APPROVED
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Head of the Exchange Committee

_____ O. Dubovskyi

Regulation
on monitoring the operation of the wholesale energy products markets by the Ukrainian Energy Exchange Limited Liability Company

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Contents

SECTION I. GENERAL PROVISIONS **3**

SECTION II. FUNCTIONS, POWERS AND OBLIGATIONS OF UEEX LLC AS AN ENTITY PROFESSIONALLY ORGANIZING OPERATIONS WITH WHOLESALE ENERGY PRODUCTS.....**4**

SECTION III. PRACTICES THAT MAY BE MANIPULATIVE IN THE WHOLESALE ENERGY MARKET **6**

SECTION IV. SURVEILLANCE SYSTEM OF UEEX LLC..... **7**

SECTION V. SIGNALS THAT MAY INDICATE SUSPICIOUS BEHAVIOR IN THE WHOLESALE ENERGY MARKET.....7

SECTION VI. INTERACTION BETWEEN UEEX LLC AND THE NATIONAL COMMISSION FOR STATE REGULATION OF ENERGY AND UTILITIES **7**

SECTION VII. CONFIDENTIALITY **8**

SECTION VIII. INFORMATION SECURITY OF MARKET SURVEILLANCE **8**

SECTION IX. FINAL PROVISIONS **9**

SECTION I. GENERAL PROVISIONS

1.1. This Regulation on Monitoring of the Wholesale Energy Products Market by the Ukrainian Energy Exchange defines the functions, tasks and powers of the Ukrainian Energy Exchange Limited Liability Company (hereinafter referred to as UEEX LLC) as an entity professionally organizing operations with wholesale energy products in terms of monitoring the operation of wholesale energy markets, namely: a list of practices that may be manipulated or attempted to be manipulated in the wholesale energy market and which are the subject of research by UEEX LLC, requirements for the system of monitoring the operation of the wholesale energy market, the procedure for interaction between UEEX LLC and the National Commission for State Regulation of Energy and Utilities in monitoring the operation of wholesale energy markets.

1.2. This Regulation is developed to comply with the requirements of the Laws of Ukraine "On the Electricity Market", "On the Natural Gas Market" and the Requirements for ensuring fairness and transparency in the wholesale energy market, approved by NEURC Resolution No. 614 dd 27.03.2024 (hereinafter - the Requirements).

1.3. In this Regulation, the following terms are used in the following meanings:

insider information in the electricity/natural gas market means unpublished information of a precise nature that directly or indirectly relates to one or more wholesale energy products in the electricity/natural gas market, the disclosure or publication of which may significantly affect the market price of one or more wholesale energy products;

Abuse in the wholesale energy market - violation of the established restrictions on the use of insider information, manipulation and attempts to manipulate on the electricity and/or natural gas market;

violations in the wholesale energy market that are not abuse in the wholesale energy market - failure to disclose insider information, disclosure of insider information in violation of the established requirements, conducting transactions with wholesale energy products without registration as a participant of the wholesale energy market;

manipulation on the electricity/natural gas market:
1) execution of transactions, issuance of orders and/or instructions to other market participants/entities of the energy/natural gas market to execute transactions with wholesale energy products in the wholesale energy market that:
- create misleading signals for demand and/or supply, or for prices in the wholesale energy market;
- form prices for wholesale energy products at an artificial level;
- involve the use or attempted use of a fictitious means or any other form of misleading or abuse of trust that creates or may create misleading signals for supply and/or demand or for price;

2) disseminating false information through the media, including electronic media, or in any other way that gives false or misleading signals for demand and/or supply, or for price formation in relation to wholesale energy products.

wholesale energy market - any market where trading operations are carried out in accordance with wholesale energy products;

wholesale energy products - contracts (agreements) and derivatives, regardless of the place, time and method of their conclusion, in particular:

- contracts for the sale and purchase of electricity or natural gas with the place of delivery (performance) in Ukraine;
- derivative contracts, the underlying asset of which is electricity or natural gas, concluded in Ukraine or with the place of delivery (performance) in Ukraine;
- contracts for the transmission of electricity or transportation of natural gas in Ukraine, access to capacity/distribution of capacity to/from Ukraine;
- derivative contracts for the transmission of electricity or transportation of natural gas in Ukraine, access to capacity/distribution of capacity to/from Ukraine;
- contracts for the supply of electricity or natural gas with a permitted consumption capacity under an agreement with a distribution/transmission system operator or with a nominal consumption capacity under an agreement with a gas distribution/gas transmission system operator, which allows for the consumption of 600 GWh per year or more at the maximum production capacity of the consumer's facility (round-the-clock consumption throughout the year).

