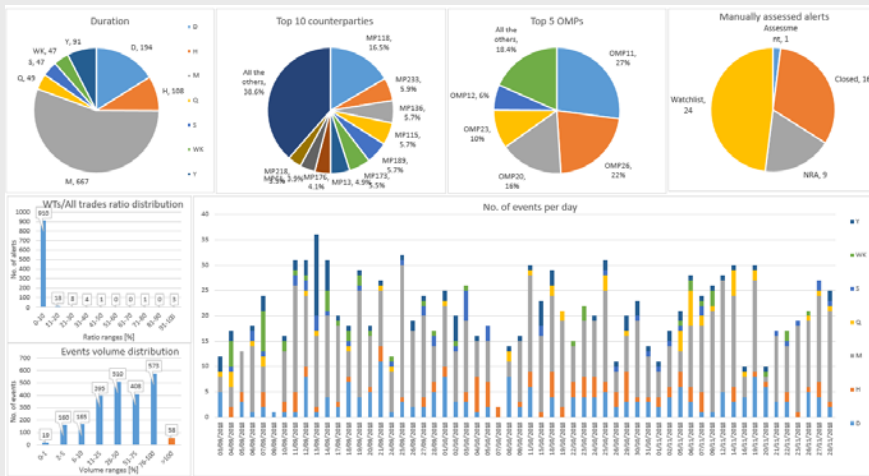
Market participant position reports

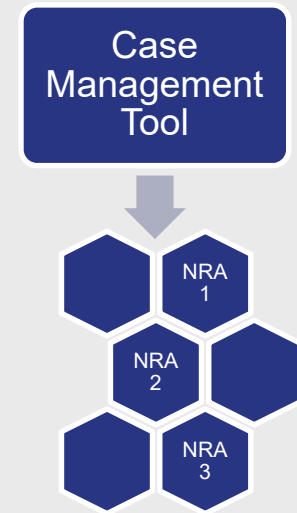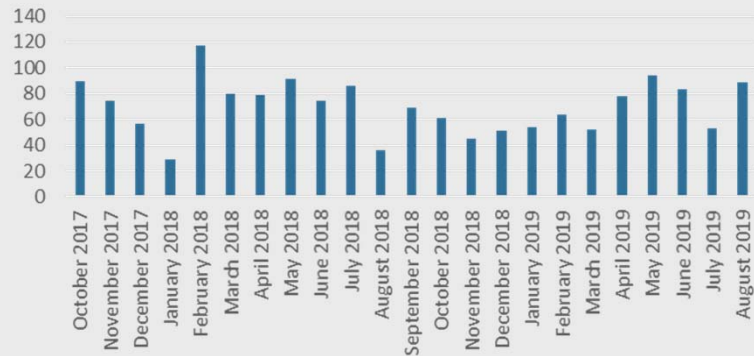## Transportation auction viewer

ACER's Notifications Towards NRAs

Alert Sharing

Preliminary Initial Assessments

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REGULATORY
SCHOOL

Letters

DEAR FRIEND,
I miss you.

Market Participants and

Persons Professionally Arranging Transactions

NOTIFICATION PLATFORM   ⌂ Home

ACER
Agency for the Cooperation
of Energy Regulators

Welcome to the Notification Platform

Notify transactions to cover the immediate physical loss (Article 3(4)(b) of REMIT) ⊘

Notify exceptional delay in the public disclosure of inside information (Article 4(2) of REMIT) ⊘

Suspicious Transaction Report (STR) ⊘

ACER's Notification Platform

Emails

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Agency for the	1000 Ljubljana	fax +386 (0) 8 205 34 13	All Rights Reserved.
Cooperation	Slovenia		
of Energy Regulators		Legal disclaimer	

Helping ACER / NRAs to

monitor the markets

Chats

Linked in

BREAKING NEWS
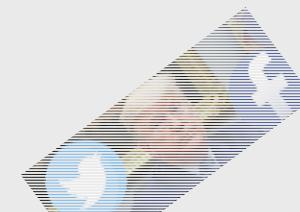
News,

Tweets,

LinkedIn

posts …

Processing of Market Notifications (STRs)

- **ACER and the relevant NRA(s) receive the notification**

- **Screening of all the incoming notifications (from notification platform or elsewhere)**
  - Notification → Case
    - NP (notification platform) and the CMT (case management tool) are connected
    - Easy to add relevant NRAs
  - We add info
    - Fact Sheet (identification of market participants)
    - Data added (data extraction from SMARTS Surveillance tool)
    - Relevant information added: looking for patterns beyond the STR
  - Each STR is assessed against quality criteria (completeness of the STR)
  - Market expertise helps the process of amending the information in the notifications

