



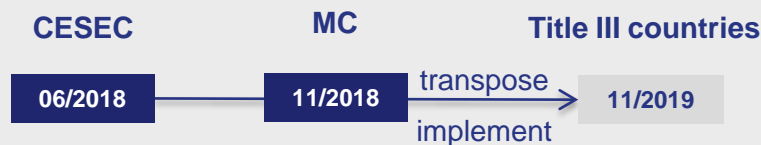
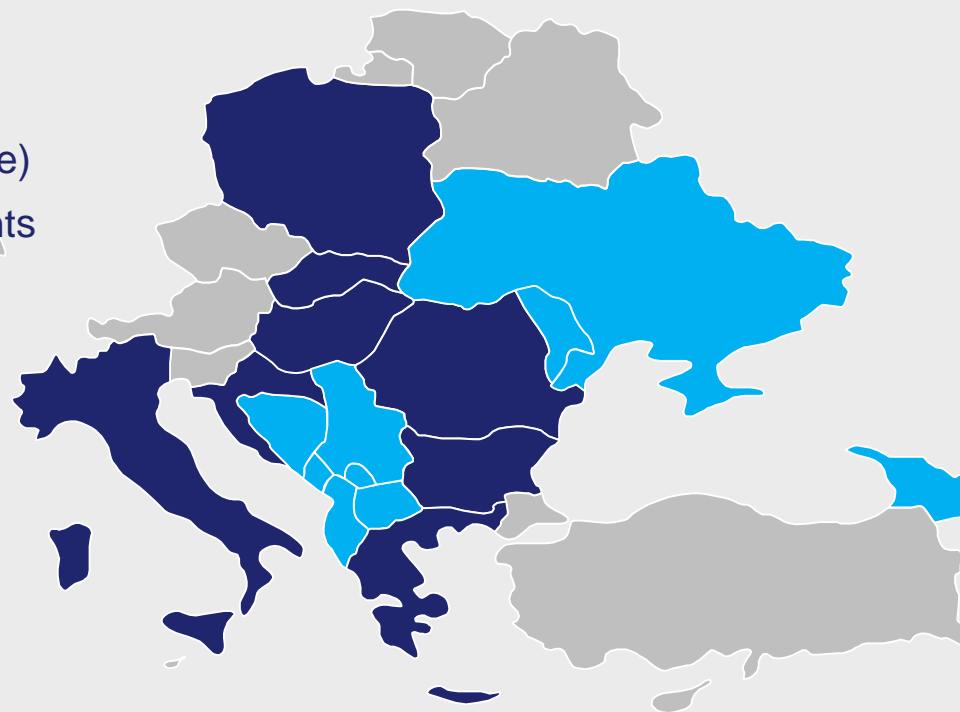
# Harmonization of licensing regimes

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1. **Gas and electricity**
2. **Mutual recognition of licenses**
  - for supply to wholesale customers (trade)
  - based on common minimum requirements
3. **Abolishment of local establishment requirements**
4. **Enforcement powers of NRAs**
5. **Taxation [for CPs only]**

Geographic scope - „Title III countries“



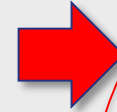


Issues trading license



Recognises license issued by Home State by a declaratory decision  
[**mutual recognition**]

No local establishment needed



Not applicable in case the Home State does not require a trade license [→ **no new obligations**]



provided the Home State license has been issued based on **minimum requirements**:

- Contact details of the trader;
- valid and authentic certificate of register
- evidence for financial capacity, absence of insolvency, professional capability;

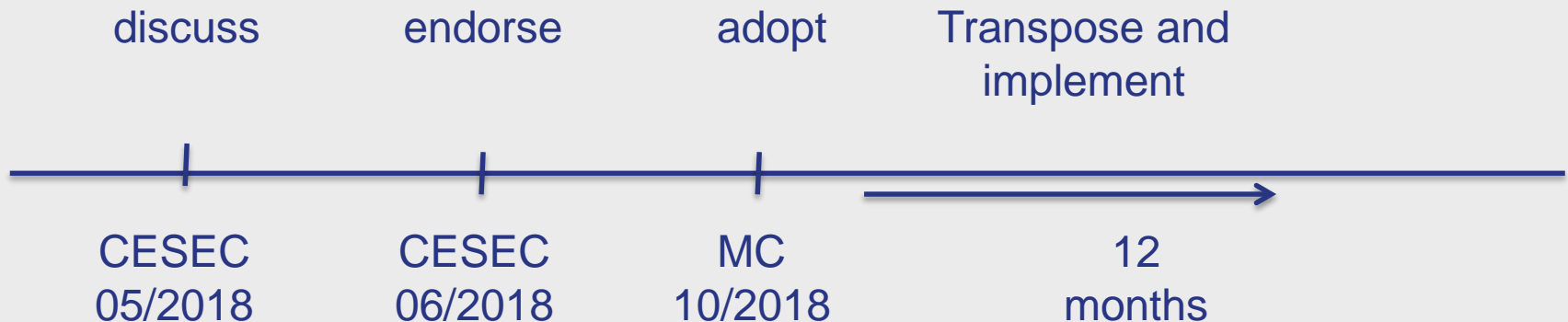
\*Title III country in which trader is established and entitled to perform trading according to national rules

