


ACER

 Agency for the Cooperation
of Energy Regulators

Trade Reporting User Manual (TRUM)

- Public Consultation

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**Roundtable meeting
Ljubljana, May 2014**

- Background
- Scope of the TRUM
- Purpose of the TRUM
- Summary of feedback received
- The way forward

- In accordance with the draft IAs, ACER shall explain the details of the reportable information in a user manual and make it available to the public upon entry into force of the IAs
- On 31 March 2014, ACER launched a public consultation on the *Trade Reporting User Manual* (TRUM) which was open until 5 May
- Consultation focused on the data types to be reported 6 months following the adoption of the IAs
- TRUM will be updated periodically to cover issues that arise over time

Please note that the field guidelines in the draft TRUM were based on the data fields which was expected for the Commission's IAs at the time of the consultation. This may differ from the final version of the IAs.

- Facilitate reporting by explaining the details of the reportable information
- Provide MPs with sufficient guidance to make informed decisions about their transaction reporting obligations
- ACER would expect compliance officers of MPs and third party RRM to ensure that the TRUM is fully understood and the necessary measures are implemented to ensure compliance with reporting obligations

Proper reporting will enable ACER and NRAs to effectively and efficiently monitor trading activities in wholesale energy markets in order to detect and deter market manipulation and insider trading

Summary of feedback received

(37 responses received)

- In general, respondents welcomed the timely consultation and stressed the importance of the TRUM
- Many respondents highlighted that the draft TRUM currently lacks the level of detail required to provide sufficient guidance to MPs
- Acknowledged that the draft TRUM may differ from the final version that will be released upon the entry into force of the IAs
- Any change in the TRUM which arises from the final version of the IAs should be consulted with MPs
- In addition to providing feedback on the specific consultation questions, respondents also provided more general comments and concerns related to the data reporting framework

ACER currently understands that the attached data fields (Annex I of the TRUM Consultation paper) for the reporting of transactions in standardised and non-standardised contracts will be included in the Implementing Acts. Please provide us with your views on the attached data fields.

- General support for the data fields
- Efforts made by ACER and DG ENER to align data reporting under REMIT and EMIR for standard contracts was welcomed
- The attached data fields do not perfectly align with the data fields in the draft IAs – incongruity among these documents may cause confusion among reporting entities

- Detailed feedback on specific data fields:
 - » Trader ID (field No 4) was suggested to be deleted and only provided upon request (consistency with rules on personal data protection raised)
 - » The value of collecting Contract name (field No 27) was questioned as this would be a generic alphanumeric digit without a specific format
 - » Contract duration (field No 53) was considered redundant as this information can be derived from start/end date/time
 - » Information related to Confirmations (fields No 60 and 61) was suggested not to be reported, as there is no provision in REMIT concerning timely confirmation and risk mitigation techniques
 - » A number of fields for standard contracts are redundant if including a field for UPI (assuming that ACER creates a master list of contracts and assign each contract a unique code)
- Majority of respondents did not comment on the data fields for non-standard contracts

Please provide us with your general comments on the purpose and structure of the draft TRUM?

- Clarity on the binding nature of the TRUM and its interpretative weight was requested
- The proposed periodic updates of the TRUM and the new communication channel in the form of REMIT Newsletters was welcomed
- Suggested that a simple, transparent process for management of changes of the TRUM should be established
- Any future additional parts of the TRUM should be consulted with market participants before being officially issued as part of the TRUM

- It was suggested that the following documents should be annexed to the TRUM:
 - » A table with all fields to be reported, including format of the information (alphanumerical, text) and description of each field;
 - » Map of the ACER xml schemas;
 - » Specifications of the acknowledgements files provided to reporting entities;
 - » Examples of how to report certain transactions;
 - » Technical information regarding data integrity and confidentiality, authentication of parties, contact details of the ACER service desk, etc.
- As regards the section on FAQ, it was suggested to adopt a similar structure as adopted by ESMA whereby the changes to the previous version are clearly highlighted (**new** or **modified**)

ACER has currently identified a set of standard formats to be used in the reporting framework (Chapter 5 of the draft TRUM). Do you consider these standard formats relevant? Are there any other standards that ACER should consider?

