


*Authorised Parties only*

**ACER**

 Agency for the Cooperation  
of Energy Regulators

# What is REMIT?

## Wholesale market monitoring under REMIT

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1. ACER's mission and role under REMIT
2. Core activities under REMIT
3. Summary and conclusion

*“The purpose of the Agency shall be to **assist** the [NRAs] in exercising, at [Union] level, the regulatory tasks performed in the Member States and, where necessary, to **coordinate** their action”.*

Article 1(2)

## ACER

### Third Energy Package

Directives 2009/72/EC and 2009/73/EC and  
Regulations (EC) Nos 713/2009, 714/2009 and 715/2009

### Regulation (EU) No 838/2010

(on the Inter-TSO Compensation Mechanism)

### Regulation on Wholesale Energy Market Integrity and Transparency (REMIT)

(Regulation (EU) No 1227/2011)

### Regulation on guidelines for trans- European energy infrastructure

(Regulation (EU) No 347/2013)

## A new regulatory and legal framework for the surveillance of wholesale energy markets

- The global financial crisis originated in the U.S. in 2008 dictates a wide reform of the surveillance framework
- Previous regulation:
  - » Financial regulation not fully adapted to energy market
  - » Energy regulation not fully addressing monitoring of energy markets
  - » No optimal coordination and fragmented legislation in relation to cross-border cases

## Transparency

**Obligations** for market participants to disclose inside information

## Integrity

Explicit **prohibitions** of abusive practices in wholesale energy markets

## Monitoring

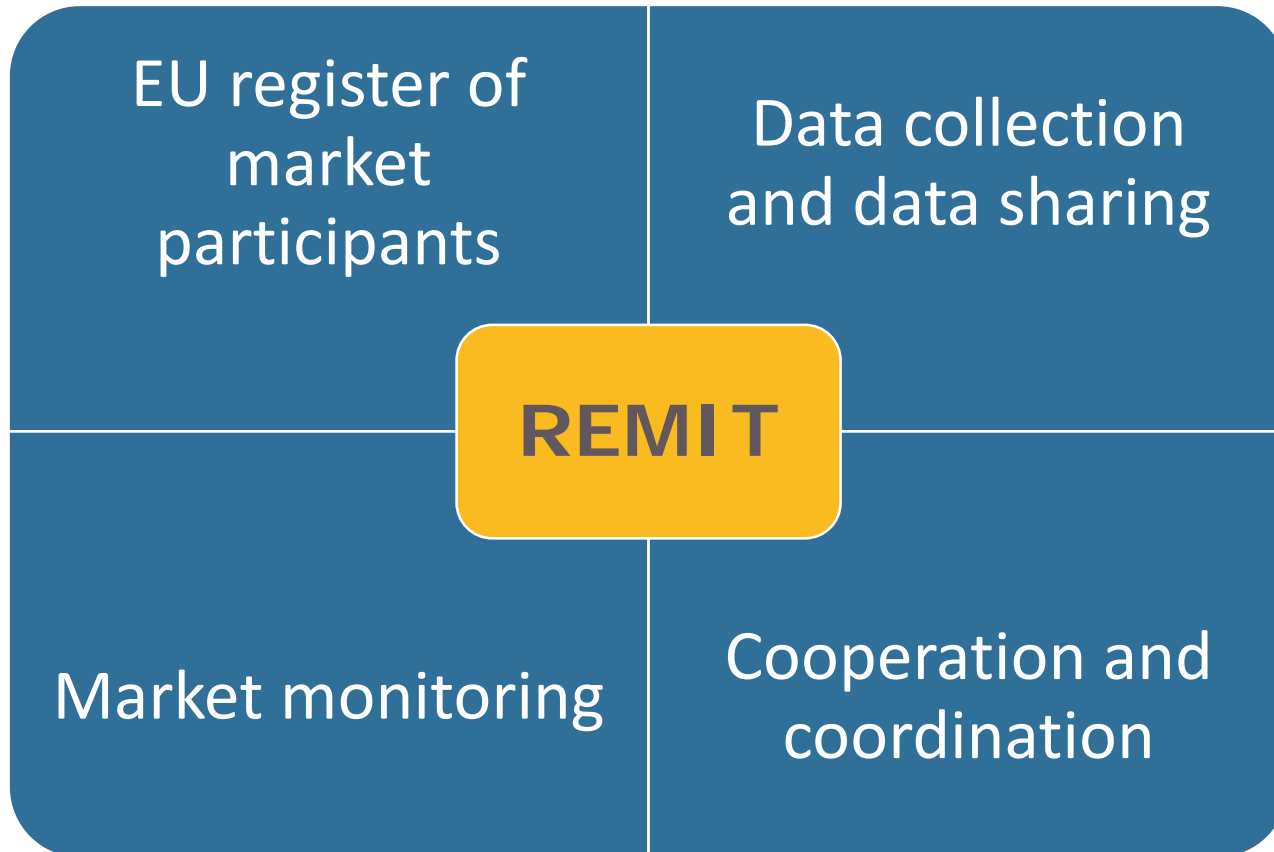
A new, sector-specific, comprehensive and effective monitoring framework for wholesale energy markets