\*\* Title III country other than the Home State where the trade service is provided

# Where did we start from

Objective	Alternatives to licenses?	Proposed measures
<p>Ensuring <b>financial viability</b> of undertakings to ensure protection of market participants / customers</p>	<p><b>Wholesale supply</b> <sup>[trade]</sup>: more efficiently addressed by market → contracts between traders, with TSOs / MOs, balancing rules</p> 	<ul style="list-style-type: none"> <li>○ <b>No license</b> requirement</li> <li>○ Possible: register [incl fee for actual costs incurred]</li> <li>○ <b>No local seat</b> requirement</li> <li>○ Traders to comply with the legislation where the trade takes place</li> </ul>
	<p><b>Retail supply:</b> certain checks viable (customer protection)</p> 	<ul style="list-style-type: none"> <li>○ <b>Mutual recognition</b> <ul style="list-style-type: none"> <li>○ Based on common minimum requirements</li> <li>○ Host NRA to recognise based on home NRA's confirmation</li> </ul> </li> <li>○ <b>No local seat</b> requirement for undertakings established in another Title III country</li> <li>○ <b>No new</b> license requirements where not existing now</li> <li>○ <b>Customer protection:</b> NRAs to approve supply GTC</li> <li>○ Retail suppliers to comply with the legislation where the supply takes place</li> </ul>

- Proposal would require legislative/regulatory changes → CESEC WG discussions on Ministry level
- **Way forward under Title III:**





Thank you very much  
for your attention!

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# Proposal in Detail<sub>2</sub>: Objectives → Concrete Measures

Objective	Alternatives to licenses?	Proposed measures
<p><b>NRA financing</b> [alternatively or complementary]</p> <p><b>NRA enforcement powers</b></p>	<p>Consultation input!</p>	<p>[alternatively or complementary]</p> <ul style="list-style-type: none"> <li>○ Regulatory fee</li> <li>○ Allocation to some licensees only (exl trade)</li> <li>○ One-off registration fee</li> </ul>
Taxation	Decouple from license holding	<p>linked to market activity<sub>example REMIT</sub></p>
Recognition of judgments, decisions and financial penalties	<i>Contracting Parties specific</i>	<ul style="list-style-type: none"> <li>○ <b>Trade</b> - taxable at the place where the supplier has its seat</li> <li>○ <b>Retail supply</b> – taxable at the place of delivery [→ taxable person requirement]</li> </ul>
	<i>Contracting Parties specific</i>	<p><b>Mutual recognition of judgments, decisions and financial penalties</b> imposed by judicial or administrative authorities</p>

## **Article 41(1)** of the Energy Community Treaty

*Customs duties and quantitative restrictions on the import and export of Network Energy and all measures having equivalent effect, shall be prohibited between the Parties.*

[...]

- Requires mutual recognition
- Forbids local establishment requirements as disproportionate and excessive
- Principle of reciprocity applies to Parties to the Treaty



- Workshop 09/2017, Vienna – NRAs of Contracting Parties, HU, AT, Baltic
- CESEC 04/12/2017
- Consultation until 12 January 2017 – input received from
  - Ministries: GR, HR, UA, AT
  - NRAs: GR, HR, MD
  - EFET
- Telco 28/02/2018 – NRAs AT, HU, GR, HR, RO, BG, MK
- Brussels, 13/03/2018

- Trade
  - Need for regulatory enforcement powers RAE, HERA, ANRE(MD), GR → ✓  
strengthened
  - Need for financing of regulators RAE, HERA → ✓ strengthened:
    1. Collection from *all* licensees (excl traders) – e.g. ME
    2. Collection from *some* licensees (excl traders) – e.g. SR
    3. De-coulpe from licensees („regulatory fee“) – e.g. IT, AT, UAIn any case: one-off „registration fee“ possible – e.g. HR, SR, AL, MK, GR now one-off „licensing fee“
  - Need for financial viability check [x]
- Supply
  - Need for common set of criteria → ✓
  - Need for legal adjustments