**EFET response to the
Public Consultation on ACER's Trade Reporting User Manual (TRUM)
for trade reporting under REMIT**

EFET Market Supervision Committee   **6th May 2014**

Summary Response:

The European Federation of Energy Traders (EFET)[1] welcomes the consultation on the Trade Reporting User Manual (TRUM), which provides more detailed guidance to market participants on the REMIT reporting requirements and process. However, there are a number of areas, which remain incomplete or inconsistent, and which require further clarification in order to ensure effective and efficient implementation of REMIT reporting.

1. Definition of standardised contracts

The definition of standardised contracts is crucial to ensure the reporting obligation can be fulfilled in an efficient and effective way. It should, therefore, be clarified whether 'standardisation' is referring to standard *contracts* and standard *products*. According to the current TRUM proposal, bilateral contracts with the characteristics of a standard product e.g. same load profile as traded on organised market places, is recognised as a standard contract by ACER. In our view, such bilateral contracts should be recognised as non-standard, as they usually have different payment obligations risk parameters, etc., and could involve less sophisticated counterparts that are unable to meet the D+1 reporting obligation. As such, the detailed definition of standard and non-standard contracts and products should be clarified to reflect this principle both in the TRUM and in the Implementing Acts (IA).

2. Regulated Reporting Mechanism (RRM)

Regarding the general set up for RRMs EFET would welcome two different categories for registration:

A) A market participant that becomes a RRM to report for itself, for its group or its counterparties.
B) RRMs that report on behalf of clients (while not being a counterpart to the transaction).

EFET would like to emphasise that the requirements for companies, which wish to become an RRM in order to report their own transactions, the transactions of their group companies or the transactions of their counterparties they traded with (as the data are already in the own database) should be different (less onerous) from those for companies, which wish to professionally offer such a service to third parties.

3. Transaction reporting via organised market places

In the draft TRUM it is stated that standard transactions concluded on organised market places can only be reported through the organised market places where they have been executed. At the same time, market participants would remain fully responsible for validating the accuracy of the submitted reports.

While we appreciate that there would be an obligation on organised market places to provide a reporting service **with an opt-out right** for market participants, it is important to highlight REMIT explicitly allows for a choice how to discharge the obligation to report transactions. Therefore the TRUM needs to be amended to reflect the flexibility of reporting route prescribed in REMIT.

Furthermore, market participants should have the possibility to utilise existing reporting channels and infrastructure, such as the Trade Repositories (TRs) for reporting under the European Markets Infrastructure Regulation (EMIR), to report to ACER for **all** REMIT transactions, not just those that potentially fall under both EMIR and REMIT. This would provide a viable, cost-effective reporting solution for those market participants who are already reporting EMIR transactions to a TR, and could potentially reduce significantly the number of Registered Reporting Mechanisms (RRMs) reporting into ACER. The IA must clarify that once a transaction has been reported into an EMIR TR (and it has been accepted and validated in accordance with the requirements of REMIT), the legal obligation to report under REMIT is discharged. Since the EMIR TRs are already authorised and supervised by the European Securities and Markets Authority (ESMA), EFET does not expect the TRs to be required to register as RRMs for the purpose of reporting under REMIT.

It is difficult to see how market participants can fulfil the obligation to prove that they have successfully provided their transaction reports via third party RRMs when there is no guidance from the Agency about the validation of transaction reports (e.g. what would be the matching fields).

ACER needs to confirm to market participants (via their chosen RRM, where applicable) that a transaction report has been received, validated and accepted. This must happen on a close to real time basis, so that market participants can take steps to rectify any problems before the D+1 reporting deadline.

The FAQs section of TRUM (Chapter 10, p. 40) states that ACER will not be able to process transactions immediately. Acknowledgement of receipt shall not be available until 23:59:59, two days after the transaction has occurred. This is a fundamental shortcoming in the reporting response flow mechanism, as market participants will only be able to validate the successful reporting of transactions after the reporting obligation timeframe (D+1) has expired. As a consequence, any reporting issue will automatically place the market participant in a position of non-compliance without the ability to take timely corrective and remedial actions.

EFET calls on ACER to review this aspect of TRUM as a matter of urgency and to provide a guarantee to the industry that its reporting infrastructure will be sufficiently robust. It should be noted that EMIR TRs are capable of providing notifications in line with a D+1 reporting obligation.

