

## Notes from the Public REMIT Workshop – 3<sup>rd</sup> April 2014 – Ljubljana

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ACER<sup>1</sup> held a workshop on April 3<sup>rd</sup> with the following agenda:

- Update on REMIT Implementation
- Update on CEREMP<sup>2</sup> (system for Market Participant registration)
- Requirements for registration of Registered Reporting Mechanisms (RRM) and Regulated Information Services (RIS)
- The ACER Trade Reporting User Manual (TRUM)

The slides from the workshop are all available of the ACER website here:

<http://www.acer.europa.eu/Media/Events/Workshop-on-REMIT-implementation/default.aspx>

Links to each individual presentation are found in the individual sections of these notes.

These notes are broadly split as per the workshop. The notes provide highlights of the presentation and the author's thoughts and general comments and questions that were heard in the room. The author has put a few sentences in bold which he thinks will be of particular interest and some thoughts in italics.

Many questions from the sessions have been noted here although some are omitted. They have been placed in the section deemed to be most relevant which does not always match the session in which they were actually asked.

### Update on REMIT Implementation

[http://www.acer.europa.eu/Media/Events/Workshop-on-REMIT-implementation/Documents/Public%20workshop%20April%202014\\_Status%20update%20on%20REMIT%20implementation.pdf](http://www.acer.europa.eu/Media/Events/Workshop-on-REMIT-implementation/Documents/Public%20workshop%20April%202014_Status%20update%20on%20REMIT%20implementation.pdf)

The workshop was full with a good representation from across the industry, despite the Lufthansa strike. We first heard what was to be the biggest theme of the day that **everything depends on the implementing act**. (*It would be useful if DG Energy arranged another workshop soon on this.*)

That being said, the session opened with an overview of the timeline, which at first sight is unchanged, i.e. that the implementing act is due in Q2, resulting in the first reporting in Q4. **However “Q2” now appears to mean “June” in reality**. We were reminded that the act can be passed independently of the European elections.

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1 Agency for Co-operation of Energy Regulators

2 Central European Register for Market Participants

ACER are developing and intend to make available the following six “level 3” documents around that timeframe:

- 1) Requirements for RRM
- 2) Requirements for RIS
- 3) TRUM
- 4) Procedures and standards for fundamental data
- 5) RRM Technical specs
- 6) RIS Technical specs.

Items 5 and 6 will be confidential and therefore only available after signing an NDA.

Some other documents will also be published, as outlined on slide 7.

We then had a progress update of the IT infrastructure development. The architecture slides are largely unchanged, *except that “RRM compliant market participants” has now been added to the list of contributors.*

We are now in the second development cycle of the data collection system, the “prototype” cycle. This is ongoing.

Some observations were made on the pilot which can be seen on slide 16.

There were two interesting comments to sum up:

- 1) **That ACER has proved that it is able to quickly prepare a solution**
- 2) **That significant effort will be required from market participants.**

#### *Questions and Answers on the general update*

**Q:** Will there in fact be six level 3 documents, and will they all go to consultation? **A:** It is not necessarily the final set, but it is likely to be 6. They will mostly go to public consultation except for the technical specifications.

**Q:** What about the collection of inside information? **A:** It depends on the implementing acts.

**Q:** When will the test system be available? **A:** At least 3 months before go live.

**Q: Will backloading be necessary? A: It is likely to be, going back to when REMIT came into force in December 2011, including orders (this is news, and painful news at that.)**

**Q:** Will the implementing act be early? **A:** Unlikely.

**Q:** What steps will be taken to “preserve Christmas”? (For example if the implementing act is passed on 25th June or 1st July) **A:** It is out of the hands of ACER.

**Q:** For the various issues raised to ACER, it would be nice to have some sort of issue tracking capability. **A:** You can track this through the various documents and their versions.

**Q:** What learnings have there been from EMIR? **A:** (given with a smile) There are many. ACER is in contact with ESMA<sup>3</sup> and the TRs<sup>4</sup> are in the pilot.

