

REMIT Quarterly

ACER guidance on the application of REMIT and transaction reporting

Issue No. 25 /Q2 2021

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ACER's work and progress on data quality

As part of its data quality framework, the European Union Agency for the Cooperation of Energy Regulators (ACER) continuously assesses the completeness, accuracy and timeliness of the data received under Regulation (EU) No 1227/2011 on wholesale energy market integrity and transparency (REMIT) and Commission Implementing Regulation (EU) No 1348/2014 on data reporting under REMIT (REMIT Implementing Regulation).

Ensuring a sufficient level of data quality allows ACER to perform its surveillance activities by implementing an automatic screening process for transactions of energy products traded on European wholesale markets.

The ongoing data quality assessments reveal that the data quality of transactions reported under REMIT is improving, however, continuous efforts are required to improve the quality further.

In 2020, ACER and national regulatory authorities (NRAs) agreed that ACER would focus more on horizontal data analysis and the analysis of specific market segments, while the NRAs would focus on vertical analysis, in particular the data sets they know best, such as relevant organised market places (OMPs) and national bilateral trading.

In 2021, ACER and NRAs have further strengthened their collaboration by deciding to cooperate on dedicated projects

targeting particular market segments and data types. The project teams established under the Market Data Standing Committee are composed of dedicated ACER and NRA staff members. The teams analyse REMIT data, produce reports, and support ACER in collaborating with the reporting parties.



REMINDER

ACER Energy Market Integrity and Transparency Forum 2021

ACER's Energy Market Integrity and Transparency Forum will take place on 25 October as a virtual meeting.

Additional information will be published on the ACER website soon.

Currently, there are four ongoing dedicated data quality assurance projects:

- **Market coupling:** In order to ensure that data related to single intraday and day-ahead electricity markets is complete and consistent, ACER has regular discussions with reporting parties on how to achieve full compliance with data reporting requirements and thus allow ACER and NRAs to surveil the two very important segments of the EU wholesale energy market in an effective way.
- **Data quality performance indicators:** Special indicators are being developed to allow ACER and NRAs to identify data quality issues and track progress by applying algorithms. This is in line with ACER's strategy to apply
- **Gas transportation:** Analysis of gas transportation records of transactions (Table 4) and improvement of accuracy and consistency. After closely collaborating with gas transmission system operators (TSOs), ACER will include the outcomes of this project in a dedicated future public consultation intended to further improve the Transaction Reporting User Manual (TRUM) and thereby facilitate reporting.
- **Broker market segment:** Horizontal analysis of the complete broker market segment in terms of completeness, accuracy, consistency, and timeliness of reporting. The work includes both commodities, electricity and gas.

Broker market segment: preliminary findings and next steps

The broker segment covers all records of transactions, including orders to trade, which are placed on broker platforms or voice-brokered, where the term 'records' includes newly placed orders, resulting trades, and lifecycle events.

Besides the quality of the reporting of individual fields, ACER's analysis of the broker market segment also covered the coherence of information and whether the information properly reflects what is happening on the market.

The analysis revealed a great plurality of reporting styles, even though the majority of the analysed data was reported through a small number of registered reporting mechanisms (RRMs). This indicates that the reporting style greatly depends on the broker platforms and/or market participants that are finally responsible for transaction reporting under REMIT.

Some of the more prominent findings indicating potential data quality issues are:

- Completeness of order records
- Completeness in the sense of buy vs. sell side reporting of trade records
- Accuracy of reported data fields and compliance with the TRUM
- Reporting of lifecycle events for both orders and trades
- Missing links between orders and trades
- Inconsistent and inaccurate spread contract reporting

While working on clarifying these observations, as well as on identifying and rectifying incorrect and inconsistent reporting, ACER may contact specific organised market places and registered reporting mechanisms. Similarly, NRAs may contact specific market participants. The collaboration with reporting parties has so far proved to be fruitful, resulting in improved reporting as well as increased awareness of the importance of data quality. By way of follow-up, ACER may also publish or update relevant transaction reporting guidance (TRUM) to facilitate reporting and a high level of data quality.

ACER also intends to publish the 5th edition of the Open letter on data quality in the second half of 2021. This edition will describe the recent findings and summarise the key areas for improvement, as revealed by the recent data quality assessments. It should be noted that, in the coming months, ACER will already begin paying special attention to the reporting of broker market segment records of transactions in order to ensure that the additional detailed guidance provided in the newest edition of TRUM is properly applied.

List of OMPs: definition of an organised market place, ACER's role, and management of the list

Which venues qualify as an organised market place (OMP)?

According to the REMIT legal framework and in particular Article 2(4) of Commission Implementing Regulation (EU) No 1348/2014 on data reporting (REMIT Implementing Regulation), 'organised market place' or 'organised market' means (a) a multilateral system, which brings together or facilitates the bringing together of multiple third-party buying and selling interests in wholesale energy products in a way that results in a contract, and (b) any other system or facility in which multiple third-party buying and selling interests in wholesale energy products are able to interact in a way that results in a contract. These include electricity and gas exchanges, brokers and other persons professionally arranging transactions, and trading venues as defined in Article 4 of Directive 2014/65/EU (Directive on Markets in Financial Instruments 2).

Based on the ACER public consultation from 2014, ACER further elaborated the definition of an OMP in [the Transaction Reporting User Manual \(TRUM\)](#). According to the TRUM, the notion of 'multiple third party' plays a key role in determining what constitutes an organised market place; a many-to-many trading possibility must exist in order to consider a venue an organised market place.