EFET understands that ACER is due to publish, in the near future, a consultation paper on the technical requirements for becoming an RRM. ACER should also publish technical details on the service that they will be providing as receivers of transaction and fundamental data. The ACER technical standard must be in line with the legal obligations that market participants face under REMIT and must be equivalent to the service offered by EMIR TRs.

Furthermore, the draft TRUM specifies that market participants must inform ACER in the registration form whether or not they wish to rely on third-party RRMs reporting on their behalf, and identify the relevant RRM, including organised market places, also for orders to trade. To be able to identify the RRMs, the points raised in the previous paragraph must be clarified. Additionally, it should be considered that the registration of market participants is required to be concluded within 3 months after the entry into force of the IAs. In view of the uncertainty regarding the reporting process, a possibility to update the RRMs registration information immediately before the start of the reporting obligation should be specified. Also, it should be possible to indicate a change in the RRM at a later stage with a short notice.

4. Validation from ACER of transaction reports and response flows

To ensure a robust data exchange process, we strongly recommend standardised electronic message flows (XML technical standard preferred) to be available to RRMs via an API interface. Furthermore, ACER needs to elaborate on the response flows and levels of checks for validation of transaction reports as explained above.

Furthermore, under the current TRUM proposal a deal life-cycle for standard and non-standard trades is to be reported on the same day, albeit the original non-standard transaction can be reported at a later point in time. This would force market participants to report complex non-standard products in the same timeframes as standard products, since life-cycle events have to be reported the following day. We would welcome clarifying confirmation from ACER that life cycle reporting for non-standard deals only starts after the initial deal has been reported within the given timeframe.

In addition, how would ACER treat the technical reporting of non-standard products and would a "no receipt" be issued for the original transaction after Day 2? Would this break system validations on the priority order by which transactions are processed, as both will have the same UTI at the time of processing?

In any case, to ensure the efficiency of the validation process for the transaction reports, very clear guidance must be provided by ACER for the individual fields. Despite the considerable guidance from ESMA in relation to EMIR reporting, there are still some differences in the interpretations of fields amongst the trade repositories. Considering that the number of RRMs could be very high under REMIT, clear definitions and processes, must be established. They should be available for all fields (including orders to trade) at least six months before the start of the reporting.

5. Central standardised contract lists

There is lack of clarity about the list of standard contracts that will be made available. It is unclear what is meant by contract types and what is the level of granularity of the information that will be published for such contract types. Such elements are essential to ensure that reports are channelled in the correct way.

We understand that ACER will also publish a list of registered products that, according to the FAQ, market participants will need to check before trading can be carried out, whilst the draft IAs require organised market places that admit products to trading to submit a unique identification to ACER before trading can commence. Until ACER updates its standard product list, any contract not appearing on that list should be treated as a non-standard transaction (with the respective reporting obligation applying). There should also be an appropriate transitional period before the standard contract reporting obligation applies (once ACER updates the standardised contract list), so that market participants can set up appropriate IT mechanisms to ensure meeting the more detailed data reporting obligations. ACER needs to have in place a robust governance process for implementing changes to the standard contract list and be aware that any delay will inhibit the market development of new products on organised markets.

According to section 3.2 of TRUM, the Commission will draw up a list of the contracts and derivatives, which are to be reported in accordance with Article 8(1) of the REMIT IAs, and will also establish a list of non-reportable contracts. ACER should clarify the procedure if a market participant holds a contract that does not appear on either of the two lists.

We would also advise that if the Unique Product Identifier (UPI) is required for transaction reporting, the central standardised contract list is mapped to the UPI and that this is included in the reporting/ notification process to market participants.

6. Information requests from NRAs

TRUM should make it clear that there is no obligation for market participants to directly report transactions and orders to National Regulatory Authorities (NRAs) when such information has already been reported to ACER. NRAs should only access such information from the ACER ARIS system. It is imperative that market participants are not required to build additional IT solutions for separate reporting to individual NRAs, as this would add significant IT costs, time, complexity and operational risks. EFET also recommends that ACER should extend the obligation on NRAs to access transactions and orders information within the scope of REMIT directly from ACER to RRMs functionalities as well.

7. List of contracts reportable at request

When ACER requests under Article 4 of the REMIT IAs a list of intra-group transactions, the request needs to be related and limited to an individual case or investigation, and the market participant should be given sufficient time to collect the required information. The mechanism for providing such information and the format of the data must be defined in the TRUM, and they should fall within the existing reporting framework for standard and non-standard contracts.

