

# The Role of the NRA

Geoff Boon,

Programme Manager, Energy Markets governance,  
E-Control Austria

GME Annual Conference,

Rome

11th July 2012

# Agenda

- Relevant issues for the implementation of REMIT
- The role of the NRA
- Compliance issues summary
  - For Participants
  - For Organised Platforms.

# Relevant Topics to Monitor Market Integrity

Registering

Market participants have to register

Reporting

Transactions and insider information  
have to be reported

Monitoring

Transactions and other related data will be monitored

Investigating

In-depth analysis and investigations may occur

Sanctioning

Following the investigation sanctions may follow.

Cooperation with NRAs, ACER, Financial Regulators etc...

# The Role of the NRA in Registering

Registering

Market participants have to register

**Register with a single NRA**

**Uniqueness**

**Association with related entities**

## *Article 9*

### **Registration of market participants**

1. Market participants entering into transactions which are required to be reported to the Agency in accordance with Article 8(1) shall register with the national regulatory authority in the Member State in which they are established or resident or, if they are not established or resident in the Union, in a Member State in which they are active.

A market participant shall register only with one national regulatory authority. Member States shall not require a market participant already registered in another Member State to register again.

# The Role of the NRA in Registering

Registering

Market participants have to register

**NRA will send the registration information to ACER**

3. National regulatory authorities shall transmit the information in their national registers to the Agency in a format determined by the Agency. The Agency shall, in cooperation with those authorities, determine that format and shall publish it by 29 June 2012. Based on the information provided by national regulatory authorities, the Agency shall establish a European register of market participants. National regulatory authorities and other relevant authorities shall have access to the European register. Subject to Article 17, the Agency may

**Format for European registry defined by ACER**

**Format for the ACER registration was published on June 29th 2012.**

**Registration before trading**

4. Market participants referred to in paragraph 1 of this Article shall submit the registration form to the national regulatory authority prior to entering into a transaction which is required to be reported to the Agency in accordance with Article 8(1).

# The Role of the NRA in Reporting

Reporting

Transactions and insider information have to be reported

**Market Participants shall disclose insider information**

**Market participants may delay publication BUT have to inform ACER and NRA**

## *Article 4*

### **Obligation to publish inside information**

1. Market participants shall publicly disclose in an effective and timely manner inside information which they possess in respect of business or facilities which the market participant concerned, or its parent undertaking or related undertaking,

2. A market participant may under its own responsibility exceptionally delay the public disclosure of inside information

information. In such a situation the market participant shall without delay provide that information, together with a justification for the delay of the public disclosure, to the Agency and the relevant national regulatory authority having regard to Article 8(5).

# The Role of the NRA in Reporting

Reporting

Transactions and insider information have to be reported

**Market Participants (or a third party on their behalf) shall report the transactions to ACER**

**Market participants shall also report fundamental data**

## Article 8

### Data collection

1. Market participants, or a person or authority listed in points (b) to (f) of paragraph 4 on their behalf, shall provide the Agency with a record of wholesale energy market transactions, including orders to trade. The information reported

5. Market participants shall provide the Agency and national regulatory authorities with information related to the capacity and use of facilities for production, storage, consumption or transmission of electricity or natural gas or related to the capacity and use of LNG facilities, including planned or unplanned unavailability of these facilities, for the purpose of monitoring trading in wholesale energy markets. The reporting

# The Role of the NRA in Reporting

Reporting

Transactions and insider information have to be reported

**ACER is responsible, primarily, for monitoring the markets**

**NRAs will cooperate with ACER and cooperate regionally. Access to data collected by ACER will be shared**

## *Article 7*

### **Market monitoring**

1. The Agency shall monitor trading activity in wholesale energy products to detect and prevent trading based on inside information and market manipulation. It shall collect the data for assessing and monitoring wholesale energy markets as provided for in Article 8.

2. National regulatory authorities shall cooperate at regional level and with the Agency in carrying out the monitoring of wholesale energy markets referred to in paragraph 1. For this purpose national regulatory authorities shall have access to relevant information held by the Agency which it has collected in accordance with paragraph 1 of this Article, subject to Article 10(2). National regulatory authorities may also monitor trading activity in wholesale energy products at national level.