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<sup>3</sup> European Securities and Markets Authority

<sup>4</sup> Trade Repositories

## Update on CEREMP (system for Market Participant registration)

[http://www.acer.europa.eu/Media/Events/Workshop-on-REMIT-implementation/Documents/Public%20workshop%20April%202014\\_CEREMP.pdf](http://www.acer.europa.eu/Media/Events/Workshop-on-REMIT-implementation/Documents/Public%20workshop%20April%202014_CEREMP.pdf)

This presentation looked at the CEREMP and is more or less unchanged since the last workshops, which in many ways is a good sign. As before an NRA<sup>5</sup> can use the CEREMP or their own system. The system is expected to be finished in April and will go live at the same time as the implementing act.

The register will be publically available (and will be required for reporting, since some of the data is needed for trade reporting, such as the ID type used by a particular counterparty).

It will be possible to download the register in Excel.

### *Questions and Answers on CEREMP*

**Q:** Which NRAs are not using the CEREMP? **A:** Austria, Italy and Slovenia.

**Q:** If you are not trading standard products can you wait to register until later? **A:** Yes.

**Q:** What is the "Reporting Entity"? **A:** The RRM.

**Q:** What if you trade with a market participants that has not registered? **A:** Report without the ACER code – all other fields are available (*except for the ID type that is being used by the other party*)

**Q:** Is there a fee for registration? **A:** No, **ACER are not permitted to charge fees.**

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<sup>5</sup> National Regulatory Authority

## Requirements and Technical specifications for submission of data

Originally titled “Requirements for registration of Registered Reporting Mechanisms (RRM) and Regulated Information Services (RIS)”

[http://www.acer.europa.eu/Media/Events/Workshop-on-REMIT-implementation/Documents/Public%20workshop%20April%202014\\_Requirements%20for%20submission%20of%20data.pdf](http://www.acer.europa.eu/Media/Events/Workshop-on-REMIT-implementation/Documents/Public%20workshop%20April%202014_Requirements%20for%20submission%20of%20data.pdf)

This session focused on how data will be submitted to ACER as part of trade reporting under REMIT. Since data must be reported either via an RRM or RIS the focus is really on the criteria for RRM to submit such data. RISs were not really covered.

The session opened with a recap on what has been outlined so far, and also the results of the consultation that was conducted last year on the proposed standards for RRM and RISs. The notes from the workshop that was conducted last year can be found here:

<http://www.etr-advisory.com/ETRNotesfromthePublicREMITworkshop25Apr13.pdf>

The feedback is summarised in slide 5, which includes:

- There was pushback on making the technical specifications for data submission confidential (i.e. only available to approved RRM).
- There is a great deal of interest in market participants reporting directly to ACER, i.e. becoming “self-reporting RRM”.
- The requirements for an RRM and RIS should be synchronised.

The feedback led straight on to answers from ACER on slide 8 which includes:

- **The concept of a “self-reporting RRM” appears to now have been embraced by ACER**, and it is likely that a “lighter” set of requirements will be set for such parties (in comparison to third party RRM). However we have yet to see what these requirements are. Note however, that according to the answer to one of the questions, **an “RRM” entity reporting on behalf of another entity in its group may well be considered “third party”**.
- Receipts will be sent by ACER, and Third party RRM will be obligated to send them (however, those who report via third party RRM will not be able to get receipts straight from ACER).

We then learned of the two step process that ACER will use to assess RRM applications, which basically involves them reviewing the application and then testing to make sure they can connect properly.

Technical requirements were summarised as requiring the RRM to be:

- Secure
- Have appropriate backup and contingency facilities
- Appropriate validation and checking available.

Third party RRM also need to send proposed fees for approval and submit evidence that they are within the EU.

In addition, there is to be the ability for ACER to audit an RRM, registration renewal on a biannual basis and record keeping requirements.