1.4. Terms not defined in this Regulation shall have the meanings given in the laws of Ukraine on prevention of abuse in the wholesale energy markets, other regulatory legal acts and internal documents of UEEX LLC.

1.5. This Regulation, as well as amendments and additions thereto, shall be approved by the Exchange Committee of UEEX LLC and posted on the official website of UEEX LLC www.ueex.com.ua.

SECTION II. FUNCTIONS, POWERS AND OBLIGATIONS OF UEEX LLC AS AN ENTITY PROFESSIONALLY ORGANIZING OPERATIONS WITH WHOLESALE ENERGY PRODUCTS

2.1. UEEX LLC, as an entity that professionally organizes operations with wholesale energy products, implements and maintains effective mechanisms, measures and procedures to identify operations with wholesale energy products that were carried out in violation of the established restrictions on the use of insider information or such operations have signs of manipulation or attempts to manipulate the wholesale energy market (hereinafter referred to as suspicious behavior), including surveillance systems, namely:

1) create, in proportion to the scale, size and nature of UEEX LLC's activities within the wholesale energy market, a system for monitoring market behavior and economic and trade operations of wholesale energy market participants with wholesale energy products, organized by UEEX LLC;

2) continuously and qualitatively monitors the market, and ensures the establishment of an effective organizational structure and procedures for detecting suspicious behavior in the wholesale energy market;

3) uses software and takes measures to help identify suspicious behavior in the wholesale energy market;

4) implements, maintains and regularly evaluates mechanisms and procedures that ensure an appropriate level of analysis in the process of monitoring, detecting and identifying transactions and bids (offers) that indicate suspicious behavior in the wholesale energy market;

5) guarantees confidentiality of the measures and procedures taken;

6) organizes and ensures on a regular basis effective and comprehensive training and professional development of personnel involved in monitoring, detecting and identifying applications and/or transactions that indicate suspicious behavior in the wholesale energy market;

7) ensures for five years the storage of information on the analysis, including in terms of applications (proposals), transactions that indicate suspicious behavior;

8) annually conducts an internal audit of mechanisms, measures and procedures for detecting suspicious behavior, and updates them if necessary.

2.2. In the course of analyzing the market behavior of the wholesale energy market participant, UEEX LLC documents information on applications and transactions that may indicate suspicious behavior of the wholesale energy market participant that was investigated and the reasons for submitting or not submitting a notification (application) about possible abuse in the wholesale energy market.

2.3. UEEX LLC takes measures to monitor the market on an ongoing basis.

2.4. In order to ensure that the NEURC properly provides information on possible abuse in the wholesale energy market, UEEX LLC has the right to request additional information from the wholesale energy market participant whose behavior is suspicious at any time, which will contribute to the qualitative assessment of the study.

2.5. The structural unit of UEEX LLC that ensures, within the scope of its powers, the monitoring of the operation of the wholesale energy products market by UEEX LLC as an entity that professionally organizes operations with wholesale energy products in accordance with this Regulation and the Requirements is the Market Monitoring Department.

The Market Monitoring Department is an independent structural unit that is independent of other structural units of UEEX LLC, has access to the necessary information on business and trading operations and has sufficient human resources with professional knowledge to carry out the relevant analysis.

The Market Monitoring Department constantly interacts with other structural units of UEEX LLC in order to obtain authorized access to the information necessary for it to perform its tasks of monitoring the wholesale energy market.