## Cooperation

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

1. ACER's mission and role under REMIT
2. Core activities under REMIT
3. Summary and conclusion





## 1. ACER's mission and role under REMIT

## 2. Core activities under REMIT

- » Registration
- » Data collection
- » Market monitoring
- » Coordination and cooperation

## 3. Summary and conclusion

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

NRAs have to 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)**



## **CEREMP – Centralised European Register of Energy Market Participants:**

- Provides a central register of market participants based on national registers
- Ensures that each market participant has a unique identifier (ACER code)
- Allows an historical database for changes, additions and deletions
- Ensures secure access to appropriate data views to the different authorised parties

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

- 13,292 Market Participants registered in CEREMP
- Files submitted
  - » Table 1 (Standard Contracts)– 5.5 million files
  - » Table 2 (Non-Standard Contracts) – 134,000 files
  - » Table 3 (Electricity Transportation) – 55,000 files
  - » Table 4 (Gas Transportation) – 386,000 files
  
  - » Electricity fundamental data – 2,9 million files
  - » Gas fundamental data – 1,3 million files

**Total**: around 10,423,111 files

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## 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



Requirements for the registration of RRM  
(Trade and Fundamental data)

Technical Specifications for RRM

Transaction Reporting User Manual  
(TRUM)

Manual of Procedures on transaction  
and Fundamental Data Reporting

1<sup>st</sup> level

REMIT

2<sup>nd</sup> level



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- Article 8 (2) of REMIT – EC shall, by means of **Implementing Acts**:
  - » draw up a **list of the contracts and derivatives**, including orders to trade;
  - » lay down the **timing and form** in which that information is to be reported;
  - » adopt **uniform rules** on the reporting of information.
- Implementing Acts entered into force on **07 January 2015**



- Article 3(2) of the Implementing Acts:

*"[...] the Agency shall draw up and maintain a public **list of standard contracts** [...]"*

*"[...] organised market places shall submit identifying reference data for each wholesale energy product they admit to trading to the Agency.[...]"*

- The purpose of the list is to specify the contract types for which the **standard reporting** form is applicable.
- All non-listed contract shall be reported using the **non-standard reporting form**

Contract name	Delivery zone	Energy commodity type	Contract type	Load Type	Organised market place ID	Full name of organised market place	Type of organised market place

List of standard contracts available at:  
<http://www.acer-remit.eu>

- Article 3(2) of the Implementing Acts:

*“ [...] the Agency shall draw up a list of organised market places upon entry into force of this regulation. The Agency shall update that list on a timely manner.”*

- Purpose

- » Enable identification of organised market places for the purpose of transaction reporting under Article 6(1)
- » Enable organised market places to submit identifying reference data for contracts they admit to trading for the purpose of the list of standard contracts (Article 3(2))

List of organised market places available at:  
<http://www.acer-remit.eu>

1<sup>st</sup> level

REMIT

2<sup>nd</sup> level



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- Requirements for Registered Reporting Mechanisms (RRM)
  - » Technical and organizational requirements for submitting data
- Agency assesses whether reporting parties comply with the RRM Requirements
  - » subsequently registered as such by the Agency