8. Unique Transaction Identifier

ACER needs to clarify whether the Transaction ID (field 28) is the Unique Transaction Identifier, like in the EMIR reporting field. If this is the case, and to avoid ambiguity, we recommend that ACER should use the same name convention in the TRUM.

Based on the experience with EMIR transaction reporting, we recommend that ACER should provide guidance on the process of Transaction ID generation and dissemination to market participants both for trades undertaken on organised markets and for OTC trades. We would like to advise ACER to consult with the market or to examine existing ways of creating Unique Trade Identifiers (UTIs) and to create one single system with these existing formats that could also be used for EMIR reporting purposes. A completely new system would be burdensome for all market participants, especially if it is not in line with the EMIR processes.

For example, it would not be clear which UTI would take precedence if there is a mismatch. To leave this to the industry to resolve and work through without clearly defined guidelines will lead to a real risk that ACER would receive a majority of unmatched transactions. Resolving mismatches without sufficient regulatory clarity will lead to significant operational risks and additional resource requirements.

Furthermore, in relation to backload, reporting guidance is required from ACER as to how the Transaction ID will be generated and disseminated for transactions executed on organised markets and OTC where this information has not been recorded in the trade capture systems. Again, based on the EMIR experience, ACER must have in place a defined process and IT solution to allow RRMs to undertake Transaction ID modifications and updates. It is an essential requirement to update a Transaction ID to avoid 'erroring' previously submitted transactions and correcting by generating new transactions reports. The latter potentially puts market participants in a non-compliance position.

9. Transaction timestamp and matching fields

Transaction time-stamp (field 24) should not be a matching field, particularly for OTC (bilateral) transactions, as it nearly impossible to guarantee that both market participants will have the correct/ same transaction time-stamp in their trade capture system. More generally, ACER needs to provide guidance to market participants around what fields will be used for matching purposes for the industry to develop efficient reporting solutions.

10. ID of the market participants

We recommend that the LEI should be used as the market participant ID, since if it is available as the *de-facto* standard in the existing infrastructure of EMIR. This will simplify the RRM registration process and will also ensure that there is data consistency when ACER requests data from EMIR TRs or ESMA, avoiding the use of translation tables. If, however, market participants do not have an LEI (e.g. because they do not report under EMIR), they should be permitted to utilise an alternative, standardised entity identifier protocol.

11. Modification and updates to data

The TRUM FAQs (Chapter 10, p. 40) states that modifications to a submitted transaction after a 60-day period will require manual intervention by ACER and a request will need to be made through the data management team. We do not understand the rationale for using a manual process for modifications after a determined period, when ARIS, as a central data repository, if built as a scalable IT solution, should be able to use the existing infrastructure. A manual process would bring unnecessary operational risk to market participants. Thus, we propose that there is no time limit for automated modifications.

Furthermore, there are contracts that run longer than 60 days. If life cycle events occur after more than 60 days it should not be necessary to contact ACER to report them.

Detail Response

1. The Agency currently understands that the attached data fields (see Annex I of the draft TRUM) for the reporting of transactions in standardised and non-standardised contracts will be included in the Commission's implementing acts. Please provide us with your views on the attached data fields.

The draft TRUM provides transaction reporting fields guidelines (Chapter 6) specific only to standard energy contracts, whilst the TRUM consultation paper (Annex 1) and the draft REMIT Implementation Rules (Annex 1) provide data fields for both standard and non-standardised contracts. We recognise that the draft TRUM will be expanded at a later stage to cover the records of non-standardised contracts as well. However, to ensure that the IAs do not contain non-standard transaction reporting requirements that are not deliverable, it is crucial that ACER accelerate their work on clarifying the data fields for non-standard contracts. In this way, changes could be incorporated in the final IA.

Furthermore, to avoid any ambiguity, we recommend that the documentation on transaction reporting data fields and guidelines is aligned across key public documents at all times, namely the draft TRUM, the TRUM consultation papers, and the REMIT Implementation Rules. The TRUM Annex I, which is not populated with the technical standards for trade reports available in the other documents listed above, is an example of such current inconsistencies.

In addition, a robust change control management process should be implemented on transaction reporting data fields. Any changes (addition/ removal of fields) should be communicated to market participants. If the change is deemed significant, it should go through a full consultation process with market participants prior to its implementation. Such changes could significantly impact IT development and operational support costs.