2.6. UEEX LLC has taken into account and maintains effective measures aimed at identifying, managing and disclosing existing conflicts of interest, namely:

- approved the list of conflicts of interest with their description, identification, prevention, management and disclosure;
- the division of responsibilities and functions for reporting conflicts of interest has been implemented;
- measures are taken to prevent or control the exchange of information.

UEEX LLC takes measures to prevent/resolve/manage conflicts of interest in accordance with separate internal documents: Regulation on prevention of actions containing signs of corruption and on prevention/regulation of conflicts of interest in the course of activities of the Ukrainian Energy Exchange, anti-corruption program of the Ukrainian Energy Exchange, corporate and social

responsibility policy of the Ukrainian Energy Exchange and internal labor regulations of the Ukrainian Energy Exchange.
Employees of UEEX LLC, whose duties include monitoring the market, are obliged to report any real or potential conflict of interest. In the event of a conflict of interest, the measures stipulated by the above Regulations shall be taken.

SECTION III. PRACTICES THAT MAY BE MANIPULATIVE IN THE WHOLESALE ENERGY MARKET

3.1. UEEX LLC considers four types of manipulative behavior regarding manipulation of the electricity market and the natural gas market (hereinafter referred to as manipulation of the wholesale energy market) and attempts to manipulate the electricity market and the natural gas market (hereinafter referred to as attempted manipulation of the wholesale energy market):

1) creation of misleading signals for supply and/or demand, or for prices in the wholesale energy market/for wholesale energy products;

2) setting prices for wholesale energy products at an artificial level;

3) use of a fictitious means or any other form of misrepresentation or breach of trust;

4) disclosure or dissemination of false information through the media, including electronic media, or in any other way.

3.2. The main element of manipulation in the wholesale energy market is the influence of certain types of behavior on the supply, demand or prices for wholesale energy products.

Behavior, regardless of the presence of intent, which falls under subparagraphs 1 - 4 of paragraph 3.1 of this section, may be determined by the NEURC as manipulation of the wholesale energy market.
Behavior defined in subparagraph 2 of paragraph 3. 1 of this section, committed by a person or persons acting jointly, which led to the formation of the price for wholesale energy products at an artificial level, by submitting suspicious applications (offers) in the organized market and/or orders to execute transactions or execution of transactions that led to distortion of market mechanisms, as a result of which the prices for wholesale energy products are not the result of fair and competitive interaction between supply and demand in a particular wholesale energy market and do not meet the principles of functioning of the wholesale energy market.

3.3. The main element of an attempt to manipulate the wholesale energy market is the existence of an intention to manipulate the wholesale energy market, with which the relevant actions were taken, even if the attempt was unsuccessful.

3.4. A sufficient condition for establishing an attempt to manipulate the wholesale energy market by UEEX LLC is the existence of evidence that such actions were committed with the intent to manipulate the wholesale energy market.

3.5. The non-exhaustive list of practices that may constitute manipulation or attempted manipulation in the wholesale energy market of UEEX LLC, committed (committed with the intention) by using manipulative behavior in accordance with clause 3.1. of this Regulation, and which are the subject of investigation by UEEX LLC as an entity professionally organizing operations

with wholesale energy products, include, in particular, the practices listed in the Requirements and which correspond to the specifics of the trades organized by UEEX LLC.

SECTION IV. SURVEILLANCE SYSTEM OF UEEX LLC

4.1. The surveillance system of UEEX LLC shall take into account the provisions of clause 5.1 of section 5 of this Regulation and provide the opportunity to do so, if possible:

1) analyze separately for each executed/unexecuted transaction and placed, amended, canceled or rejected bids (offers) in the relevant wholesale energy market.

2) create alerts (a set of indicators) that identify and report suspicious behavior of wholesale energy market participants and indicate actions that require further analysis.

4.2. The system and procedures shall, in particular, include software capable of delayed automatic reading, replay and analysis of data, orders (proposals), transactions, and provide sufficient capacity for its operation in the algorithmic trading environment (if such type of trading is used at UEEX).

