

The background of the slide is a dark blue globe showing the outlines of continents. Overlaid on the globe is a complex network of glowing blue lines and nodes, representing a global energy or financial network. The lines connect various points across the globe, with some nodes appearing as bright blue spheres.

Where do energy and financial sectors meet

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Energy Derivatives Coordination Group - 5 Nov 2020

Energy Sector

Electricity/Gas Directive and Regulation

Codes and Guidelines

Transparency requirements

Integrity regime (REMIT)

...

Energy regulators – with powers to supervise the energy sector

Financial Sector

Markets in Financial Instruments Directive

European Market Infrastructure Regulation (EMIR)

Market abuse regulation (MAR)

...

Financial regulators – with powers to supervise the financial sector

Electricity/gas industry

*Network operators (TSO/DSO) –
natural monopolies*

*Producers, traders, suppliers,
consumers*

Market places / trading venues

Financial Sector

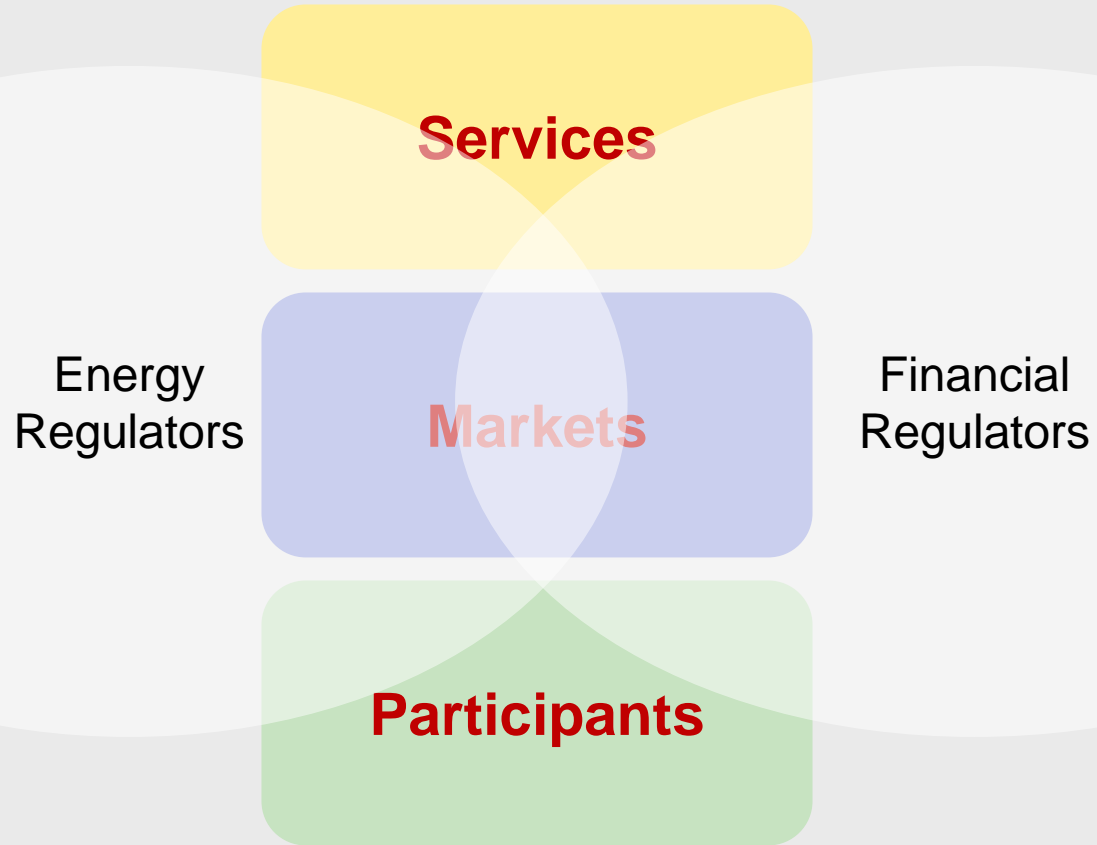
Trading venues

Clearing institutions

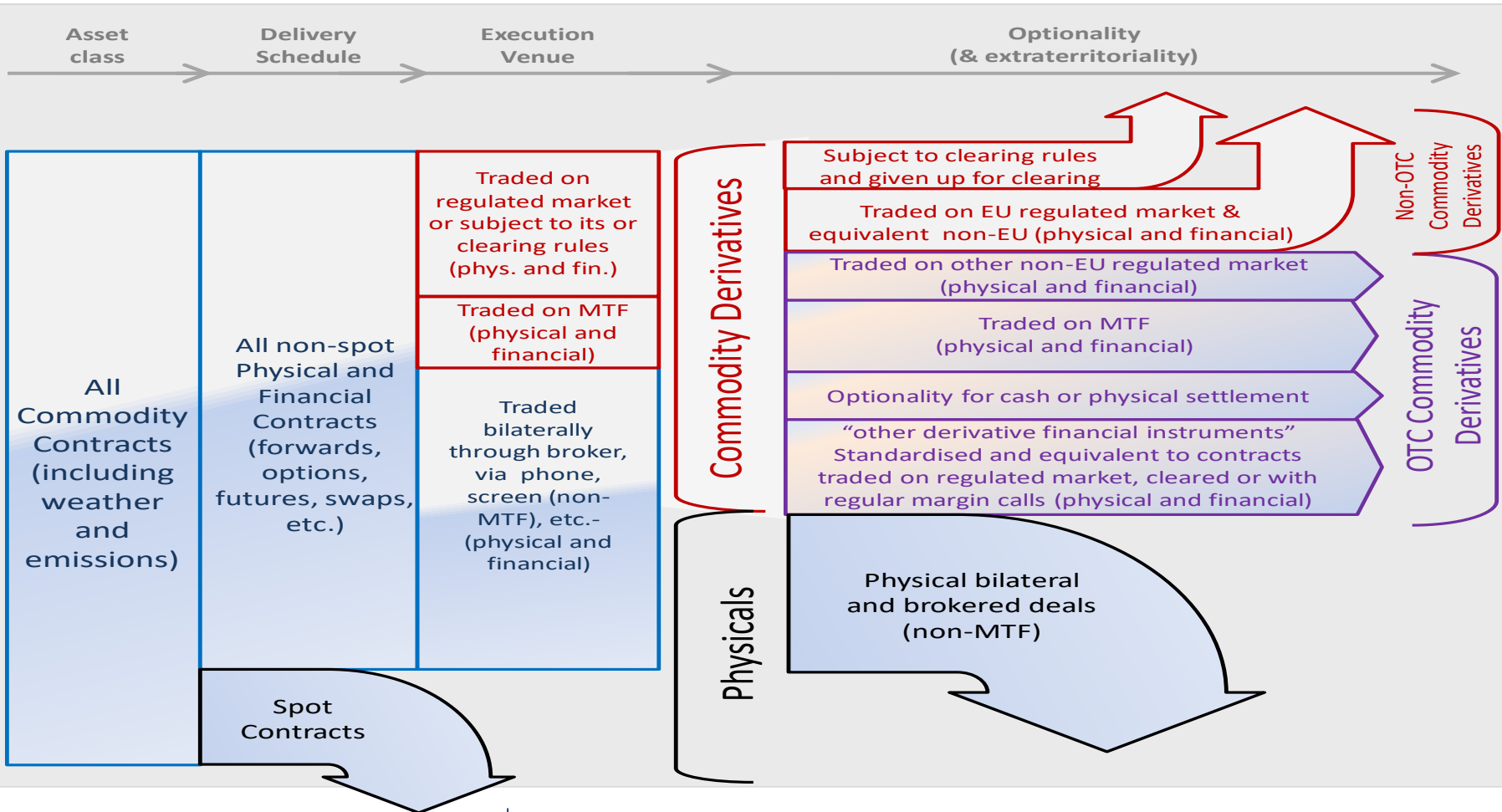
Banks

*Investors in financial instruments
(shares, bonds, derivatives and
various structured products)*

Powers of the regulatory authorities



Market – definition of the products



Areas of regulatory oversight

1. Regulatory oversight

2. Monitoring

3. Investigation

4. Enforcement

1. Framework is clear but there are overlaps :
 - EReg – CompReg on market definition to assess the market power/dominance
 - EReg – FrReg on definition of products and markets (physical vs. financial contracts)
2. Data reporting coordinated - monitoring is mainly individual, but findings are exchanged in case of overlaps:
 - EReg – FrReg mutual exchange of data, exchange of findings
3. Investigation in most cases should be coordinated or even joint in case of overlaps:
 - EReg – FrReg – CompReg; avoid separate data and information request. Ensure coordinated steps and communication with the public and the suspect.
4. Enforcement may differ depending from the country EReg – FrReg – CompReg :
 - EReg – FrReg – CompReg – judicial authority

- Not a good will cooperation – it is a legal requirement (referring to EU law and energy community acquis)