- **Cases shared with NRA(s) for further follow-up through the CMT**
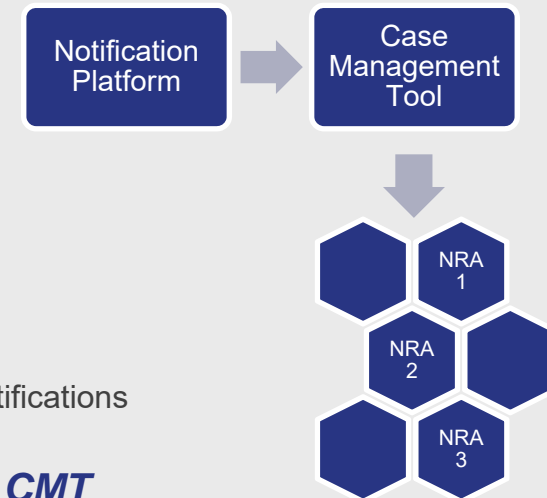
Stock of potential REMIT breach cases

Reported this year

Closed this year

Total number of cases under scrutiny at the end of the year

53 77 138 189 218 282

33 48 85 102 110 102

-11 -24 -24 -51 -81 -38

2015 2016 2017 2018 2019 2020
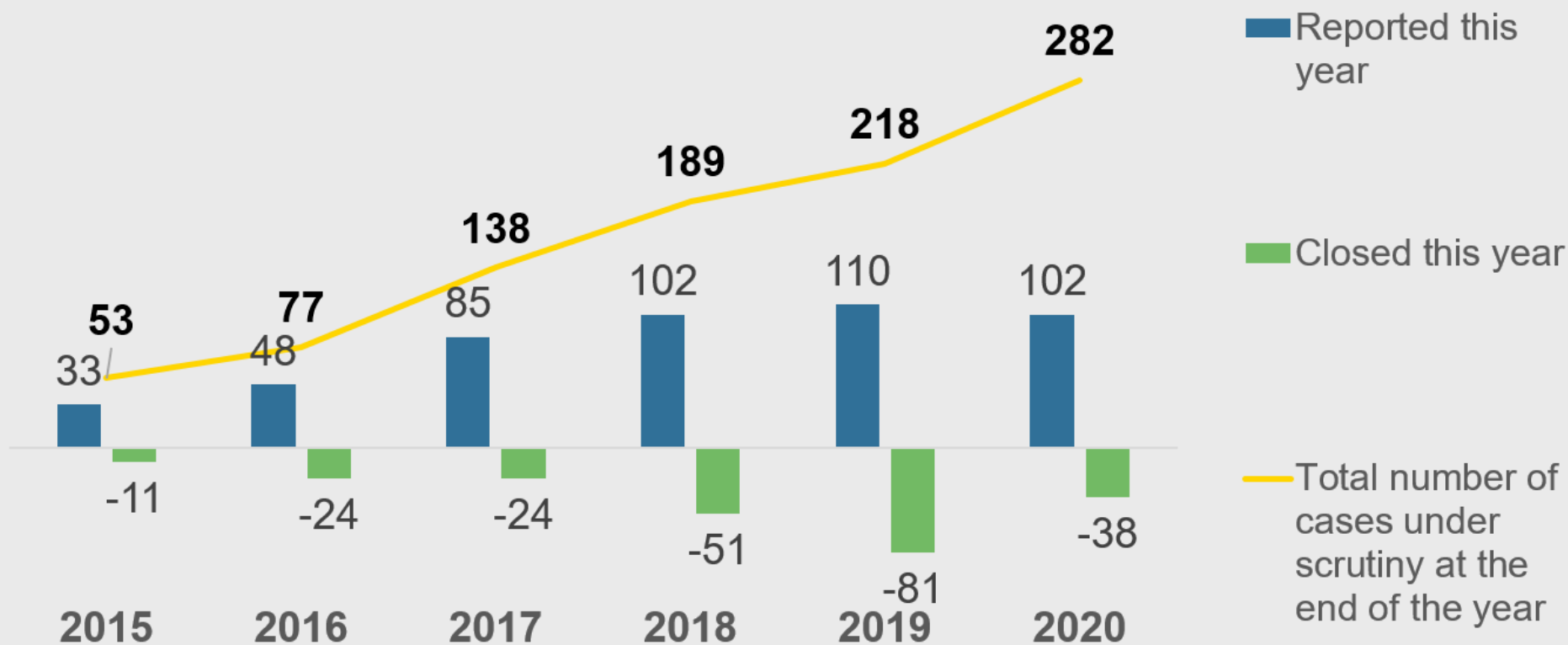
Note: Includes all potential breaches of Articles 3, 4, 5, 8, 9 and 15 of REMIT.

Source: ACER/CMT

How to manage cases of market abuse under REMIT?

How to manage?

Currently 40 – 50 REMIT investigations ongoing at the NRAs

What does it take to ensure consistency and coordination on REMIT investigations?

- Infrastructure
- Best practices
- Rules

Infrastructure

The MoU with NRAs & the Market Monitoring Handbook `translated` into IT tools.