4.3. Only authorized persons of UEEX LLC have access to the surveillance system of UEEX LLC.

SECTION V. SIGNALS THAT MAY INDICATE SUSPICIOUS BEHAVIOR IN THE WHOLESALE ENERGY MARKET

5.1. When conducting observation in the wholesale energy market, UEEX LLC shall, in particular, take into account the list of indicators (signals) specified in the Requirements that may indicate suspicious behavior in the wholesale energy market and which may be applicable based on the nature of UEEX LLC's activities.

5.2. The list of indicators (signals) that may indicate suspicious behavior in the wholesale energy market is not exhaustive.

5.3. Indicators (signals) that may indicate suspicious behavior in the wholesale energy market shall be taken into account when assessing behavior as possible manipulation/attempts to manipulate the wholesale energy market in each specific case.

SECTION VI. INTERACTION BETWEEN UEEX LLC AND THE NATIONAL COMMISSION FOR STATE REGULATION OF ENERGY AND UTILITIES

6.1. If, in the course of the analysis of the market participant's behavior, there are sufficient grounds to believe that such behavior contains signs of suspicious behavior in the wholesale energy market, UEEX LLC shall immediately, but not later than four (4) calendar weeks from the date of suspicious behavior, notify NEURC of suspicious behavior in the wholesale energy market in the form attached as Annex 1 to this Regulation.

If, within the time limits specified in the second paragraph of this clause, UEEX LLC cannot reasonably conclude that the actions of the wholesale energy market participant(s) are suspicious, UEEX LLC shall continue the analysis and notify the Regulator of the postponement of such notification.

The Regulator's notice of postponement shall contain reasonable reasons and explanations for such postponement, which shall be sent by UEEX LLC through a secure digital channel for data exchange with NEURC.

6.2. A notification of possible abuse in the wholesale energy market shall be submitted by UEEX LLC to NEURC through a secure digital channel for data exchange with NEURC, which can be accessed after submitting information to NEURC in the form attached as Annex 2 to this Regulation.

6.3. On reasonable grounds, UEEX LLC shall report suspicious behavior that occurred in the past, indicating the grounds for violation of the terms of such notification.

6.4. UEEX LLC guarantees that the information in the report on possible abuse in the wholesale energy market is based on facts and analysis, taking into account all available information, and UEEX LLC will report any additional information that became known after the notification of the NEURC.

6.5. At the NEURC's request, UEEX LLC shall provide information confirming the compliance and proportionality of mechanisms, measures and procedures for detecting suspicious behavior in the wholesale energy market in relation to the scale, size and nature of UEEX LLC's activities, including information on the level of automation in such systems in the manner and within the time specified in such a request, but not less than within 10 business days from the date of receipt of such a request.

SECTION VII. CONFIDENTIALITY

7.1. In order to preserve the integrity of the information collected by the Market Surveillance Department, access to such information is limited and information and data are treated as confidential.

7.2. The list of confidential information, professional and commercial secrets is determined by internal documents of UEEX LLC. Information used or formed as a result of market surveillance shall be considered confidential information. Confidential information may be transmitted by electronic means, on digital media and/or in paper form. Confidential information shall be transferred from one person to another in the course of official business. The person who received confidential information shall ensure its storage in accordance with the conditions established by the person who provided such information.

7.3. Employees of UEEX LLC, whose duties include monitoring the market, sign an obligation not to disclose trade secrets, professional secrets and confidential information of the Ukrainian Energy Exchange Limited Liability Company.

Any deliberate disclosure of confidential data or sensitive information to which an employee whose job duties include market surveillance has access is a violation that entails liability under the law.

SECTION VIII. INFORMATION SECURITY OF MARKET SURVEILLANCE

8.1. The Information Security Policy of UEEX LLC defines the basic principles of ensuring an appropriate level of information security and the procedure for the functioning of the information security management system in accordance with the law.

The Information Security Policy (hereinafter referred to as the IS Policy) of UEEX LLC is the basis for the general processes of ensuring information security at UEEX LLC and establishes the basic approach to ensuring the security of UEEX LLC's assets: information resources and systems, infrastructure of UEEX LLC, employees, processes, products and services, including ensuring market surveillance to ensure their Confidentiality, Integrity and Availability.

