

Market Integrity framework and transparency

CEER- Intervention

20th Florence Forum
Florence, 23-24 May 2011

General comments on REMIT: Energy regulators welcome the Commission's proposal, but see strong challenges for an efficient oversight.

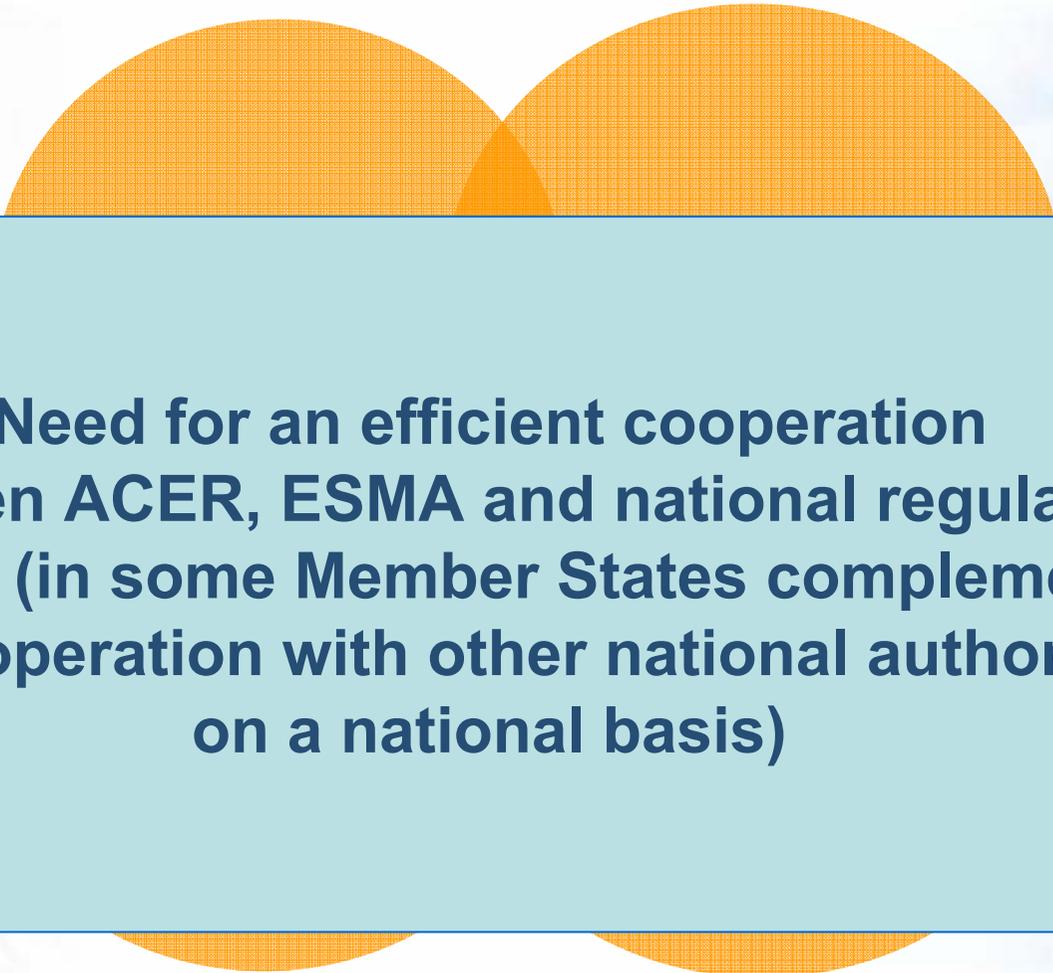
Split between

Spot

Derivatives

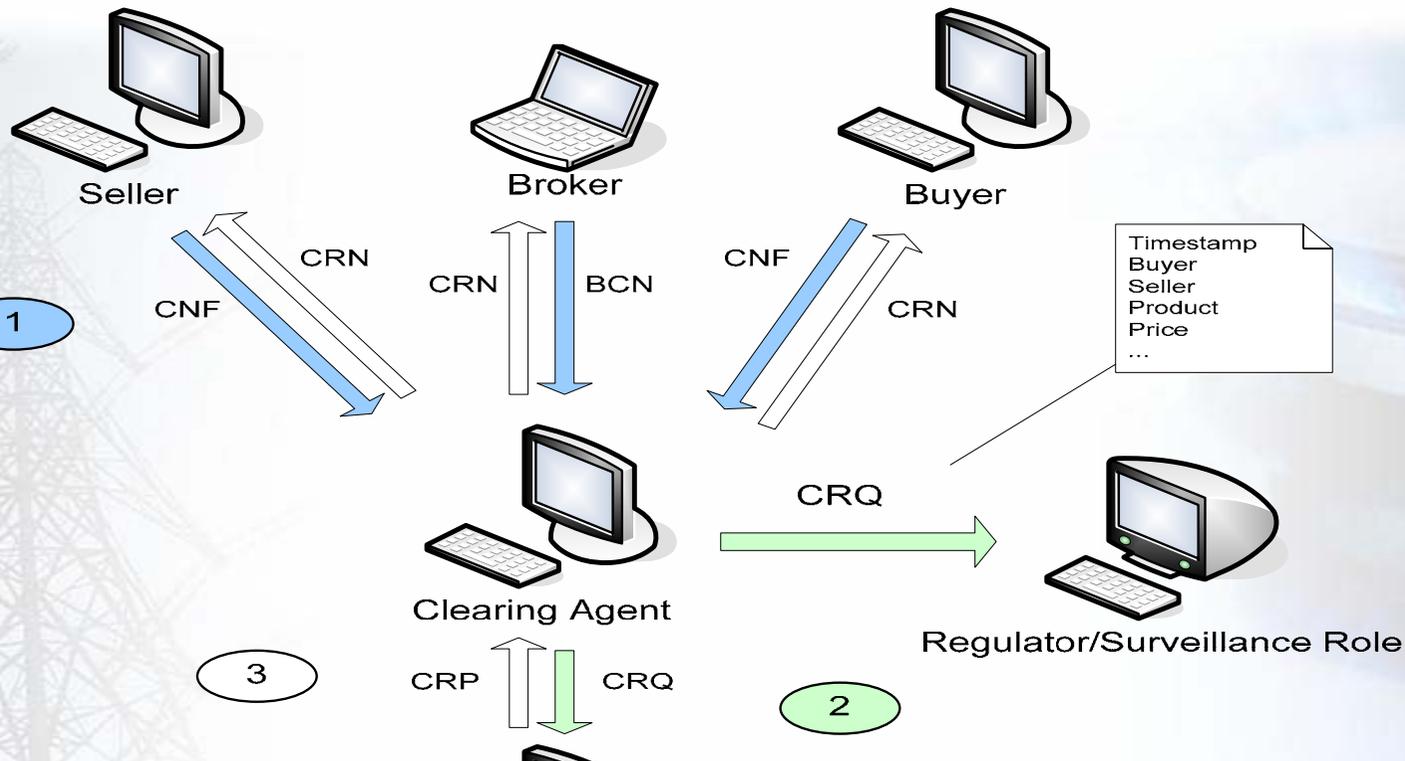
Challenging if energy derivatives would be covered by MAD & MiFID and not be subject to REMIT (due to political compromise).

REMIT: Key challenges (2/3)

Two large, overlapping orange circles with a fine grid pattern are positioned behind the central text box. The circles overlap in the center, creating a darker orange area. The background of the slide features a faint, light blue image of electrical power lines and pylons.

**Need for an efficient cooperation
between ACER, ESMA and national regulatory
authorities (in some Member States complemented by
the cooperation with other national authorities
on a national basis)**

REMIT: Key challenges (3/3)



**Efficient reporting scheme with reporting of all energy transactions to ACER is needed!
 → Pilot project provides regulators' experiences!**

CEER draft advice recommends a European passport!

Benefits of passport approach;

Reduction of bureaucracy – “One-stop-shop” for traders;

Improved oversight in the EU;

collateral benefits e.g. in the fight against VAT fraud.



Draft advice: Summary

 The choice is:

- **Simplified, efficient licensing regime with moderate and harmonised requirements in all Member States, creating a level playing field**
- OR**
- **Continuation of 29 different and partly very bureaucratic and burdensome national regimes**

Public consultation until 17th June/ CEER workshop on 31st May in Brussels.

The key aspects of the draft advice

One single trading license:

- permits European-wide trading activities;
- issued by the “home” national regulatory authority;
- covers electricity and gas;
- necessary for wholesale trading (not supply);
- trading companies should demonstrate their technical, financial and organisation capacity;
- fees should be cost-based (if any).

The background of the slide is a composite image. On the left, there is a faded image of a high-voltage electricity pylon. On the right, there is a close-up image of a gas burner with blue flames. The text is centered over this background.

Thank you for your attention!

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