Concerning Tables 1 and 2 in the TRUM consultation paper (Annex 1) listing the data fields for the reporting of standardised and non-standardised contracts, further clarification is required. Beyond the guidelines given in the TRUM on the transaction reporting fields, the following additional information should be provided for each data field in the tables:

- Mandatory field (yes, no, conditional) and whether there are any differences in relation to power and gas;
- Matching field (yes, no, if there is a tolerance level ACER should provide information);
- Validation checks applied at field level (details of validation checks, such as acceptance of blank fields if not applicable, or reporting of NULL values);
- The precision required for the field (decimal places, units of measure, time, etc.);
- Examples and use cases of standard and non-standard transactions to be modelled against the reporting fields taking a selection of power and gas deal types.

For completeness, the TRUM should specify if trades are to be reported as *one line per trade* or *multiple lines per trade* on a delivery/settlement leg basis.

Unlike EMIR, the draft TRUM does not seem to make a distinction between counterparty data and common data. We still expect that not every field needs to match on each opposite side if the counterparties to a trade report separately, because fields such as Buy/Sell indicator (11), Initiator/Aggressor (12), Beneficiary ID (8), etc., will be different for each counterparty and likely to be non-matching fields.

The draft TRUM provides no guidance on how to report trades resulting from novation. We see this as a high area of operational risk for accurate and timely transaction reporting and would recommend that ACER should develop detailed procedures on its treatment. Furthermore, there is no guidance on reporting trades which are either compressed or result from a compression exercise. Although the TRUM FAQs (Chapter 10, p. 39) states that "all life cycle stages of a transaction must be reported", no details of life cycle events are provided. ACER should define what it considers to be a life cycle event and should provide examples.

Article 6(1) of the last version of the draft REMIT Implementing Acts states that standard transactions shall be reported "no later than the working day following the conclusion of the transaction". Does "conclusion" refer to the execution or to the confirmation? If "conclusion" refers to the execution, then each OTC contract will have to be reported at least twice; the first time as new, and the second time as modified, to update the confirmation fields (60 and 61). EFET urges ACER to adopt the same principles as under EMIR reporting.

In any case, we believe that a longer deadline than the "following working day" should be given for reporting of standard transactions executed on a purely bilateral basis. Reporting this kind of transactions cannot be done within the same time-span as transactions reported through organised market places, particularly because of the lead time required for agreeing the Transaction ID / UTI between market participants. Furthermore, smaller or new market participants who may not have a REMIT presence will require some set-up discretion to report via a third party RRM or to report directly. Considering these complexities, we suggest that a longer timing-period for reporting (e.g. at least one week) should be given for these types of contracts. We shall raise this point in relation to the draft IA and urge ACER to take account of it when drafting the next version of TRUM.

A number of the fields for standard contracts would be redundant if a field containing Unique Product Identifiers (UPI) was implemented. UPI's should also be defined for energy products. We believe this was a taxonomy field in one of the initial drafts of the REMIT fields. We request ACER to clarify precisely whether any of the reporting fields in Annex 1 of REMIT implementation rules refers to this taxonomy.

2. **Please provide us with your general comments on the purpose and structure of the draft TRUM, annexed to the consultation paper.**

In general, we consider the purpose and structure of the TRUM to be a good starting point, which however, should be amended/ supplemented further. Since market places are likely to report data on orders, ACER should publish details on this aspect of reporting as soon as possible.

Furthermore, data protection and confidentiality issues are not addressed in the TRUM. The measures proposed referred to the operational reliability of the information through requirements for RRM, but they do not provide clarity on the measures to be adopted by ACER and the competent authorities to ensure the confidentiality and security of the information. Given the level of detail and the granularity of the information to be transferred to ACER and exchanged between ACER and the NRAs, we are highly concerned about the lack of provisions ensuring data security. It is therefore essential that ACER and the NRAs guarantee very high standards of data security and are requested to provide assurances on this point to market participants (e.g. by securing the relevant ISO certifications on data security).

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

We consider the set of standard formats identified by ACER, which shall be used in the reporting framework, as relevant and sufficient. We propose to adhere to the same standards as currently used for any other regulatory reporting, such as EMIR. It is not necessary to consider any other standards.

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

Please find detailed comments on the field guidelines in Annexes 1 and 2.

