



# *Inside information vs. Transparency information*

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- *REMIT framework*
- *Definition of inside information*
- *Transparency information vs. inside information*
- *Disclosure of inside information*

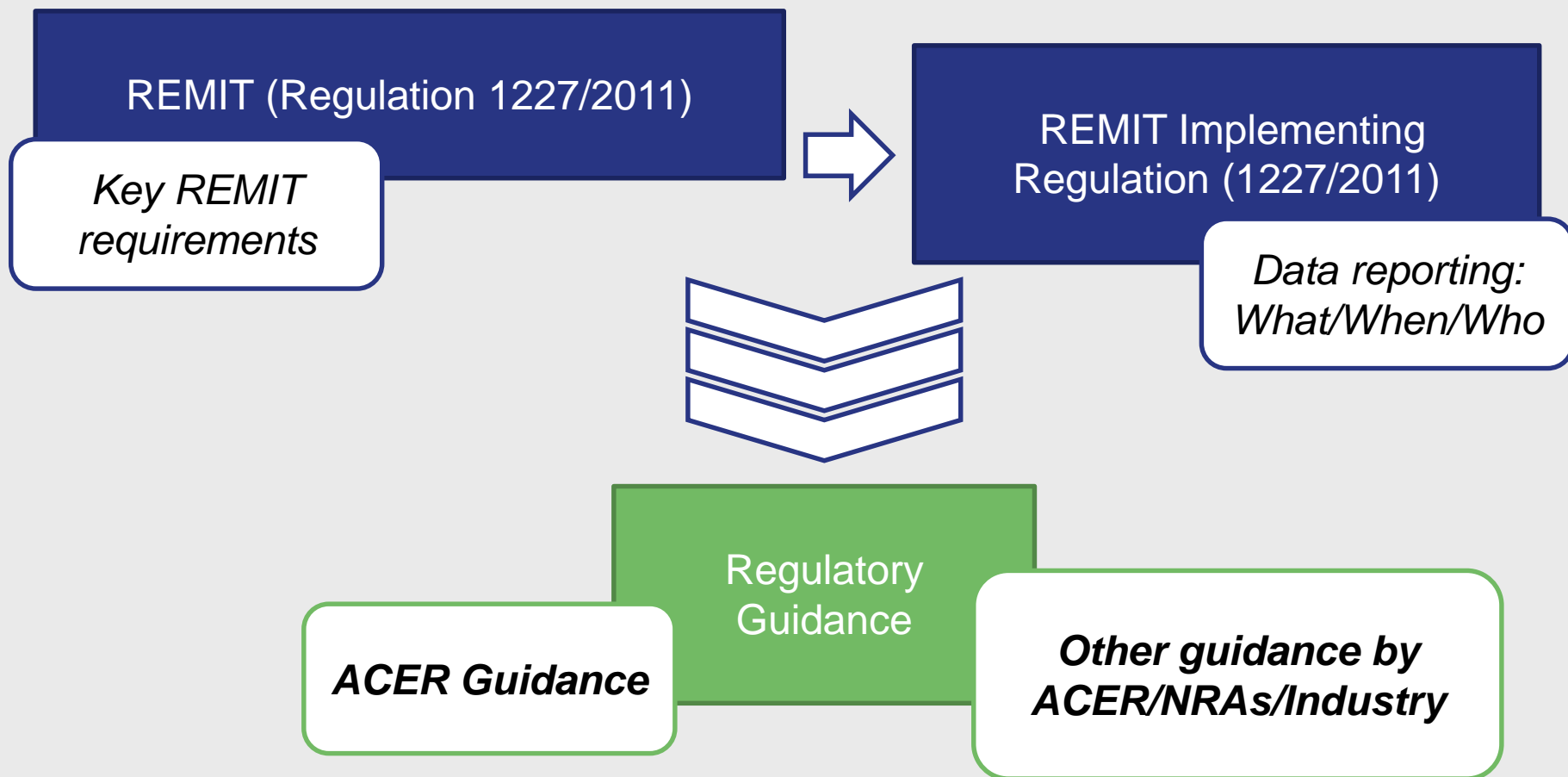
# Un-managed risk!



## Effectively addressing market abuse?

- *Third package does not fully address market abuse and monitoring*
- *In the EU energy market – market abuse is addressed via **REMIT***
- *In the EU financial sector - market abuse is addressed via MAR*

# Framework around REMIT



## Market integrity (5Ps)

**Power** for the NRA

**Providing data** [to ACER] &  
Monitoring

**Prohibition** of market manipulation

**Prohibition** of insider trading

**Publication** of inside information

# REMIT important definitions

## Inside Information

- Precise nature
- Not made public
- Relates to wholesale energy products
- Likely to significantly affect the prices
- Required to be disclosed (3rd package, etc.)
- Capacity and use of facilities for production, storage, transmission of electricity and gas

## Market participants

- Any person, including TSOs, entering into transactions (incl. placing orders) in 'wholesale energy markets':
- Trading companies, producers, shippers, wholesale consumers, final customers, TSOs, storage operators, LNG operators and investment firms
- REMIT registration