RRM requirements available at  
<http://www.acer-remit.eu>

- **116 RRM**s approved and can report **REMIT data** (47 Third party RRMs, 56 TSO/LSO/SSO and 13 other MPs)
- Number of active RRMs
  - » 70 for standard contracts (out of 73 approved RRMs)
  - » 48 for non-standard contracts (out of 56 approved RRMs)
  - » 28 for electricity transportation (out of 47 approved RRMs)
  - » 47 for gas transportation (out of 50 approved RRMs)
- Number of records of transactions, including orders to trade, since October 2015
  - » More than 10,625,673 contracts, 214,662,000 trades and 1,035,000,000 orders

1<sup>st</sup> level

REMIT

2<sup>nd</sup> level



REMIT Implementing Acts (IAs)  
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Requirements for the registration of RRM  
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- The purpose of the TRUM is
  - » **facilitate reporting** by explaining the **details** of the reportable information
  - » provide MPs and third party RRM with sufficient guidance to make correct decisions about their transaction reporting obligations
- Several consultations with relevant stakeholders on the TRUM

TRUM available at  
<http://www.acer-remit.eu>



- Aim to facilitate reporting by explaining the details of the reportable information and defining electronic formats
- Focus is at keeping the document relatively short by referring to existing standards (e.g. IEC, Edigas)

Manual of Procedures available at  
<http://www.acer-remit.eu>

## 1. ACER's mission and role under REMIT

## 2. Core activities under REMIT

- » Registration
- » Data collection
- » Market monitoring
- » Coordination and cooperation

## 3. Summary and conclusion

- Market monitoring
  - » Detection and deterrence on **market abuse**
  - » **Market surveillance**
    - Including data screening and initial assessment
  - » **Market conduct activities**
    - In-depth analysis of potential REMIT breaches
    - Ensuring National Regulatory Authorities carry out their REMIT tasks in a consistent and coordinated way

