Market integrity framework and transparency

- We believe that a **tailor-made regime for integrity and transparency** in the energy and carbon markets is by far more suitable than having it covered under financial regulation as:
  - **Energy Companies** (**are substantially different from Financial Institutions**: they do not pose systemic risk, do not provide investment services, do not deal with non-professional retail clients
  - Implementing **Financial Regulation (MiFID, CRD, MAD, EMIR) to the Energy Sector without taking into accounts the specifics of energy markets could create severe unintended consequences** (eg. higher costs for managing risks related to the commercial activity, higher entry barriers, lower liquidity and fewer players in the market). **Therefore energy companies mainly trading for risk reducing purposes should be covered by the ancillary activity exemption in MIFID 2.**

Market integrity framework and transparency

- **REMIT welcomed:** increases transparency, trust in the markets and liquidity.
- **Still lack of clarity on e.g. definitions of insider information and disclosure obligations** → may cause difficulties for market participants to implement → legal uncertainty and higher risks for market parties
- **Regulation of fundamental transparency in electricity markets** is important building block.
- **Reporting obligation:** No double reporting of transactions (e.g. EMIR), no national initiatives (e.g. Germany, Austria) and no overlapping roles but close cooperation of ACER, NRAs, Financial Regulators & Competition Auth. to be ensured
- **Concerns that MAR and REMIT are not aligned** and danger that shift in scope away from REMIT (definition of FI in MiFID -> physical forwards should not be classified as FI)
- **Harmonization:** risk of **regime shopping**