UEEX LLC ensures an appropriate level of information security, namely, the state of the physical, environment and environment of users of information and digital assets of UEEX LLC, which guarantees the confidentiality, availability, integrity of UEEX LLC's information and the observability and controllability of systems/subsystems in which this information circulates.

8.2. The requirements and restrictions of the IS Policy apply to the network infrastructure, databases, storage media, encryption tools, wireless communication tools, telecommunication systems, and any other means used to transmit, process and store information in all hardware, software and other information and digital systems of UEEX LLC.

UEEX LLC: ensures constant monitoring of the effectiveness of the implemented information security measures and security mechanisms in information systems; determines the list of critical business processes, information resources that ensure their functioning, and measures necessary for their proper protection; defines the requirements and security parameters for information systems, business applications implemented at UEEX LLC; ensures an appropriate level of protection for each of the information properties (Integrity, Confidentiality, Availability), in First of all, this applies to “professional secrets”, personal data of clients, “trade secrets” and other confidential information classified in accordance with the established requirements.

Employees of UEEX LLC, whose job duties include monitoring the market, are personally responsible for compliance with the requirements of Ukrainian legislation and internal documents on information security, in particular, for maintaining professional secrecy, personal data of clients and other confidential information of UEEX LLC, and for maintaining an appropriate level of information security in the performance of their duties.

SECTION IX. FINAL PROVISIONS

9.1. In matters not regulated by this Regulation, UEEX LLC shall comply with the legislation on prevention of abuse in the wholesale energy markets, as well as documents and explanations issued by the NEURC.

9.2. Employees of UEEX LLC, within their powers and competence, constantly monitor compliance of UEEX LLC with the requirements of the NEURC established for persons who professionally organize operations with wholesale energy products and monitor the market.

9.3. If there is a risk of non-compliance of UEEX LLC with the NEURC requirements, such employees shall report the identified risk to the Head of UEEX LLC and take measures to eliminate the grounds for the risk of non-compliance within their authority.

Appendix 1

To the Regulation on monitoring the operation

of the wholesale energy products market

by the Ukrainian Energy Exchange

Limited Liability Company

NOTIFICATION

(Application) on possible abuse in the wholesale energy market

№	Data	Information to be filled in	Notices
I. General information			
1.	Applicant category		*The category of the applicant is indicated: Participant of the wholesale energy market;***. An entity who professionally organizes operations with wholesale energy products; National energy authority of a European country; Public authority; Other (please specify)*.*
2.	Name/surname, first name, patronymic of the applicant.		*The name of the company/governmental authority shall be indicated; surname, name, patronymic (for individuals)*
3.	EDRPOU/RNOKPP/ECRB code		*The ECRB code, EDRPOU code or RNOKPP (for an individual) are indicated*
4.	Contact details		*The location address is indicated; e-mail address; phone number*
5.	Authorized person		*Surname, first name, patronymic, and position shall be indicated; telephone number; postal address; document confirming authority*
6.	Circumstances under which the potential abuse became known		*Describes when and under what circumstances the complainant became aware of the possible abuse*
7.	Date and time of notification		*The date and time of notification of suspicious behavior in the wholesale energy market and/or possible abuse in the wholesale energy market shall be indicated*
II. Type of possible abuse			
8.	Type of abuse		*Зазначається вид зловживання: порушення встановлених обмежень щодо використання інсайдерської інформації; нерозкриття або розкриття інсайдерської інформації з порушенням вимог, встановлених для розкриття такої інформації; manipulation and/or attempted manipulation of the wholesale energy market;*