## Wholesale energy products

- Contracts for supply of electricity or gas with delivery in EU
- Contracts relating to transport of electricity or gas in EU
- Derivatives relating to electricity or gas produced, traded or delivered
- Derivatives relating to transport of electricity or gas

## Wholesale energy market

- Markets within EU where energy products are traded:
- Balancing market, intra-day and day-ahead market
- Forward markets (contracts)
- Derivatives markets
- Markets for transportation capacities and related derivative markets

# Defining “information”

## Inside Information

- **Precise nature**
- Not made public
- Relates to wholesale energy products
- **Likely to significantly affect the prices**
- Required to be disclosed (3rd package, etc.)
- Capacity and use of facilities for production, storage, transmission of electricity and gas

- Information required to be published under:
  - 3rd package, including guidelines and network codes (as well as Transparency Regulation)
- Information relevant to:
  - the capacity and use of facilities for production, storage, consumption or transmission of electricity or gas
  - including planned/unplanned unavailability of such facilities
- Information required to be disclosed in accordance with legal or regulatory provisions
- **Other information** that a reasonable market participant would be likely to use as part of the basis of its decision to trade

# Defining “information” – other information

## Inside Information

- **Precise nature**
- Not made public
- Relates to wholesale energy products
- **Likely to significantly affect the prices**
- Required to be disclosed (3rd package, etc.)
- Capacity and use of facilities for production, storage, transmission of electricity and gas

- What about market participants’ plans and strategies?
  - ACER’s interpretation in the spirit of recital 12 of REMIT
- Inside Information does not include trading plans and strategies of market participants
  - ACER’s Guidance:
  - “trading plans” - systematic method for evaluating wholesale energy products, determining the amount of risk that is or should be taken, and formulating short and long-term investment objectives. Most plans require the use of various types of technical analysis tools.
  - “trading strategies” - set of objective rules designating the conditions that must be met for trades in their trading activities such as specifications for trade entries, trade filters and triggers, as well as rules for trade exits, money management, timeframes, order types, etc.



# Defining inside information – (grey areas)

## Inside Information

- **Precise nature**
- Not made public
- Relates to wholesale energy products
- **Likely to significantly affect the prices**
- Required to be disclosed (3rd package, etc.)
- Capacity and use of facilities for production, storage, transmission of electricity and gas

- To be classified as inside information, all criteria have to be met
- Grey areas on defining inside information

- **Precise nature**

*If indicates as set of circumstances which exist or may be reasonably expected to come into existence or an event which has occurred*

- **Likelihood** of having **significant** price effect

*If the circumstances on which the info is based would likely have significant impact on prices if it became publicly known*

→ Likelihood is sufficient, no actual price effect is required

# Transparency information vs. inside information

## **Transparency information** (periodic structural data)

- Data that should be published under 3<sup>rd</sup> package and Transparency Regulation 543/2013
  - Such information may constitute inside information
  - Lack of publication makes related data REMIT relevant → insider information to be made public

## **Inside information** (ad-hoc data)

- Goes beyond what is required 3<sup>rd</sup> package and Transparency Regulation
- Information a reasonable market participant would be likely to use as part of the basis of its decision to 'trade' (if likely to have price significance), but not trading strategies; e.g.:
  - Outage of capacity <100MW but with price significance (important for small markets of CPs)
  - Closure of certain nuclear/coal/gas plant, commissioning of a plant, etc.
  - Decisions related to climate change policies, etc.

# Obligation to publish inside information



- Market participants to publish inside information *in an effective and timely manner*
  - Latest 1h after the occurrence, but before any trading activity occurs
- Scope
  - own business, parent/related undertaking
  - information market participant is in control of or responsible
- Content relevant to:
  - the capacity and use of facilities for production, storage, consumption or transmission of electricity or gas
  - including planned/unplanned unavailability of such facilities

## Disclosure of inside information

- Inside information is required to be disclosed
  - as an urgent market message (UMM)
  - at centralized platforms to ensure easier access for users
  - on a non-discriminatory basis and free of charge
  - via an RSS feed specific for the disclosure of inside information,
  - allowing easy and fast access by the public;
  - and be kept available for the public for a period of at least 2 years in the official language(s) and in English or in English only

