

A clear REMIT framework is key to enhancing confidence in wholesale energy markets

Amendment suggestions to the Commission's REMIT proposal

EFET¹ welcomes the publication of the draft Regulation on Wholesale Energy Market Integrity and Transparency (REMIT II). The **further development of the REMIT framework is key to enhancing confidence in the integrity and transparency of EU wholesale energy markets**. Still, certain areas of the proposal require changes to meet this objective:

1. There is a need for consistency between REMIT and the equivalent legislation for financial markets (MAR), but a simple cut & paste is not appropriate.

EFET supports many of the measures to improve consistency between MAR and REMIT and to further improve transparency. However, as REMIT is tailor-made to the circumstances of the energy market, there is a need to calibrate changes to the specifics of the market.

- **Changing the definition of energy traders (“market participants”) risks treating market participants in the same way as those that are operating marketplaces** in Art. 2 (7); Art. 2 (8a); Art. 2 (20).
- **Requiring disclosure of “intermediate steps” for inside information creates legal uncertainty and is inconsistent with the equivalent financial information (MAR)** in Art. 2 (1) subpara. 3; Art. 4 (1), subpara. 1.
- **The addition of contracts which “may” result in delivery in the Union for reporting would create significant red tape** in Art. 2 (4).
- **An obligation for 3rd country firms to declare an office in an EU member state is redundant, as there is already an obligation to register with a national authority** in Art. 9 (1).

¹ The European Federation of Energy Traders (EFET) promotes and facilitates European energy trading in open, transparent and liquid wholesale markets, unhindered by national borders or other undue obstacles. We build trust in power and gas markets across Europe, so that they underpin a sustainable and secure energy supply and enable the transition to a carbon neutral economy. EFET currently represents more than 130 energy trading companies, active in over 27 European countries. For more information: www.efet.org

2. A stronger role for ACER in issuing guidance and greater transparency would strengthen market integrity, but we should avoid an overlap of duties between regulators.

- **Improving cooperation, coordination and data exchange between energy and financial regulators** in Art. 1(3) sub-para. 2; Art.10; new Art.10 (1a) and (2a); Art. 12 (a) sub-para. 2; Art. 16 (2) sub-para. 4, Art. 16 (3) point (e)) **will aid efficiency**.
- **A significant overlap of supervisory and investigative powers between national regulatory authorities and ACER** in Art. 13 (3) to (9); Art. 13 (a) to (d); Art. 12, (c) **needs rethinking**.
- **Appropriate oversight of algorithmic trading is needed, but this should not hinder innovation** in Art. 1 (2).
- **Suspicious transactions and order reporting (STOR) arrangements require careful thought to ensure regulators receive appropriate notifications to help them better oversee the market** in Art. 5a.
- **Distribution System Operators, Storage System Operators, LNG System Operators are market participants and should be subject to the same obligations as others to disclose relevant information** in Art. 2 (7).
- **Put in place effective oversight of Inside Information Platforms and Registered Reporting Mechanisms as they are key parts of the disclosure and reporting infrastructure** in Art. 4 (1) subpara. 2 and 3; Art. 4a; Art. 8 (5); Art. 9a.
- **Any interpretive guidance from ACER that needs to become legally binding must be subject to approval of the European Commission and to consultation with interested parties** in Art. 16b.

3. Embedding temporary crisis policy interventions in REMIT is not appropriate unless they are a permanent requirement.

- **Increased transparency on LNG transactions reporting is supported, but the addition of an LNG Price Assessment and an LNG Benchmark is not appropriate under REMIT and would damage confidence in markets** in Art. 2 (21) to (26); Art. 7a to 7d, Art. 8.

Please see our detailed amendment suggestions and justifications in the [annex](#).

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