



Directorate-General
for Energy
and Transport

Florence Forum XVI



Comments on follow-up to CESR/ERGEG Advice on Trading transparency and Market integrity

EUROPEAN COMMISSION

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European Commission follow-up to CESR / ERGEG Advise

- **Quality and orientation of CESR / ERGEG Advice highly appreciated by European Commission: solid basis for further work !**
- **Internal reflection: exploring further comprehensive framework for energy wholesale trading transparency and integrity:**
 - although DG TREN/MARKT questionnaire triggered by 3rd Package, issues go far beyond its scope
 - useful references in 3rd Package (record keeping article and monitoring obligations of NRAs & ACER, etc.) to be exploited
 - flexible framework for future work needed in view of legal and institutional complexity
 - conclude on need for legislative initiative
- **Continued close cooperation with ERGEG/CESR key**



Report on Workshop on “trading transparency” of 15 May 2009 (1)

- **Workshop organised by the European Commission**
- **~ 40 representatives from ERGEG, Eurelectric, EFET, Europex, FOA, ENTSOE, companies, etc.**
- **ERGEG presentation of key elements of CESR/ERGEG Advice**
- **Discussion with stakeholders on basis of presentations given by EFET and Eurelectric**
- **All presentations will be made available at Commission homepage**



Guidance for ongoing Commission work

● Report on Workshop on “trading transparency” of 15 May 2009 (2)

Issues emerging from workshop:

- **Focus on specificities and ambition for tailor-made market abuse / market integrity framework for energy wholesale trading market**
(→ Commission to come up with ideas)
 - support further market development
 - come back to demarcation & overlap issues (legal & institutional, national, Community level) at later stage
- **Fundamental data transparency: focus on scope of data matching needs of market participants and regulator(s)** (“ideal world scenario”)
 - identify gaps left by 3rd Package
 - dedicated sub-working group (ERGEG, EFET key role) to analyse further

Report on Workshop on “trading transparency” of 15 May 2009 (3)

Issues emerging from workshop:

- **Post-trade (“trade-by-trade”) transparency: scope of data matching needs of regulator(s) and market participants (“ideal world scenario” ?)**
 - scope to be explored by ERGEG (coop. with CESR)
 - next step to assess harmonized European level platform for publication (lead by ERGEG)
 - Commission to liaise with broker platforms
- **Record keeping**
 - focus on implementation of 3rd Package Article
 - clarify relevance of loophole for cash-settling MIFID-exempted undertakings (Commission in cooperation with ERGEG/CESR)
- **PM: Pre-trade transparency & exchange of information: not to be assessed further for the time being**

● Further working process

- Maintain close working relationship between European Commission and ERGEG/CESR
- For the time being no formal framework and follow-up mandate
- Use stakeholder frameworks of Florence and Madrid Forum to progress work on initiative for energy wholesale trading market transparency and integrity
 - » Commission + lead-stakeholder to organise topical workshops
 - » Invite stakeholders outside established Madrid and Florence Framework where necessary / useful (financial markets, CO2, ...)
 - » Report workshop results to Florence and Madrid Forum
- More formal structure considered at later stage



Thank you for your attention