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

## Insider Trading

Using inside info to trade or trying to trade

Disclosing inside info to 3<sup>rd</sup> parties

Recommending 3<sup>rd</sup> parties to trade based on this inside info

## Market Manipulation

False/Misleading Signals

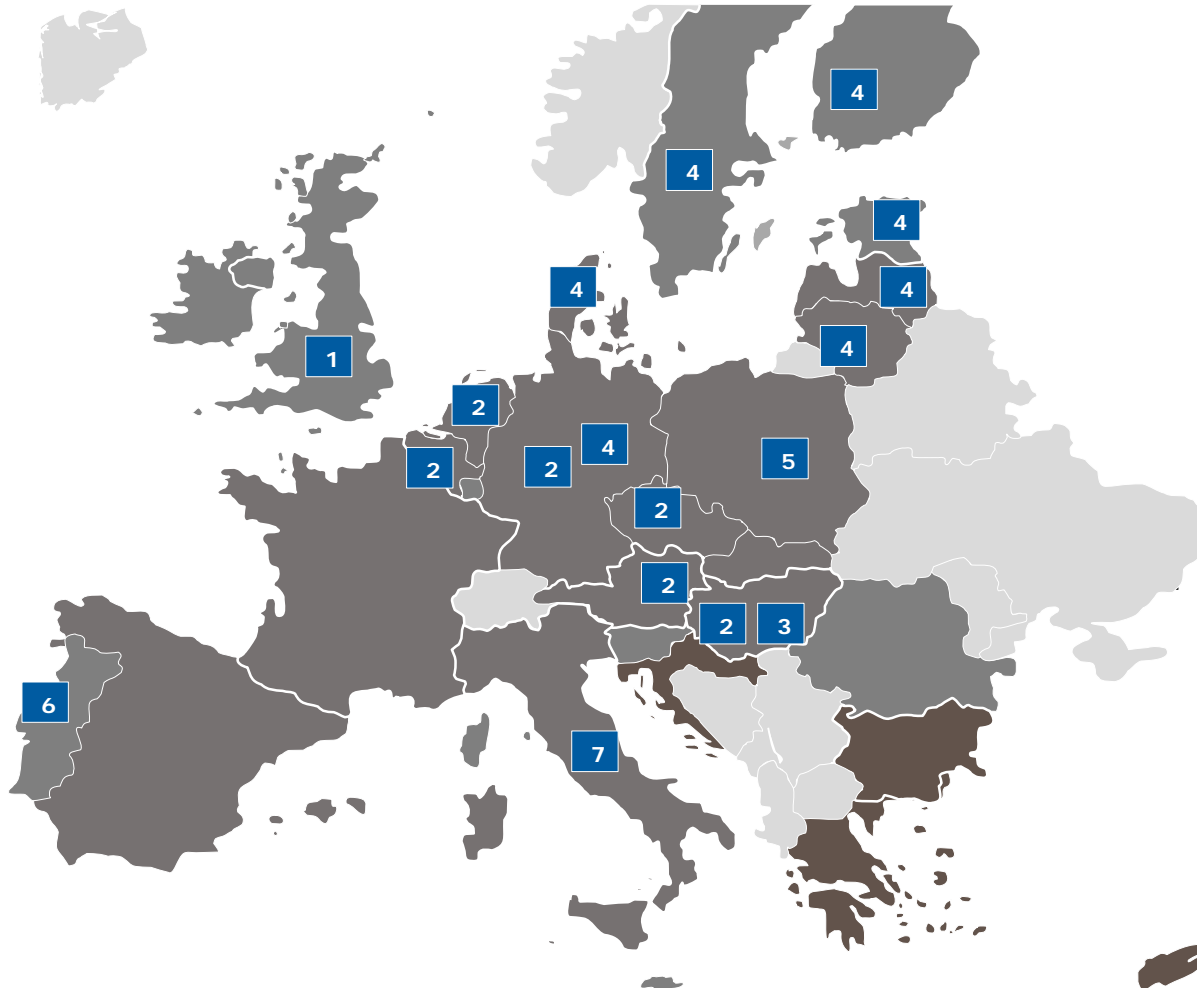
Price Positioning

Transactions involving Fictitious Devices/Deception

## Attempted Market Manipulation

Dissemination of False or Misleading Information

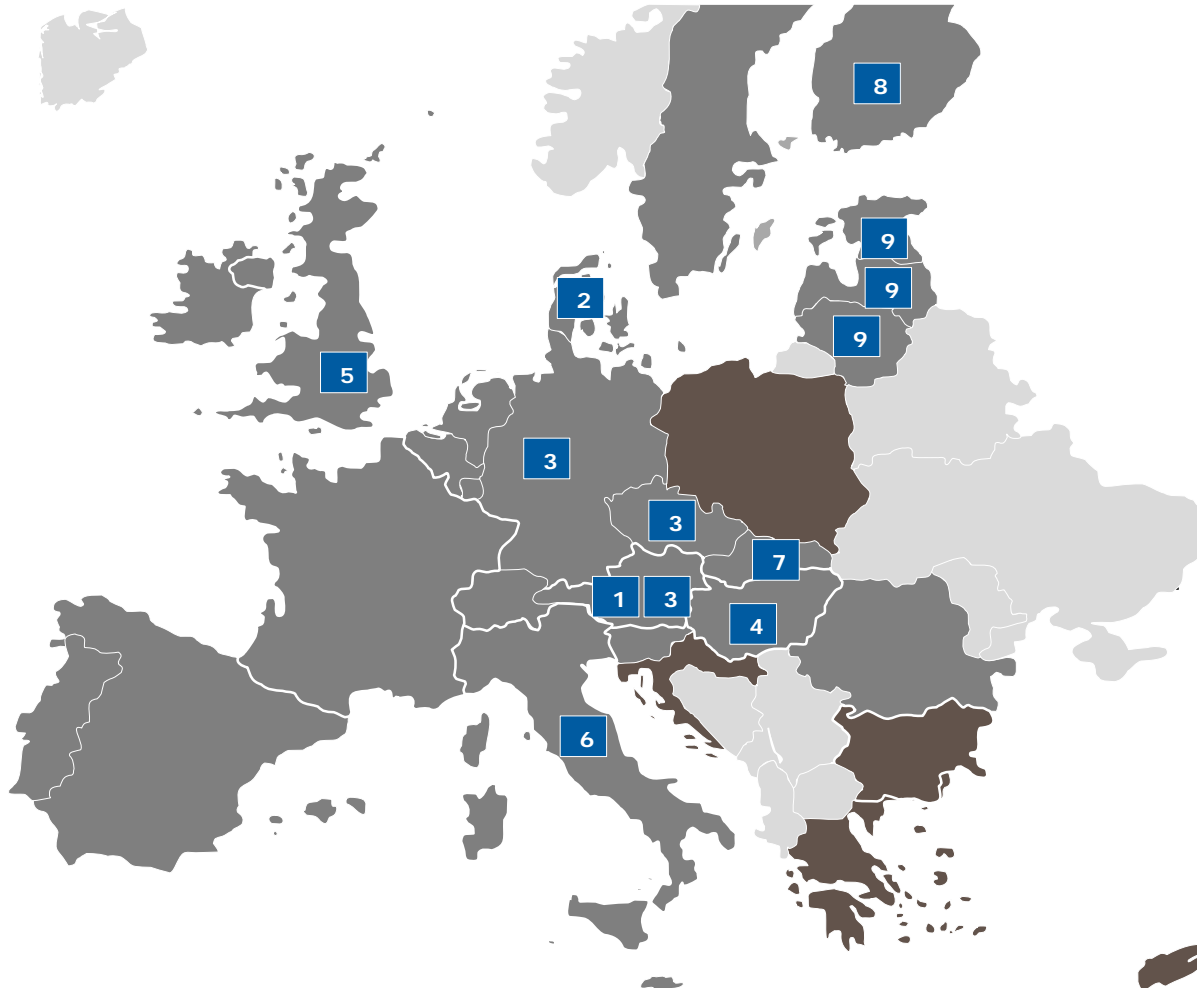
**8** Solien – all EU



Legend:

- 1** ELEXON
- 2** EEX
- 3** HUPX
- 4** Nord Pool
- 5** Polish Power Exchange
- 6** REN
- 7** GME
- 8** Solien

**7** Solien – all EU



Legend:

- 1** CEGH
- 2** Energinet.dk
- 3** EEX
- 4** HUPX
- 5** National Grid
- 6** GME
- 7** Solien
- 8** Kaasuporsi
- 9** GET Baltic

- Suspicious transaction reports (STRs)
  - » Notifications from Organised Market Places and other PPATs
  - » Notifications from National Regulatory Authorities
  - » Notifications from Market participants or third parties
  
- Market information
  - » Market news
  - » ACER's market observations and regular monitoring
  - » Reference data (Data providers)
  
- **REMIT data reporting**
  - » Transaction reporting
  - » Fundamental data reporting
  - » Urgent Market Messages (UMMs)

Do you have any suspicion on the breach of REMIT?  
You can notify the Agency and the relevant NRA(s) through the  
**Notification Platform:** <https://www.acer-remit.eu/np/home>

NOTIFICATION PLATFORM

Home



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 \(STR\) ?](#)

NOTIFICATION PLATFORM

Home



Other Suspicious Transaction Report (STR)

Restricted+

- Basic Information
- Notifying parties
- Parties involved in the potential breach
- Description of the potential breach
- Attachments and submission

Legend

Category of REMIT  
breach \*

Insider Trading (Art. 3)  
Market Manipulation (Art. 5)  
PPAT obligation (Art. 15)  
Data Reporting obligation (Art. 8)

