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**Response to the second REMIT consultation on the draft Trade Reporting
User Manual (TRUM)**

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Introduction

This document provides the thoughts and recommendations of ETR Advisory as part of the process of the second consultation for the Trade Reporting User Manual to be used for REMIT. The comments are non-exhaustive and reflect our key thoughts having read the provided documentation.

Our response to the first consultation on the TRUM contains many of our comments on the trade fields, many of which we are pleased to see have been considered in this draft. Therefore only new comments have been added here.

Where an answer to a question is given, it is contained in a paragraph which has the same number as the question in the consultation.

1. Document objectives

We feel that the objectives of the document suit its purpose well. The document is intended for use by RRMs, but will no doubt also be used by Market Participants who will report via RRMs. We feel that the document will be of benefit to those in the second category just as much as the first. We particularly welcome the long list of examples, which are likely to reduce confusion about the data that belongs in each field. Clearly though, such a list can never be completely exhaustive, and updates will be required at regular intervals.

2. Content of the draft

In general the direction in which the draft TRUM is moving should place it well to support reporting of data for the first phase of REMIT reporting. There is still work to do but the structure would appear to have all of the relevant information. A comprehensive list of all contracts and trade types on Organised Market Places (OMP) will need to be completed before final publication.

The “scope” section does mention that the TRUM is not intended to be comprehensive. In our view it will in fact need to be “almost” comprehensive to be of value.

It would be advisable if section 3.1.3 mentions that trades reported under EMIR do not need to be reported under REMIT should that be the case in the final version of the Implementing Act (although this is stated clearly later in section 3.2.3).

Further clarity should be provided in the underlined sentence of section 3.2.4 which states that trades executed outside an OMP are the only ones to be reported by a Market Participant. The Implementing Act makes the reporting of trades executed on an OMP optional, and in any case modifications and cancellations of some OMP executed trades will need to be reported. Therefore this needs to be further explained.

3. List of standard contracts

While the list of contracts does enable participants to determine in a trade is to be reported using Table 1, it should be made clear that contracts with outright volume or price (as mentioned in Article 5 of the draft Implementing Act) should anyway be reported using Table 1.

In terms of a separate list of Organised Markets, while this would be useful, we do not consider it to be essential.

4. Product definitions

The structure for defining products, contracts, trades etc. is clear. It would be useful for the TRUM to be more specific about how this applies to financial trades.

5. Comments of the standard trade fields

We have already provided comments on most of these fields in our response to the first consultation. We are pleased to see that many of our recommendations in that response have been adopted in this version of the TRUM.

Comments on the current version are as follows:

Field Number	Description	ETR Comment
8	Beneficiary ID	Some cleaning up is required on how to handle situations where the Beneficiary is not known. There are many possible scenarios.
25	Contract Name	This would appear to be unnecessary to report since it can be looked up centrally for OMP based trades.
26	Contract Trading Hours	This would appear to be unnecessary to report since it can be looked up centrally for OMP based trades.
30	Organised Market Place identification/ID	Under EMIR OTC products are denoted by an "XXXX" code rather than "XBIL". Although we understand that the meanings are slightly different we never the less think that the same labels should be used.
33	Fixing Index	There is still a lack of standardisation in this field that should be addressed.
36	Notional Amount	The calculation guidance here is useful to the reader. It is recommended that it be explicitly stated that updates to the Notional are not required over the trade lifecycle.
43	Termination Date	The fields may be used for trades executed on a broker platform as well as bilateral ones.

6. Examples in annex III

This list is a useful list. No doubt other examples will be added over time, as suggested by OMPs.

7. Additional examples

We will send these, if appropriate, at a later date.

8. Non-standard trades – table 2

We have already provided comments on most of these fields in our response to the first consultation. We are pleased to see that many of our recommendations in that response have been adopted in this version of the TRUM.

Here we have only commented where our thoughts are different to those for standard trades:

Field Number	Description	ETR Comment
7	Beneficiary ID	The description appears to be tailored to standard trades, rather than off venue ones.
25	Volume Optionality Intervals	The description would appear to be referencing something else.
26	Volume Optionality Capacity	The description would appear to be referencing something else.
28	Price or Price Formula	More guidance required on how formulae are to be represented.
29	Fixing Index	More standardisation is required here.
32,33,38,39	Various Dates	We assume there is an error in the date format.
41	Option Strike Index	More standardisation is required here.
45	Action Type	The section heading appears to be incorrect.

There would appear to be no UTI field listed here.

9. Non Standard Trade Examples

As many examples as possible are useful here, although an exhaustive list is clearly not feasible. Scenarios will be supplied at a later date.

14. Reporting of derivatives contracts by OMPs

If the tables are made suitable for the reporting of derivatives, there is no reason why these formats should not be used by OMPs, given that they are specifically designed for energy, in contrast to EMIR.

15. Suitability of tables for derivative reporting

There are certain fields missing from the tables if they are to be used as a substitute for reporting under EMIR. These fields include:

- Clearing Information
- Information regarding whether a trade is a hedge
- Action types such as “compression”.

In general, it is only reasonable for such reporting to be a substitute for EMIR reporting if all of the appropriate EMIR fields are included.

Concluding thoughts

The TRUM is evolving into a comprehensive reporting guide, and the form it is taking will reduce any possible confusion that Market Participants may have in understanding what to report. So long as ACER continue to take input as they have until now, the TRUM will, in our opinion, be a very useful document.

Readers wishing to discuss the above issues further are welcome to contact the author of this document, [REDACTED].

About ETR Advisory

ETR (Energy Trading Regulation) Advisory Ltd is a specialised, expert resource which explains and helps implement the complex labyrinth of European Energy and Commodity Market Regulations. ETR run the web site www.energytradingregulation.com which provides updates on the state of energy regulation in Europe.

Since our founding in April 2013 we have helped several Market Participants to comply with various regulations that apply to the energy and commodities markets. We have also helped several technology companies and platforms to comply and provided training to the market.

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