Notification Platform
The EU single point of entry for suspicious transaction reports

Case Management Tool

The EU motorway on market abuse matters (REMIT breaches)

- Communication tool

- Workflow management

- Ensures secure storage

Exchanging Best Practices

```
          ┌──────────────────────┐
          │    ACER REMIT        │
          │    COMMITTEE         │
          └──────────┬───────────┘
               ┌──────┴──────┐
    ┌──────────────────┐  ┌──────────────────┐
    │ Market Monitoring│  │ Remit Policy Task│
    │   Standing       │  │     Force        │
    │   Committee      │  │                  │
    └──────────────────┘  └──────────────────┘
```

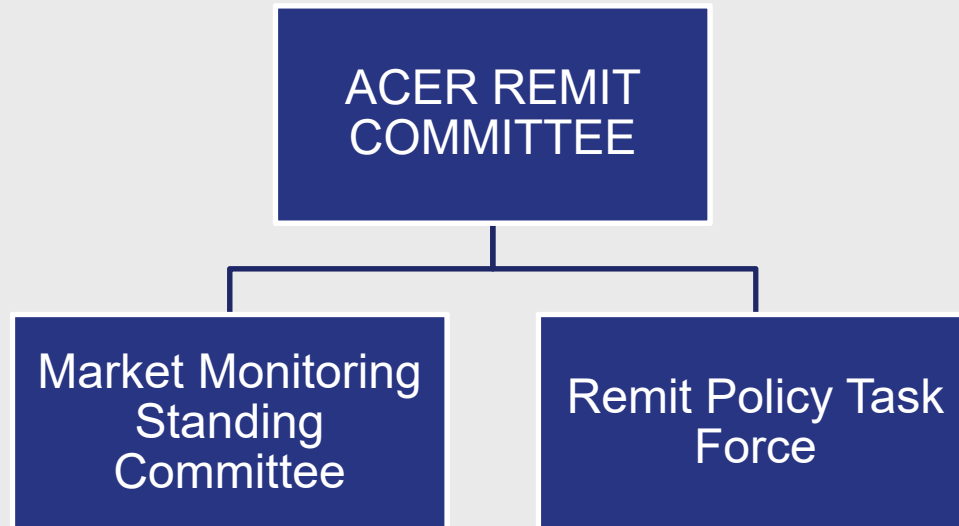**5 times a year; mostly in Ljubljana, now online**

Main aim

Updates from NRAs, coordination between ACER and NRAs on REMIT cases and policy

Main topics discussed:

- REMIT breach cases

- Guidance on REMIT/Policy

- Market surveillance

Over 300 documents discussed in 5 years
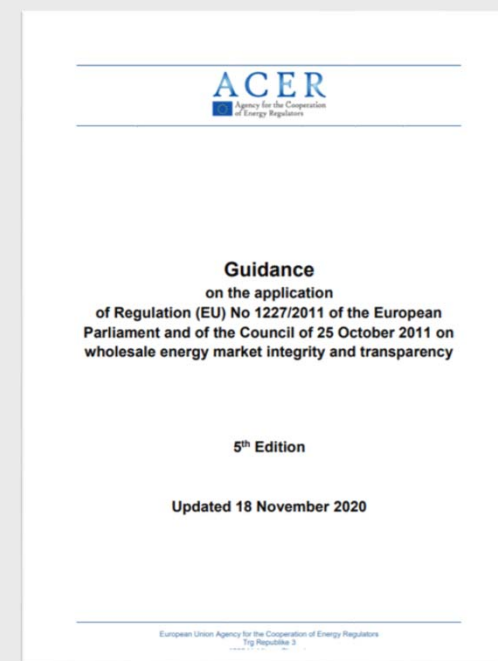
Rules

Market Monitoring Handbook

Aimes to ensure coordination and consistency in the investigations of potential REMIT breaches

- ACER – NRA internal document

- Identifies the roles of entities with monitoring powers (ACER, NRAs, PPATs)

- Provides guidance on case handling processes involving

  interactions between these entities

- Defines principles of efficient cooperation

ACER Guidance

How to comply with REMIT obligations and prohibitions

- Public Document

- How to apply the concepts of:

  - inside information
  - insider trading
  - market manipulation

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of Energy Regulators

Guidance
on the application
of Regulation (EU) No 1227/2011 of the European
Parliament and of the Council of 25 October 2011 on
wholesale energy market integrity and transparency

5th Edition

Updated 18 November 2020

European Union Agency for the Cooperation of Energy Regulators
Trg Republike 3

Conclusion

What is important

Detection of market abuse

In-house surveillance

- Data completeness and data quality, Efficient visualisation tools, Market knowledge

Notifications from the market

- Unified tool for collection: Simple and accessible for everyone, easy to find, advertise the possibility to notify

Efficient management of cases

IT Tools

- Reliable and secure, easy to operate, easy to add / remove entities

Storage of case files and Communication on cases

- Efficient workflow management

Knowledge building and knowledge sharing – Coordination

Market Monitoring Handbook

- Agreed rules and procedures on how to manage cases

ACER Guidance on the application of REMIT

- Unified view on the application of market abuse

Cooperation between stakeholders

- Regular meetings and open discussions

Thank you.
Any questions?

email: blaz.kladnik@acer.europa.eu