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

Since the IAs state that reporting derivatives under EMIR is sufficient, no further data fields should be required, as this would amount to double reporting.

We urge for the format in which information is accepted by ACER to be aligned with the format used by Trade Repositories under EMIR to minimise IT costs for market participants.

6. **The Agency intends to include in the TRUM guidance on how trade reports shall be reported for different trading scenarios (see 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.**

We see no benefit and value for ACER to obtain data on trading scenarios from market participants, which goes beyond the requirements of the REMIT legislation. The Agency has not provided any example of trading scenarios for market participants to review. We cannot provide a detailed response without further information, besides questioning the purpose of the requirement.

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

For submitting relevant comments, we must receive the documents quoted in Article 4.2, i.e. ACER Requirements for Registered Reporting Mechanism & Technical Specifications for Registered Reporting Mechanisms.

A clear distinction needs to be made in the registration requirements for RRMs between those providing services to third parties and those established by market participants themselves for the purpose of reporting their own transactions and/or those of companies within their corporate group. For RRMs established by market participants for reporting their own transactions, the only requirement should be approval of the ability to communicate data to ARIS. Such requirements should be subject to consultation as soon as possible, to allow market participants to evaluate carefully all the options available to comply with their respective reporting obligation.

The TRUM should further explicitly indicate that only the reporting entity connected to the ARIS should obtain RRM authorisation, not a holding company, for instance, reporting trades on behalf of its group entities to a third-party service provider, which in turn shall also report

to ACER. In this case, only the third-party service provider should be subject a RRM authorisation. ACER should also maintain and make public a list of approved third-party RRMs.

Annex 1 - Comments on specific data fields for the reporting of standardised transactions

Field 2: Type of code used in field 1 (comment also applies to field 6 and field 9)
For consistency, participants with LEI under EMIR reporting obligations should use the same standard "LEI" code instead of "L" in the reporting transactions under REMIT. It would be helpful if these fields were aligned in order to minimise the number of extra reporting fields under REMIT and to avoid additional IT costs by market participants. Only if no LEI is available, because market participant is not trading EMIR products, alternative codes should be used where these offer a standardised and authorised protocol for identifying entities.

Field 4: Trader ID for the market participant or counterparty
It should be permitted to report more than one Trader ID for one individual, e.g. in case of a multiple deal capture system.

The TRUM proposals states that "the username to be anonymised, but consistently applied across the organised market place". Could you please explain what precisely is meant by this?

Field 5: ID of the other market participant or counterparty
   a) The draft TRUM outlines that the code to be used should be the same as the code that has been registered with ACER during the participant registration process. However, the reporting party cannot ensure that the counterparty has informed them bilaterally about the correct registration code.
   b) It is not clear what a market participant should do if the other counterparty has not registered for an accepted identifying code. Please clarify what actions should be undertaken in this case – could market participants send a 'dummy' ID which can be modified later as a life cycle event?
   c) In relation to the statement that "[I]f the transaction was executed on an energy exchange, this may be the ID of the Clearing House or CCP", it should be noted that for cleared contracts, the other counterparty is usually the Clearing Member, not the Clearing House or CCP (see ESMA Q&A). Why is the clearing member not mentioned?

Field 7: Reporting entity ID
Does this field refer to the identification of a party performing delegated reporting and who is responsible for the correct data identification, e.g. the holding company for all subsidiaries?

Field 8: Beneficiary Identification of the market participant or counterparty referenced in field 1
The notes to field 10 (trading capacity) state that if the trading capacity is P ("Principal"), then the value for Beneficiary is not applicable.
This is not consistent with EMIR reporting, as the ESMA Q&As (TR Question 9) state that if a counterparty is itself the beneficiary to a trade, it should be reported in both the counterparty and beneficiary fields.

Given that these fields are also used in EMIR reporting, the logic for populating them should be aligned to ensure that existing internal reporting systems can also be used for REMIT reporting. Further clarification would be thus welcome about the beneficiary definition.

Field 11: Buy-Sell indicators

In some situations, some contracts can be for both buying and selling of different commodities or same commodity on different delivery point. This situation could be solved if in the next row (contract type) the physical swap contract can be chosen.

Field 12: Initiator/Aggressor

If the reporting obligation for these contract is not on brokers, back-loading of this field is not possible, since market participants do not have this information.