 - in most cases in the EU it is requirement in the national Law,
 - example in AT ‘... *E-Control, the Financial Market Authority, the Federal Competition Authority and the Exchange Commissioners to inform each other about observations and findings that are necessary for fulfilling the responsibilities as defined in REMIT.*’
 - In FR, as a precursor in the field of whole energy market oversight, CRE contributing to the implementation and cooperation with different authorities
 - In DE there is an MoU between authorities dealing with different layers of regulatory oversight
 - An MoU seems to be the main cooperation mechanisms between different authorities

MoU – areas for cooperation

- MoU may be the most appropriate mechanism
 - Because the framework is evolving the MoU should include more than investigation segment
 - Cooperate also on the area of joint/coordinated guidance regarding different definitions to avoid confusions, definitions of markets, products, etc.
 - Exchange of information on monitoring, potential suspicious, history of market participants in the respective market, exposure of certain market participant on other market segments (so pre-investigation phase)
 - No double reporting/data should be exchanged between different authorities (ESMA-ACER example)
 - ...

MoU – areas for cooperation (ctd)

- Forming investigatory groups from different experts for investigation. Agreeing on the investigation and on the impact of potential breach
- Communication means and frequency
- Confidentiality and data protection
- Regular meetings-updates and potential staff exchange (internship)
- Exchanges on ongoing law amendments that impact market integrity regime
- Cooperation regarding enforcement measure to be undertaken – refer it to court?
- Etc.

The background of the slide is a satellite-style image of the Earth, showing the continents of Europe and Africa. Overlaid on this image is a complex network of glowing blue lines and nodes, representing a global energy or communication network. The lines connect various points across the globe, with some nodes appearing as bright blue circles.

*Thank you
for your attention!*

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