

ACER

Consultation on functioning and usefulness of the European Register of Market Participants

PC_2016_R_01

Anigas and Assogas comments

Milano, 22nd April 2016

Anigas and Assogas welcome the consultation on the functioning and usefulness of the European Register of Market Participants and take the chance to submit some comments to improve the REMIT framework, stressing the **need for limiting the administrative burden on market participants**.

CONSULTATION QUESTIONS

Q1 Regarding **fields 112** and **316** (VAT number), we agree with the proposed changes:

- i) to add an additional checkbox labelled “I do not have a VAT number” and
- ii) to adopt a more flexible format for fields 112 and 316 for non-EU market participants

Q2 Regarding the reformulation of **field 113** (Energy Identification Code ‘EIC’) of the registration format for market participants:

a) we do not agree with the introduction as mandatory fields of all EIC codes related to the same market participant because i) market participants do not necessarily possess the whole "range" of EIC codes and ii) EIC codes may be updated over time. We highlight that this approach (mandatory fields of all EIC codes) could imply a relevant administrative burden, with limited benefits for monitoring purposes.

Only the EIC X code could be introduced as mandatory field since it is the code most widely used by market participant and the most relevant for identification of market participants for the reporting purposes.

Moreover, ACER could have these information from the LIO and the CIO database, in a more efficient way. Anyway, an automatic upload functionality could be provided in order to load the codes.

Q3 Regarding the **field 116** (Global Location Number of the market participant – ‘GS1’ in the coding scheme), we agree with its removal provided that the reporting schemes are modified accordingly.

Q5 Regarding the provision to add the ‘**Trader IDs**’ field to the European Register as part of the market participant’s registration information, we do not agree with it since

- Trader IDs are already included in the transaction reports and its introduction into the European Register will not bring added value;
- the proposal will produce a double reporting and would be very onerous for market participant;
- companies may have a lot of different Traders ID, while the registration system proved to be slow and not flexible to the introduction of changes (that should always be approved by National Regulatory Authorities);
- Trader ID is not a static data and may be subject to frequent changes: keeping this field continuously updated would create high operational costs.

Q6 Regarding **field 120** (Publication Inside Information), we agree that it should be redefined so that it is clear that the URL of the exact address of inside information platform should be mentioned.

We are in favor of creating an additional new field indicating the URL of wed-feeds.

Q7 Regarding **field 121** (‘ACER code’), we agree with the proposal to add two new fields to the Registration Format (one indicating previously used ACER codes; another identifying the relationship with the previous codes), taking into consideration the need to ensure the traceability of relevant changes in the registration records.

Q8 Regarding the provision that every market participant registered indicates information about all companies belonging to the same group in **Section 4 - Corporate Structure** (including company(ies) that are not market participant), we do not agree with it as this would increase administrative burden on market participants, without relevant benefits for the system in terms of transparency.

For big groups with hundreds of relations, uploading all these information would be very complex, burdensome and operationally not manageable.

In particular we point out that the “percentage of ownership” could change over time and therefore it would require a continuous update, increasing the administrative burden.

We suggest that such information would be made available upon request in case of suspected breach of the REMIT (market manipulation or market abuse).

ACER could already obtain information about sister companies directly from EREMP database.

We take the chance to highlight that the Section 4 should be reformed. The lack of clarity and a “non user-friendly” system have created a lot of operational difficulties to market operators. In large business groups the corporate relationship allocation process is very difficult. The relationships are discharged one by one and are subject to NRA’s verification. As a result, the user mode is blocked for quite a long time.

In order to increase the efficiency, a system of “alerts” could be introduced in order to communicate in a timely manner to market participants every change brought to their corporate structure: in this way, also if the info is not already present in the National Register, every market participant has a clear view on its Group records (and does not need to regularly check the European Register to ascertain possible relevant changes).

Moreover, in order to simplify the process, we propose that only the ultimate parent company and not all the relationships between all the Companies should be indicated in the Register. In this way, ACER will be able to understand independently and easily all the companies belonging to the same Group.

In case the current process is confirmed, we suggest at least to introduce the possibility to delegate all the process of registration in a way that only one company in the Group is in charge of ensuring the upload of section 4.

Q9 Regarding **Section 3 to 5**, we think that would be reasonable to add non-mandatory free text fields.

Q11 Anigas and Assogas highlight as follows:

- requirements and criteria should be as uniform as possible among Member States as many national requirements can create obstacles;
- the need for reducing the reporting administrative burden on market participant. We observe several inconsistencies and burdensome requirements for reporting with no benefits, if not to satisfy a requirement included “in the Law”.

For energy trading there are reporting obligations covering areas of trades (sales/buys), logistic (flows, nominations, transportation), financial results (P&L and balance sheet) very different from each other in every EU country where market operators are active. In addition some specific national reporting requirements may apply in relation to specific service obligations e.g. gas storage.

Also, we think that reports for pure statistical purposes (at national and European level) and very differentiated across countries is only a burden with no benefits.

In our opinion the obligations in gas and electricity markets concerning trades (sales/buys) and flows (nominations, capacity, etc.) have been already streamlined through the REMIT Regulation. Every single transaction in gas and electricity wholesale energy product is reported to ACER for monitoring purposes and national authorities have access to the data. However national authorities/ministries still require national reports in addition to the data provided to European institutions.

We think that ACER could then provide national Authorities/Ministries and the European Commission with all this information.