Field 13-22: Orders to Trade

Ideally, orders to trade should be reported directly from the organised market places. For the case were MPs report directly, we would highly appreciate it , if we are given the possibility to comment also on the detailed explanation of the fields for orders to trade. In particular, since market participants sometimes have different data maintenance for orders to trade in comparison to executed transactions, it is vital to assess the possibility of the market participants to generate the respective fields without excessive additional costs.

Field 23: Contract ID

    a) Is this field expected to be populated for OTC transactions? Does the responsibility lie with the brokers to provide?

    b) If a transaction is executed bilaterally, will ACER be proving a list of applicable unique identifiers together with the list of standard contracts?

    c) What do the terms "contract" and "transaction" mean? And in which case is it a UTI? Having said this, what is required then in field 28, or does "contract' mean "product"?

    d) Is this referring to the contract ID held in internal trade capture systems?

    e) Are there any pre-defined market standards and procedures to provide the Contract ID to avoid confusion compared to EMIR?

Field 24: Contract type

Having regard to the focus of the draft TRUM on the reporting of the standard contracts, we would appreciate the exact definitions/ other characteristics of each contract type (to avoid the excessive use of OT= other types).

The distinction among different contract types should be more detailed, e.g. where is the distinction between spot and forward, etc. Are physical swaps included? Otherwise, two market participants can report same contract differently. It is also not clear why this data field is needed after all and how it would prevent market manipulation and abuse (what is its purpose in the REMIT context). If this data field is not relevant, it should be removed to prevent mismatching errors.
At the same time, the information required to be provided in field 23 would be redundant in case ACER provides a list with clearly defined contract/product IDs. In addition, some of the types can be derived from start/end date/time of that transaction, e.g. whether a contract is IND, DAY or FW or whether a contract is SPI or FWI. Thus, we suggest deleting or at least merging the contract types mentioned above.

Field 25: Energy Commodity

To minimise the number of additional fields under REMIT, this field could be aligned with EMIR common data field 46 Commodity Details – with electricity as "EL", and natural gas as "NG".

Field 26: Transaction timestamp

a) Firstly, according to the draft TRUM this field is to represent the date and time of the event, referred to in field Action Type. Does this mean that if a trade is modified then this transaction timestamp field is to be changed, therefore overwriting the original execution timestamp?

   If so, rather than creating a new reportable field for companies to create in their internal systems, we would propose to use the existing EMIR fields of Reporting timestamp and Execution Timestamp.

b) Secondly, the draft TRUM states that this field also has to be reported in milliseconds. This is not consistent with the trade reporting under EMIR which is to seconds only. Keeping as seconds would also align the format with that of REMIT fields 51, 52 and 60.

c) For non-platform transactions a detailed transaction timestamp is not available and it should be sufficient to use the trade date.

d) In our opinion this should not be a matching field particularly for OTC (bilateral) transactions as it cannot be guaranteed that both market participants will have the correct transaction timestamp

Field 27: Contract name
We assume that this can be left blank in case the trade is not executed on an organised market place.

It is not clear what this field adds that is not provided in field 23. Contract ID.

Field 28: Transaction ID
Does this field refer to UTI as per EMIR? If so could the Agency ensure that the same name convention is used? Furthermore, the draft TRUM should clarify whether this field is to be populated in the same way as the UTI under EMIR reporting.

What is the process for Transaction ID modifications and updates, based on the EMIR experience? Is it an essential requirement to update a Transaction ID?

For fields 23, 28 and 29, could you provide a worked out example illustrating which ID's are used in a chain of transactions? Currently we do not understand all of these ID's.

If counterparties are expected to report a unique transaction ID, then there must exist a framework to generate such IDs so that they are unique.

Based on the experience with EMIR transaction reporting, we strongly advise ACER to provide guidance on the process of how the Transaction ID is generated and disseminated to market participants for trades undertaken on organised markets and OTC. Which one takes precedent if there is a mismatch?

Furthermore for back-load reporting, more guidance is required from ACER on how this will be generated and disseminated for transactions executed on organised markets and OTC where this information has not been recorded in the IT systems.

Field 29: Linked transaction ID
The draft TRUM should provide some trading examples of when this field would be required to be populated. Please confirm that this field must not be populated if not both trades are executed on a trading venue.

Field 30: Linked order ID
The draft TRUM makes reference to field 19 within the notes to this field – we assume that should be referring to field 13. Order ID.

