



Florence Forum XVI

Directorate-General  
for Energy  
and Transport



## **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

