ROLE OF THE ORGANISED MARKETS UNDER REMIT

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CENTRAL EASTERN EUROPEAN GAS EXCHANGE
Physical Within-day and Day-ahead Market

- Continuous trading session on working days
- Products:
  - Within-day
  - Day-ahead
- Continuous bid-ask prices provided by market makers
- KELER clearing registration

Financial Power & Gas Futures

- Continuous trading session on working days from 8:00 am to 6:00 pm CET
- Baseload & peak load power (W, M, Q, Y)
- Gas contracts (M, Q)
- Continuous bid-ask prices provided by market makers
- OTC clearing registration
CEEGEX Members (30)
ADVANTAGES OF ORGANISED MARKETS

✓ Non-discriminative trading
  ✓ Equal treatment
  ✓ Equal accessibility of information
  ✓ Anonym trading

✓ Indicative reference price
  ✓ Market transparency
  ✓ Increasing market competition

✓ Simple administration
  (scheduling, invoicing)

✓ Flexibility and reliability
  ✓ Increasing liquidity
  ✓ High price correlation with Western European hubs

✓ Well-known IT solution
  ✓ Compatibility with other exchanges

✓ Central clearing bank ensures financial security for all transactions

✓ Settlement services
  ✓ No guarantee problems
  ✓ Managed counterparty risks
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CEEGEX monthly traded volumes (GWh)

GWh

0 100 200 300 400 500 600 700 800 900 1 000
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- High price correlation with Western European hubs

Daily prices of DA products on CEGH and CEEGEX
The Market Surveillance department has to focus on two main topics:

- Regulatory reporting
- Market monitoring and surveillance activities
REGULATORY REPORTING

**CEEGEX**

**Spot Market**

*Regulators:*
- NRA (MEKH), ACER

*Regulatory reporting:*
- To our National Regulatory Authority (MEKH)
- Under REMIT transaction reporting to ACER

**HUDEX**

**Futures market**

*Regulators:*
- MNB, ESMA, ACER

*Regulatory reporting:*
- Under REMIT transaction reporting to ACER
- Under MIFID II. to ESMA, and to our NCA (MNB)
- Under MAD/MAR suspicious trades have to be reported to MNB (Central Bank of Hungary)
### Data reporting service of CEEGEX under REMIT

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<table>
<thead>
<tr>
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<tbody>
<tr>
<td><strong>A1</strong></td>
<td>Entrust CEEGEX to report their trades and data concluded on CEEGEX</td>
</tr>
<tr>
<td><strong>A2</strong></td>
<td>Choose another RRM and download the data concluded on CEEGEX from the CEEGEX SFTP folder</td>
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<td><strong>A3</strong></td>
<td>The A2 agreement extended with additional liability, incurring however an annual fee</td>
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<tr>
<td><strong>B</strong></td>
<td>Entrust CEEGEX to report their trades and data concluded as an OTC trade or Non-standard contracts</td>
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- **Under REMIT transactions have to be reported to ACER**
- **CEEGEX has RRM status (Registered Reporting Mechanism)**
- **Data reporting for CEEGEX Members is included in the membership fee**
- **Transactions on HUDEX still have to be reported under REMIT to ACER**
- **CEEGEX is reporting transactions in the name of HUDEX (futures market)**
For reasons of operational reliability the Agency considers it necessary and appropriate that the reporting of records of transactions, including orders to trade, is performed through Registered Reporting Mechanisms (RRMs). The Agency has developed requirements to ensure the uniform reporting of both trade and fundamental data, which are to:

(a) ensure the security, confidentiality and completeness of information,
(b) enable the identification and correction of errors in data reports,
(c) enable the authentication of the source of information,
(d) ensure business continuity.

The Agency will assess whether reporting parties comply with the requirements.

List of RRMs can be found on acer-remit.eu

Source: https://www.acer-remit.eu/portal/list-of-rrm
On the SPOT markets of CEEGEX the Market Surveillance department examine the daily trading activity after each trading day.

Our methodology is in line with ACER guidance on the application of REMIT, and we use trading data from similar markets all kinds of relevant information in order to analyze market events.

Market participants have to publish all kinds of information on our Inside Information Platform which could influence the prices on our markets (e.g. power plant outages) according to REMIT.

If the Market Surveillance department detect any form of market manipulation or insider trading on our SPOT markets, our National Regulatory Authority (MEKH) and ACER have to be notified immediately.
HOW TO BECOME A MEMBER

CEEGEX / HUDEX membership

**Preconditions:**
- Network usage Framework contract with FGSZ for Gas
- Certification of competence (KYC)
- Clearing Membership Agreement (KELER)
- Appropriate assurance on deposit account at the clearing bank
- CEEGEX/HUDEX Trader Certificate
- HEA license for trading (CEEGEX)

**Contact:**
membership@hupx.hu

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1. **Submission of the documents**
   - Submission of all required documents to CEEGEX, HUDEX Keler
   - Send KYC Answers for HUDEX only

2. **Check & Approval**
   - The Documents are checked by CEEGEX/HUDEX and Keler
   - Approval as an Exchange Member of CEEGEX/HUDEX

3. **Admission**
   - Connections to the Trading System
   - Go-live
Thank you for your attention!