Sub-category of REMIT  
breach

Nothing selected

Member State affected

Austria  
Belgium  
Bulgaria  
Croatia



## Union wide market monitoring by ACER

## Investigation and Enforcement by National Regulatory Authorities (NRAs)\*

Automatic screening  
of data

Initial assessment  
and analysis

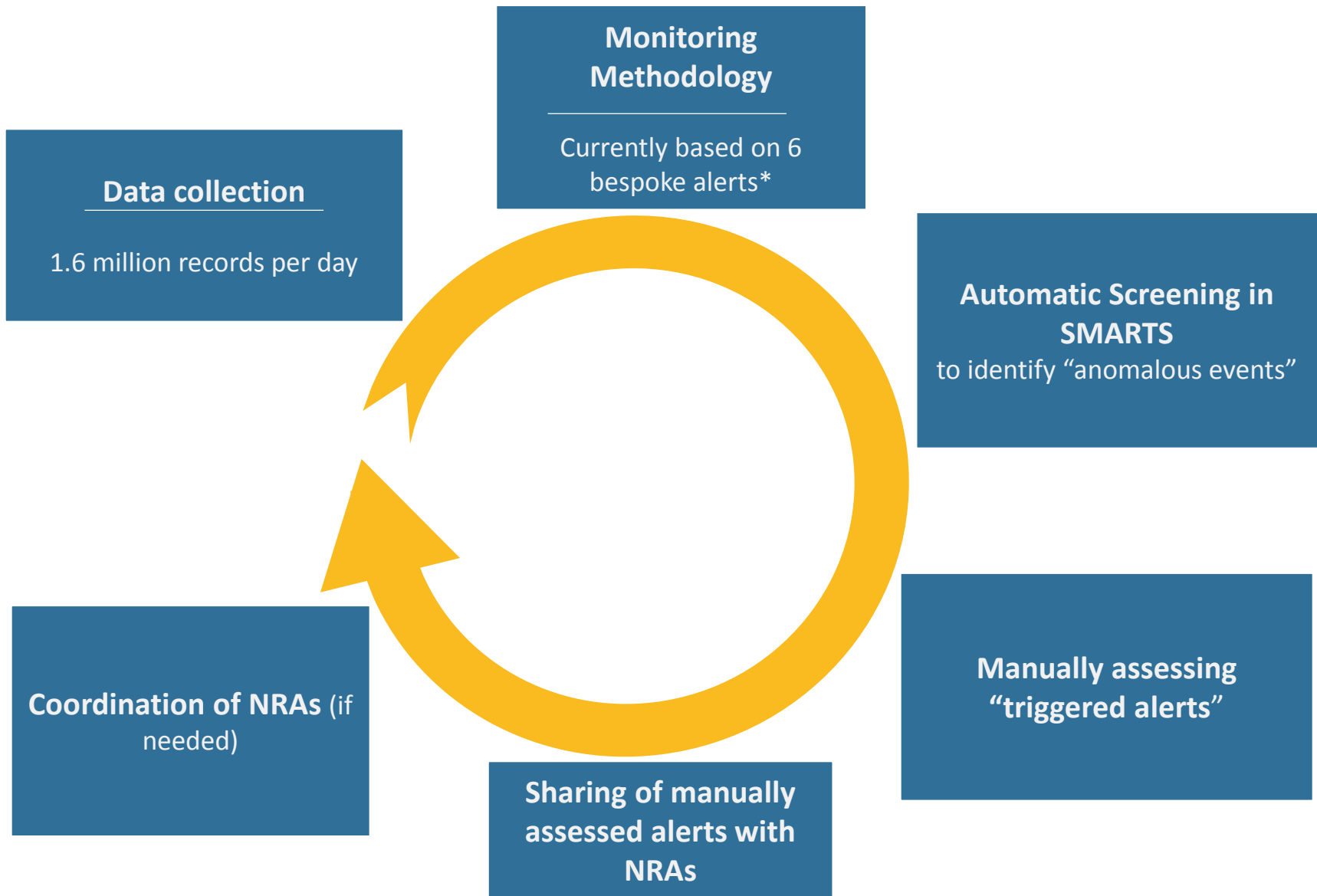
Investigation of  
suspected breaches

Enforcement



\* NRAs may monitor markets at national level.