It is not reasonable to expect counterparties to be able to capture individual order IDs (which are being reported by organised market places) and link applicable order IDs to executed transactions. Only broker or the trading venues could be able to link this. Thus, this field is not applicable when standard contracts are executed bilaterally where no order phase exists.

In addition, compared with transactions, orders tend to have their own nature, and are often negotiated several times before they materialise into a transaction. Orders could even be split into two or more actual transactions.

Field 31: Transaction reference number
The draft Implementing Acts use the same field explanation as in EMIR; however under EMIR this field is now only applicable to exchange-traded derivatives. Clarity with regard to the trading scenarios under which this field would be expected to be populated under REMIT would be appreciated.

What is the difference between Transaction reference number (Standard contract, Field No. 31) and Contract ID (Standard contract, Field No. 23)?

Field 32: Organised market place identification/OTC
This field has been largely aligned with the EMIR common data field Venue of execution. However, the draft TRUM introduces a new code of "OTC" for over-the-counter trades, whereas EMIR uses the code "XXXX".

Having different codes for different European reporting regimes (for basically the same field) increases the complexity and cost of internal reporting systems.

Field 33: Voice-brokered
If the reporting obligation for these contracts is not on brokers, back-loading might be problematic or even impossible, since market participants usually have not collected this information in the past.

Field 34: Price
   a) In case of options, should the premium be entered in this field? If so, would the total premium amount to a premium rate per commodity unit?
   b) The draft TRUM uses the format "53,45" as an example of the price to be reported. We assume that "53.45" is also acceptable?
   c) Should this be omitted for index priced deals?

Field 35: Fixing Index
Is this a free text field? If so, it will most likely not match between the two parties to the trade. If not, will there be a list of indexes? How will this work for constructed indexes (or does that fall under non-standard reporting)?

Field 36: Index value
   a) The draft TRUM should clarify whether populating this field means that field 34 can be reported blank.

b) Additionally, is this the price of the fixing index at transaction execution or does a new value need to be reported each day? What single value is required here? There are multiple points on a forward curve and those values will change every day. We thus suggest removing this field.

<u>Field 38: Notional amount and Field 40: Quantity and Field 41: Total notional contract quantity</u>
Field 38 "notional amount": it is not clear what is meant here. The description can be misunderstood with valuation of the contract, which should not to be reported. We would like ACER to clarify/confirm this.

The draft TRUM should include some transaction examples to illustrate the difference between all of these fields – particularly fields 40 and 41.

<u>Field 40: Quantity</u>
It is not always clear how to report in this case. For example, if a market participant has 20 contracts of 10 MWh, is "10" the correct number for field 40?

<u>Field 41: Total Notional Contract Quantity</u>
This field does not make sense, when you already report field 38 "Notional amount" and field 40 "Quantity".

If a market participant has 20 contracts of 10 MWh, would then 200 be the correct number for field 41, or does this mean that if a market participant has one contract of 10 MWh for an entire day the 10 MWh would have to be multiplied by the 24 hours of the day, in which case the correct number for the field 41 would be 240?

Please provide a clear definition of "contract".

<u>Field 42: Quantity unit</u>
As this field is a text format, it would be helpful if the TRUM included a pre-defined list of accepted values in order to avoid some counterparties reporting different values for the same unit (e.g. MW, MWH, MW/H, etc.).

If this is why the draft TRUM (page 13) mentions the UN/ECE recommendation 20 for measurement units than this should be referenced in the text under this field.

Additionally, it would be helpful if the TRUM outlined which quantity units to report for different contracts to avoid one counterparty reporting in, for example, "therms" and the other counterparty reporting in "ktherms".

<u>Field 43: Settlement period</u>
Considering that products under EMIR are to be excluded from reporting under REMIT, cash settled transactions are not in the scope of the REMIT transaction reporting.
<u>Physically settled contracts, that should be classified as such, will in some instances have an element of cash settlement in the case of bankruptcy of one of the counterparties. It should be acceptable to classify such contract as "P for physically settled".</u>

<u>Field 44: Maturity date</u>
Does expiry relate to delivery or settlement?

If delivery, is this field expected to be different than field 52 <u>"Delivery end date and time"</u> (excluding the timestamp)?

If settlement, then we would suggest that this field be re-named to "Settlement date" to be consistent with EMIR reporting.