# Content of urgent market messages

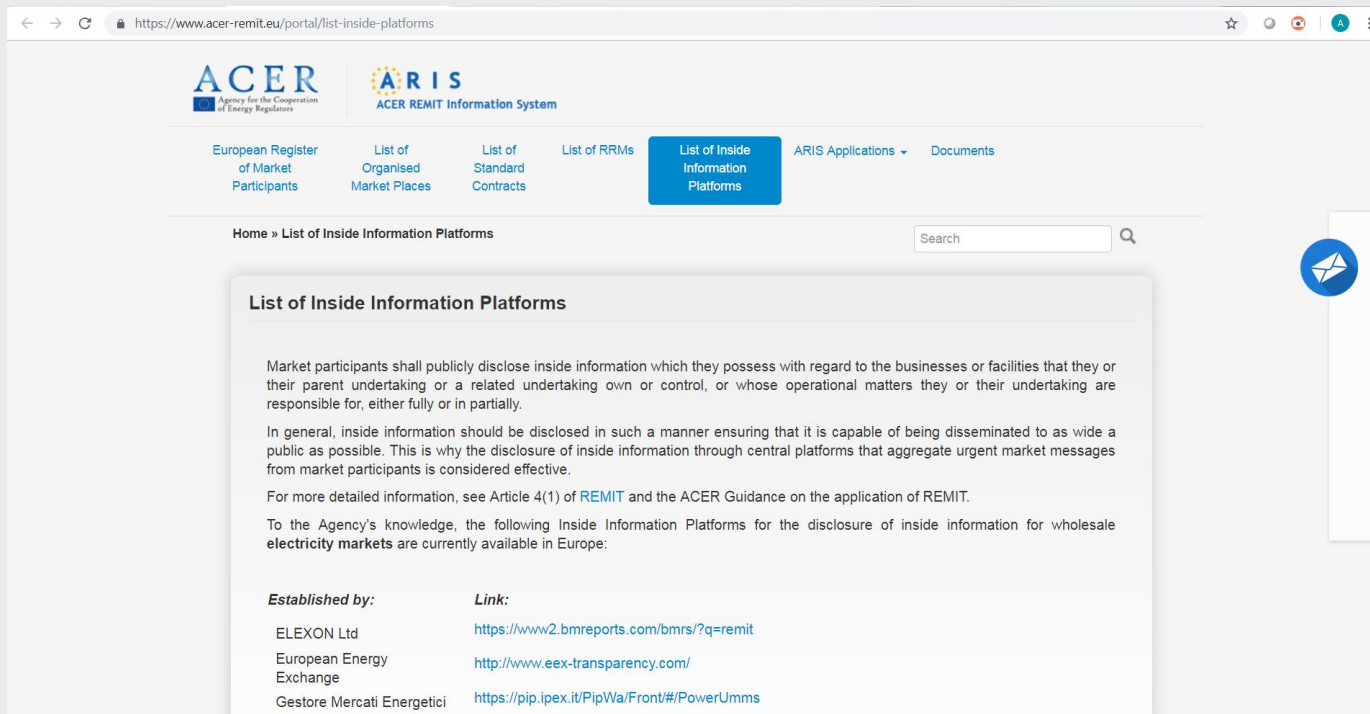
<b>Caption: “Publication according to Article 4(1) of REMIT – Urgent Market Message”</b>
A subject heading that summarises the main content of the publication
The time and date of the publication
The time and date of the relevant incident
If applicable, the name and location of the asset concerned
If applicable, the market area concerned
If applicable, the affected capacity of the asset concerned
If applicable, the available capacity of the asset concerned
If applicable, the fuel concerned
If applicable, the estimated time at which the assets concerned will be partly/or wholly available again
If applicable, the reasons for the unavailability of the asset concerned. If the reason(s) for the unavailability is/are not known, regular updates should be provided until the reason(s) is/are confirmed
If applicable, a history of prior publications regarding the same event, e.g. if a prognosis is updated or an unplanned outage becomes a planned outage
Any other information necessary for the reader to understand the relevant information

## Delays, exemptions...

- In case of potential delays in publication, market participants should inform NRA and ACER
  - Justification of such delay
  - Ensure that it does not mislead the market
  - Still not trade on such info
- “Sensitive critical infrastructure protection related information”
  - May delay publication
  - Still not trade on such info

# Centralized platforms for UMMs

- ACER publishes the list of centralized platforms that publish UMMs
- <https://www.acer-remit.eu/portal/list-inside-platforms>



The screenshot displays the ACER REMIT Information System portal. The header includes the ACER logo and the ARIS (ACER REMIT Information System) logo. A navigation menu contains links to the European Register of Market Participants, List of Organised Market Places, List of Standard Contracts, List of RRM, List of Inside Information Platforms (highlighted), ARIS Applications, and Documents. Below the navigation menu, a search bar is present. The main content area is titled 'List of Inside Information Platforms' and contains the following text:

Market participants shall publicly disclose inside information which they possess with regard to the businesses or facilities that they or their parent undertaking or a related undertaking own or control, or whose operational matters they or their undertaking are responsible for, either fully or in partially.

In general, inside information should be disclosed in such a manner ensuring that it is capable of being disseminated to as wide a public as possible. This is why the disclosure of inside information through central platforms that aggregate urgent market messages from market participants is considered effective.

For more detailed information, see Article 4(1) of REMIT and the ACER Guidance on the application of REMIT.

To the Agency's knowledge, the following Inside Information Platforms for the disclosure of inside information for wholesale electricity markets are currently available in Europe:

Established by:	Link:
ELEXON Ltd	<a href="https://www2.bmreports.com/bmrs/?q=remit">https://www2.bmreports.com/bmrs/?q=remit</a>
European Energy Exchange	<a href="http://www.eex-transparency.com/">http://www.eex-transparency.com/</a>
Gestore Mercati Energetici	<a href="https://pip.ipex.it/PipWa/Front/#/PowerUmm">https://pip.ipex.it/PipWa/Front/#/PowerUmm</a>





*Thank you!*

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