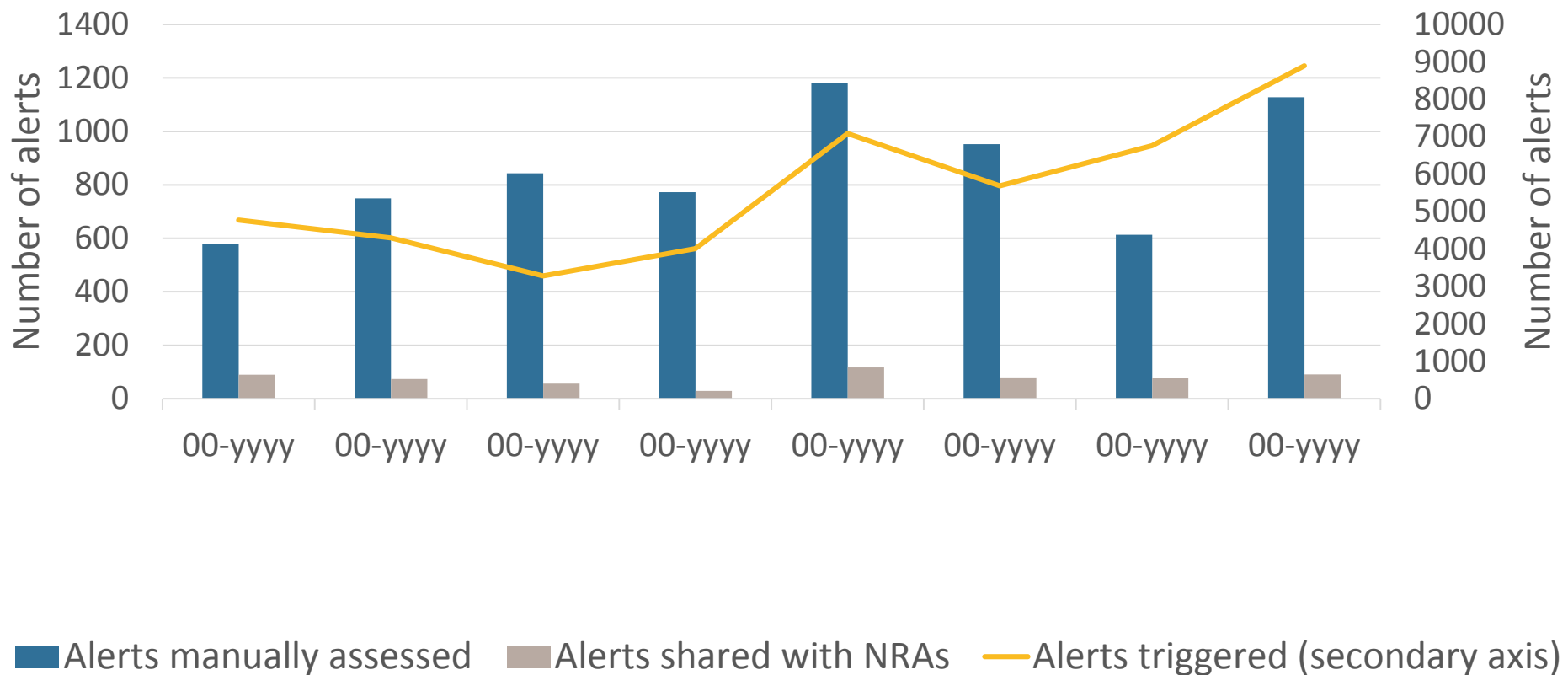
# Surveillance: From data to alerts to cases



\*An alert is a set of conditions coded in the alert logic that define the trading behaviour. If these conditions are met the alert triggers.

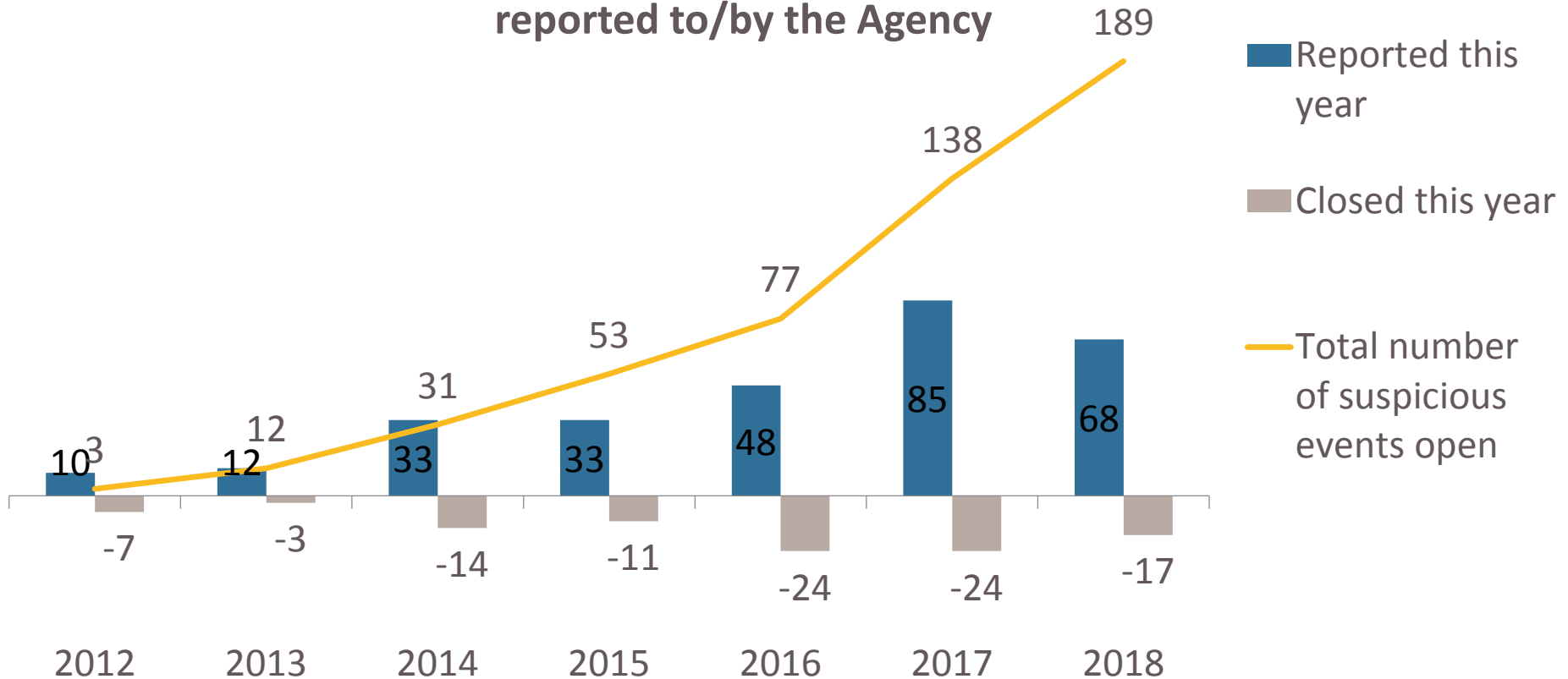
# Significant progress has been made in the calibration of bespoke alerts for continuous markets