- The proposed set of standard formats identified by ACER for the reporting framework were considered relevant and sufficient
- Respondents proposed to adhere to the same standards as currently used for EMIR to ensure a level of consistency
- It was recommended to include also the ISDA references prices, and that the link provided for LEIs should be made generic and not reference a DTCC, SWIFT or any other proprietary publication

Please provide us with your views on the field guidelines for the reporting of transactions in standardised supply contracts (Chapter 6 of the draft TRUM).

- Draft TRUM currently lacks sufficient level of detail to provide adequate guidance on how to populate the relevant data fields
- Guidance on order fields should be provided as soon as possible
- Additional guidance requested about which data fields are mandatory to populate and whether they apply for both electricity and gas
- Information on which fields that will be used for matching and validation checks considered useful
- Additional clarification around the meaning of “contract”, “transaction” and “product” requested

Do you agree that for the reporting of energy derivatives, the same standards that apply under EMIR and MiFID should apply under REMIT (Chapter 7 of the draft TRUM)?

- The format in which information is accepted by ACER should be aligned with the format accepted by trade repositories under EMIR
- TRUM should explicitly confirm that MPs should not report transactions under REMIT which have already been reported under EMIR
- One respondent asked whether derivatives that have not been reported under EMIR or MiFID (e.g. where an entity domiciled in the US executes an OTC financial derivative relating to electricity produced, traded or delivered in the Union), should be reported according to the REMIT IAs or to a registered trade repository according to EMIR

ACER intends to include in the TRUM guidance on how trade reports shall be reported for different trading scenarios (Chapter 8 of the draft TRUM). Please provide us with your views on which trading scenarios you would consider useful to cover in the TRUM.

- ACERs intention to provide examples and further guidance on how individual trades should be reported was welcomed
- A wide range of trading scenarios on which the TRUM should provide guidance were suggested
 - » auction trading via organised market place,
 - » orders to trade, in particular voice brokered orders,
 - » automated trading order types, such as “iceberg orders”, “ghost orders” and “pegged orders”,
 - » cross border trades with one end of the trade being outside of the EU,
 - » physical swaps,
 - » spread transactions,
 - » sleeve transactions, etc.

Please provide us with your views on the section in the draft TRUM related to data integrity (Chapter 9 of the draft TRUM).

- Mixed feedback – whilst many argued that the draft TRUM lack sufficient measures to ensure data integrity, others argued that the proposals on data integrity may create unnecessary costs or administrative burdens for MPs
- “RRM Requirements” and “Technical Specifications” are key to ensure data integrity and the documents should be made available as soon as possible
- MPs cannot ensure the accuracy and completeness of the data reported by a third party RRM – fulfillment of RRM requirements should suffice as adequate evidence that the RRM has robust governance and control mechanisms
- Once data has been provided by the MP to the RRM, the MP should be released from any liability with respect to its reporting obligations

- More detailed information on ACER's feedback process requested
 - ACER should align its system for receipts with EMIR, meaning that receipts and error messages are sent to RRM and that the MP can follow the process flow through the interface with the RRM
- TRUM should affirm that OMPs are required to provide the reports submitted to ACER also to MPs in order to allow validation and accuracy checks
- ACER should provide transaction report receipts sooner than T+2
- Specify the level of errors beyond which the MP is obliged to notify ACER
- TRUM should specify what the fallback solution would be in case of failure of the ARIS system and whether an alternative solution for data submission is provided

- Mixed comments on RRM requirements
 - » Majority supported a distinction between “self-reporting RRMs” and “third party RRMs”, while some stressed that no simplified registration procedure should be offered to self-reporting RRMs
- Request for detailed information on how the reporting process will be in case an organised market place does not provide the reporting service
- Robust oversight of the RRMs is needed
- Problematic that MPs already when registering need to state whether a third party RRM is to report on their behalf
- A clear distinction between standard and non-standard contracts was requested
- Clarity requested concerning the level of granularity of the list of standard contracts

- Consultation period: 31 March to 5 May 2014
- ACER intends to continue to involve relevant stakeholders in the preparation of the TRUM
 - » Roundtable meetings are organised for the stakeholder groups of
 - i) Energy exchanges,
 - ii) Third party reporting entities,
 - iii) Associations of market participants
 - » Additional public workshop foreseen in Summer 2014
- First release of the TRUM will be made public upon the entry of the IAs

Questions?

Thank you for your attention!



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