Field 48: Option exercise date
The examples shown in the draft TRUM should be revised, as they are in the format dd/mm/yyyy and not UTC date format yyyy-mm-dd.

Field 49: Option Strike price
The reference to field number 25 is probably a mistake?

Field 53: Duration
This is redundant information, which can be derived from start/end date/time. We suggest removing this field. Otherwise please provide better guidance on how to populate this field.

If this field is to be completed, then the granularity should be extended by quarter-hour (QH), as this is the smallest time-period for transactions.

Field 55: Days of the week
Would the code all days "AD" be applicable to a three-day gas trade which delivers over the days Friday, Saturday, and Sunday?

Products may differ in national holidays delivery in different countries. As such, a standard EU calendar should be used for REMIT reporting.

Field 56: Load delivery intervals
The draft TRUM outlines that this field be reported in "ISO 8601 date format". However, this is not what is shown in the examples provided.

We suggest that the TRUM outlines how the reporting of multiple delivery intervals can be achieved in the same field, e.g. separated by semicolons.

This seems to apply to non-standard (profiled) contracts. If so, we would expect the intervals to be specified by date and time, instead of just by time.

Field 57: Delivery capacity
It would be useful if the TRUM outlined how this field is different to fields 40. Quantity and to field 41. Total notional contract quantity.

Field 58: Quantity unit used in field no 57

There seems to be an overlap between this field and field no. 42. One solution could be that field no. 58 should be filled in only if the unit is different from the quantity unit in field no. 42.

Field 59: Price/time interval quantity
The TRUM should outline whether this field can be reported blank for non-block hour trades. Also, would this field have to be reported if the price is constant for the same block hours for each day of delivery? It is more logical to provide the price per quantity unit per delivery time interval.

Field 60: Confirmation Timestamp

As REMIT does not include risk mitigation techniques like EMIR, market participants are not obliged to confirm the transactions. It is market practise to do so for trading on platforms only in case of electronic confirmations when an identical timestamp is available. Thus, this

information is not available for non-standard physical contracts. In any case, we do not see the value of monitoring confirmation timestamp.

Field 61: Confirmation Means

The definition/requirements of the field remain unclear. The status depends heavily on the time of reporting and may force parties to report twice. Parties have to set up extensive processes to track confirmation statuses and re-report after any change. As an alternative, the expected kind of confirmation (eCM or paper) could be reported as this would make for a nearly 100% match with the actual confirmation, but would bring implementation efforts and reporting traffic down. What is the meaning of implicit?

Field 62: Action Type

A clear definition of post-trade events should be provided.

It is also important to confirm that there are no reporting obligations for changes in trade valuation. Market participants should not be subjected to reporting valuation changes, as events which appear very onerous and would create deal life cycle events each day, e.g. for indexed based deals.

Annex 2 - Comments on specific data fields for the reporting of non-standardised transactions

We observe that this table is very different from the Commission's first draft released last December and welcome the decision to favour a qualitative over a quantitative data approach. However, we would like to raise some concerns.

First, there is still lack of clarity with regard to the notions of "transactions" and "contracts". While the table systematically refers to "details of contracts", we believe that this wording should be consistently used throughout the document.

Given the diversity and the complexity of such non-standardised contracts, we would like ACER to specify which fields are required on a compulsory basis and which firlds are not. Indeed, a "one-size-fits-all" table is not realistic for the non-standardised world. Therefore, a workable and pragmatic solution is needed.

Besides a number of comments which are valid for both non-standardised contracts and standardised contracts (e.g. identification counterparties, etc.), we have the following specific comments:

Field 17: Estimated Notional Amount

We welcome the qualitative aspect of this field. However, does this value correspond to the total or the remaining value of the contract? More clarification would be useful.

Field 27: Price Formula

This should be removed as a reporting requirement. Complex formulas cannot be standardised in the reporting field. Besides being burdensome in terms of standardisation of the reporting process, it does not add useful information for monitoring purposes. We recall that contracts will always remain available upon demand in the event of an investigation.

Field 31 &32: First and Last fixing date

What is a fixing date for a non-standard physical contract? Does this refer to the days that set the price of the contract?

Field 20: Total Notional Contract Quantity

We welcome the qualitative aspect of this field. However, as previously mentioned, more clarity may be useful.

What happens with non-standard contract in which it is very difficult to calculate a figure (for example, when this contracts are linked to optionality)? What happens when two counterparties are reporting different quantities?