The number of alerts per month



The number of suspicious market abuse events reported to NRAs and ACER has grown significantly with in 25% of all events involving multiple NRAs which requires coordination

**Number of potential REMIT breach cases reported to/by the Agency**



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## The Agency shall aim to ensure that NRAs carry out their tasks under REMIT in a coordinated and consistent way

- ACER Guidance and Guidance Notes
- Coordination meetings with in-depth topical presentations
- Cross notification obligations
- Request NRAs any information related to the suspected breach
- Request NRAs to commence an investigation of the suspected breach, and to take appropriate action to remedy any breach found - decision as regards appropriate action is an NRA responsibility
- To establish and coordinate an investigatory group



## Surveillance

**NRAs**  
may monitor  
markets at  
national level

ACER shall  
ensure a  
coordinated  
and consistent  
approach

**ACER**  
shall monitor  
wholesale energy  
markets at pan-  
European level

**PPATs\***  
shall monitor their  
venues

## Case Handling / Conduct

**NRAs**

- Investigate suspected breaches of REMIT
- Take appropriate action if a breach is found



ACER shall  
ensure a  
coordinated  
and consistent  
approach

**ACER**  
Assists NRAs:  
preliminary assessment  
requests to commence an investigation  
coordinate investigatory groups

- ACER coordination and cooperation activities
  - » AMIT Working Group and Task Forces
  - » REMIT Coordination Group and Standing Committees
  - » Expert Groups
    - REMIT ad hoc expert group
    - Ad hoc expert group on energy commodity derivatives



- With NRAs, through ACER Working Groups and Task Forces, using the tools (e.g. the Case Management Tool) developed by ACER
- MoUs with:
  - » **ESMA** (EU Financial Authority)
  - » **Organised Market Places**
  - » **FERC** (US)
- Notification obligations of national **financial and competition authorities** if energy regulators suspect a breach falling within their jurisdiction

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- Actively monitoring trading activities in wholesale energy markets in order to detect and prevent ...
  - » market manipulation
  - » attempted market manipulation
  - » trading based on inside information
- Collection of trade and fundamental data
- Screening of data
- Identify instances of possible market abuse
- Reporting to NRAs for investigation and enforcement
- Coordinating and ensuring consistency on REMIT application (on cases)

- REMIT is a relatively new Regulation to ensure a market that operates in full transparency and integrity
- It is directly applicable in all EU countries
- Everything is set up:
  - » EU register of market participants
  - » Data collection and data sharing
  - » Market monitoring
  - » Cooperation and coordination
- Some REMIT cases have already made the news

Thank you for your attention!



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