			conducting transactions with wholesale energy products without registration as a participant in the wholesale energy market
9.	Market		*It is indicated in which wholesale market the possible abuse was committed:* *electricity market;* *natural gas market*
10.	Wholesale energy product		*The type of wholesale energy product is indicated:* *contracts for the sale and purchase of electricity or natural gas;* *derivative contracts with electricity or natural gas as the underlying asset;* *contracts for the transmission of electricity or transportation of natural gas, access to capacity/ capacity allocation;* *derivative contracts for the transmission of electricity or natural gas, access to capacity/distribution of power;* *contracts for the supply or distribution of electricity and/or natural gas to end consumers with a total nominal consumption capacity of the consumer's installations, which ensures the technical capacity to consume electricity or gas in the amount of 600 GWh per year and above*
11.	Number of wholesale energy products		*Number of wholesale energy products involved in abuse*
III. Detailed information on possible abuse			
12.	Date (and time) of the alleged abuse		*The date (and time, if possible) when the alleged abuse occurred is indicated*
13.	Name(s) of the wholesale energy market participant(s) and/or other person(s) who committed the alleged abuse		*The name of the wholesale energy market participant that committed the abuse, the code of the wholesale energy market participant shall be indicated; and/or the name of the company shall be indicated in case of operations with wholesale energy products without registration of the wholesale energy market participant; and/or the surname, name, patronymic of the individual who committed the abuse shall be indicated*
14.	Detailed description of possible abuse		*A detailed description of the possible abuse is provided.* *1. In case of market manipulation and/or attempted market manipulation, the detailed type of manipulation/attempted manipulation shall be described (operation(s), application(s), behavior(s)) in accordance with parts two, three of Article 11-2 of the Law of Ukraine "On the Electricity Market" and parts two, three of Article 57-2 of the Law of Ukraine "On the Natural Gas Market".*

			A description of the order/transactions/behavior shall be provided: *wholesale product(s) involved, wholesale energy market segment, product(s) delivery location, product delivery date (start and end, order/transaction time stamps, time period when the potential abuse occurred), load type, contract identifiers, transaction identifiers, other details of transactions/applications (only for a person who professionally organizes transactions with wholesale energy products).* *2. In case of violation of restrictions on handling insider information, the type of restriction violated in accordance with Article 57-1 of the Law of Ukraine "On the Natural Gas Market" and Article 11-1 of the Law of Ukraine "On the Electricity Market" shall be indicated.* *At the same time, it is indicated:* *date of disclosure of insider information;* *content of the insider information, date and time of commencement, date and time of termination;* *content of the disclosed remarks on disclosure of inside information;* *surname, name, patronymic of the person who possessed insider information and in respect of whom a ban on handling it was imposed (indicated in case of violation of the requirements of parts two and three of Article 57-1 of the Law of Ukraine "On the Natural Gas Market" and Article 11-1 of the Law of Ukraine "On the Electricity Market")*
15.	Information on potential affected parties and wholesale energy products and impact on the wholesale market		*The following information shall be provided: about the wholesale energy market participant, market participant/subject whose rights and interests are violated (name, EDRPOU code, location - for a business entity; surname, name, patronymic, date and place of birth, place of residence, citizenship - for an individual); wholesale energy products and market impact*
16.	Impact on other contracting parties		*It indicates which contracting parties of the Energy Community were affected by the possible abuse*
17.	Information on the ongoing investigation		*Information on the investigation related to this violation is indicated*
18.	Additional information on reasons to believe that abuse may have occurred		*Additional information, data, facts that will be relevant to the investigation are indicated*

19.	List of information that is confidential		*It is indicated which of the information provided is confidential and the reasons for classifying it as confidential*
20.	A list of attached applications.		*The list of attachments to the notification shall be specified. The applicant may attach additional files to this notification: doc, docx, xls, xlsx, pdf*

In addition, the notice (application) shall be accompanied by information that, in particular, must contain:

- behavioral analysis;
- electronic table(s) analyzing the relevant transaction(s)/application(s)/behavior;
- copy of correspondence with the wholesale energy market participant or other entities regarding the event;
- any other actions already taken by UEEX LLC;
- assessment of the impact of the event on market prices;
- assessment of the benefits of the potential violation for the market participant;
- country(ies) affected and any related supporting evidence;
- any other information deemed relevant by UEEX LLC.

Appendix 2
to the Regulation on market surveillance
and investigation of abuse
in the wholesale energy market

LIST
of information required to access the secure digital channel for data exchange with the NEURC

Name	Entity registration code (for residents of Ukraine - EDRPOU code)	Responsible person (full name)	e-mail	IP address	IP address type (static/dynamic)	Phone number of the responsible person