### *Questions and Answers on submission of data*

This session saw the bulk of the questions, although many really belonged in the “TRUM” section. Those questions have been moved by the author to that section.

**Q:** How will delegated reporting work (i.e. when a counterparty reports on behalf of both sides of the transaction)? **A:** This is left up to the RRM. (*There did not seem to be a total understanding of how delegation has been handled in EMIR*).

**Q:** To what level is backup/high availability required? **A:** It must just be possible to recover data and do so within a reasonable time frame. “High availability” is not a requirement.

**Q:** Is there a fee for submitting data to ACER? **A:** “Unfortunately not” (!) since ACER are not permitted to charge fees.

**Q: Can one send different parts of the trade lifecycle via different RRMs? A: Yes this is possible and will be permitted.**

**Q:** Who is obliged to send data for trades executed on a venue? **A:** Depends on the implementing act, although ACER would prefer that the market place is obliged to send the data (*note that this would not apply to the whole trade lifecycle, so market participants will still need to send that data to ACER somehow*).

**Q:** How can a market participant reporting via a third party RRM check that ACER have their records? **A:** They must rely on the RRM for this.

## **Trade Reporting User Manual**

[http://www.acer.europa.eu/Media/Events/Workshop-on-REMIT-implementation/Documents/Public%20workshop%20April%202014\\_Requirements%20for%20submission%20of%20data.pdf](http://www.acer.europa.eu/Media/Events/Workshop-on-REMIT-implementation/Documents/Public%20workshop%20April%202014_Requirements%20for%20submission%20of%20data.pdf)

This session was surprisingly short, given that for many it is what the meeting was all about. There were however good reasons for this: 1) A large part of the previous session questions seem to have been targeted at the TRUM, 2) The consultation has only just started, and 3) detailed questions about fields do not belong in such a forum (and those questions have been missed out from these notes).

The session started with an excerpt from REMIT itself. We were then, once again, reminded that the actual format depended on the implementing act.

For now the TRUM covers standard transactions and orders to trade, which will be required in the first instance. Later versions of the TRUM will cover items such as non-standard trades. The first official release will coincide with the implementing act.

### **Compliance officers are required to be familiar with the TRUM and its contents.**

There was then a reminder of the terms of the consultation, and its due date (5<sup>th</sup> May). There will be another open forum, and also roundtables after that. Dates are highlighted in the slides.

### *Questions and Answers on the TRUM*

**Q:** When will the list of standard products be published? Will it be exhaustive? **A:** It will be published with the implementing act.

**Q:** There seem to be deviations between the TRUM and the current draft implementing act. What will be done about that? **A:** This has been noticed and will be addressed.

**Q:** For trades that are under EMIR, **will the extra fields need to be sent? A: not as things stand** although it is subject to the implementing act (*this is a bone of contention. It is hard to see how proper surveillance can be carried out if not all of the required fields are sent*).

**Q:** How does the UTI get defined? **A: No method will be imposed. It will be up to market participants** (*this caused a great deal of grief in the room, since it is the same approach that ESMA took, with the resulting mess in EMIR. Hopefully it will be addressed*).

**Q:** Will ACER be reconciling data sent by each side of the trade (*like with EMIR, one day*)?

**A:** This is still under discussion.

**Q:** There seem to be some differences between the TRUM and EMIR for the same fields. Will this be changed? **A:** Sometimes there is a reason for this but please send comments

**Q:** Some fields that didn't work under EMIR (such as the number of decimal places) have been repeated in the TRUM. Will that be addressed? **A:** Please send comments

## **Concluding Thoughts**

There were a few surprises in the session, in particular the backloading requirement, the lack of UTI definition and some of the hints about the Implementing Act. However none of these are finalised.

ACER deserve credit for their enthusiasm in sharing information and taking input. Unfortunately, the term "it depends on the implementing act" shows the flaw in this process, which is that it is not written by ACER, but rather by DG Energy. Let us hope that they also listen to the market.

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