# The Role of the NRA in Monitoring

Monitoring

Transactions and other related data will be monitored

Market monitoring's aim is to detect insider trading and market manipulation

**The use of inside  
Information is  
prohibited**

*Article 3*

## **Prohibition of insider trading**

1. Persons who possess inside information in relation to a wholesale energy product shall be prohibited from:

**... as well as other  
Attempts at market  
manipulation**

*Article 5*

## **Prohibition of market manipulation**

Any engagement in, or attempt to engage in, market manipulation on wholesale energy markets shall be prohibited.

# The Role of the NRA in Investigating

Investigating

In-depth analysis and investigations may occur

**ACER has an important role in promoting a consistent approach**

**NRAs shall notify ACER of suspect activity and may ask ACER to take Action.**

## *Article 16*

### **Cooperation at Union and national level**

1. The Agency shall aim to ensure that national regulatory authorities carry out their tasks under this Regulation in a coordinated and consistent way.

2. National regulatory authorities shall without delay inform the Agency in as specific a manner as possible where they have reasonable grounds to suspect that acts in breach of this Regulation are being, or have been, carried out either in that Member State or in another Member State.

Where a national regulatory authority suspects that acts which affect wholesale energy markets or the price of wholesale energy products in that Member State are being carried out in another Member State, it may request the Agency to take action in

# The Role of the NRA in Investigating

Investigating

**During an investigation, ACER may request NRAs for additional information**

**ACER may request NRAs to start an investigation**

**Or set up a group of NRAs to investigate cross-border issues**

In-depth analysis and investigations may occur

4. In order to carry out its functions under paragraph 1, where, inter alia, on the basis of initial assessments or analysis, the Agency suspects that there has been a breach of this Regulation, it shall have the power:

(a) to request one or more national regulatory authorities to supply any information related to the suspected breach:

(b) to request one or more national regulatory authorities to commence an investigation of the suspected breach, and to take appropriate action to remedy any breach found. Any

(c) where it considers that the possible breach has, or has had, a cross-border impact, to establish and coordinate an investigatory group consisting of representatives of concerned national regulatory authorities to investigate whether this Regulation has been breached and in which Member State the breach took place. Where appropriate, the Agency may

# The Role of the NRA in Sanctioning

Sanctioning

**Penalties and their enforcement rules are defined by each member state**

**NRAs may disclose the sanctions adopted as long as its public scrutiny is proportionate**

Following the investigation sanctions may follow

*Article 18*

## **Penalties**

The Member States shall lay down the rules on penalties applicable to infringements of this Regulation and shall take all measures necessary to ensure that they are implemented. The penalties provided for must be effective, dissuasive and proportionate, reflecting the nature, duration and seriousness of the infringement, the damage caused to consumers and the potential gains from trading on the basis of inside information and market manipulation.

Member States shall provide that the national regulatory authority may disclose to the public measures or penalties imposed for infringement of this Regulation unless such disclosure would cause disproportionate damage to the parties involved.

# Main Compliance Points for Participants

## Registration Compliance

Market Participants to register prior to entering into transactions

Certification of registration details according to the defined format

## Reporting Compliance

Market participants have to report transactions in which they are involved

Market participants have to disclose inside information immediately or notify ACER and the NRA of the reasons for the delay

# Main Compliance Points for Participants

## Monitoring Compliance

Market Participants shall respect the insider trading prohibition

Market Participants shall refrain from market manipulation

## Continuing Obligations

Market Participants shall ensure registration Information is kept current

Market Participants should periodically review internal Policies to ensure best practices are adopted and staff trained

# Main Compliance Points for Organised Platforms

## Monitoring Compliance

“Organised Markets” (broker platforms, Exchanges, etc) have a duty to inform NRA’s if they have a reasoned suspicion that activity constitutes market abuse;

## Continuing Obligations

Whilst ensuring that the “organised market” maintains effective procedures to identify market abuse.

The background of the slide is a light blue and white image. On the left, there is a faint, semi-transparent image of a high-voltage electricity pylon. On the right, there is a semi-transparent image of a gas stove burner with blue flames.

Thank you for your attention!

[www.energy-regulators.eu](http://www.energy-regulators.eu)