ACER's role

Article 3(2) of the REMIT Implementing Regulation defines ACER's mandate in the following way: 'In order to facilitate reporting, the Agency shall draw up and publish a list of organised market places upon entry into force of this regulation. The Agency shall update that list in a timely manner.'

According to the current practice, ACER's strategy of listing an OMP on [the REMIT Portal](#) is closely linked to the responsibility of the reporting parties to report data under Article 8 of REMIT. If an OMP is not listed, the trades and orders arranged by the OMP cannot be reported accurately, as market participants will either completely forgo their obligation to report or incorrectly populate the REMIT Implementing Regulation based field 'OMP ID' (e.g. XBIL).

ACER welcomes any OMPs that want to become listed in order to facilitate the compliance of their clients with REMIT, but it does not actively solicit OMPs to get listed, unless alerted by market participants or RRM. In such cases, ACER proactively approaches the venues to clarify the eligibility.

Management of the List of Organised Market Places

By regularly updating the List of Organised Market Places, ACER strives to promote transparency in the energy market and to allow reporting parties, NRAs, and ACER analysts to identify the OMPs where orders are placed and trades are concluded.

The List of OMPs, which is managed and updated each quarter by ACER, is published and made available in an electronic format on [the REMIT Portal](#).

Whenever an entity gets in touch with ACER in order to get listed or to update its existing details, ACER will take every measure to ensure that the listing is meaningful and consistent with the role and function of said entity, but it will not perform a formal assessment nor provide any official confirmation that the entity applying to be listed as an OMP actually falls into the scope of an OMP definition according to REMIT. Nonetheless, ACER provides support to venues on all issues related to the interpretation of the applicable REMIT provisions.

The List of OMPs enables organised market places to submit identifying reference data for each wholesale energy product (WEP) they admit to trading, which helps ACER to comply with its obligation to draw up and maintain a public [List of Standard Contracts](#) in order to facilitate transaction reporting under REMIT. If the contracts requested to be listed by an OMP qualify as wholesale energy products, ACER ensures that the delivery point or zone is compliant with [the List of Accepted EIC codes](#).

Third penalty for market manipulation under REMIT in the Spanish natural gas market

Article 5 of REMIT prohibits any engagement in, or any attempt to engage in, market manipulation on wholesale energy markets.

As a result of an investigation opened in November 2018, the Spanish NRA (CNMC) published a decision on 23 April 2021, in which it imposed a fine of EUR 60,000 on Rock Trading World S.A. (Rock Trading) for a breach of Article 5 of REMIT.

In the decision, CNMC held that, during four days in November 2018, Rock Trading engaged in market manipulation on the Spanish wholesale gas market (Mercado Ibérico del Gas - 'MIBGAS'). More specifically, CNMC found that Rock Trading engaged in two different behaviours during this period:

- **Layering** - Rock Trading issued multiple non-genuine sell orders at lower prices¹ than the average market prices involving very limited volumes² in order to conclude large volume buy transactions at lower prices³. Rock Trading applied this behaviour during the continuous trading sessions of the gas within-day, day-ahead and day+2 products on MIBGAS between 3 and 7 November 2018. The ratio of its bought/sold volume on MIBGAS on November 2018 was 11.27. For this period, the average volumes of Rock Trading's sell orders were between 5 and 8 MWh/day, which was significantly lower than the average sell orders of other market participants in November 2018. At the same time, the average volume corresponding to Rock Trading's buy orders was between 100 MWh/day and 350 MWh/day, which was in line with the average buy orders of other market participants in November 2018.
- **Marking the close** - Rock Trading concluded the last transaction of the gas within-day session on 5 November 2018 on MIBGAS setting the closing price, just one second before the closure of the session (i.e. at 20:59:59 CET), at 23.45 EUR/MWh for 14 MWh/day. This closing price was determined to be artificial and Rock Trading's behaviour was assessed by CNMC as uneconomical because: i) the transaction price was 1.32 EUR/MWh lower than the daily reference price for the within-day product on MIBGAS for that trading session, 1.25 EUR/MWh lower than the weighted average price of the transactions of all other market participants in the same trading session, and 1.42 EUR/MWh lower than the weighted average price of all Rock Trading's buy transactions for that trading session (behaviour contrary to economic logic); and ii) for this transaction, Rock Trading acted as an aggressor to a buy order which had been visible for several hours (i.e. since 18:36 CET) and for which other market participants had shown no interest.

During the investigation, CNMC found that Rock Trading had concluded a bilateral OTC gas-selling contract, which explained Rock Trading's net buying position in November 2018 on MIBGAS.

CNMC concluded that Rock Trading's behaviour breached Article 5 of REMIT because:

- The layering behaviour gave false or misleading signals to the market as to the price of the corresponding natural gas products (by establishing a downward price trend) and therefore fell under the category of market manipulation defined in Article 2(2)(a)(i) of REMIT.
- The marking-the-close behaviour secured the price of the within-day natural gas product at an artificial level and therefore fell under the category of market manipulation defined in Article 2(2)(a)(ii) of REMIT.

The ACER Guidance on the application of REMIT provides in Section 6 examples of different types of practices that can constitute market manipulation under REMIT. In particular, it specifies these two types of manipulative behaviour:

- Layering and spoofing 'consist of issuing a single large or multiple non-genuine orders to trade on one side of the order book (i.e. layers), in order to enter into one or multiple transactions on the other side of the order book.'
- Marking the close 'involves deliberately buying or selling wholesale energy products at the close of the market in an effort to alter the closing price of the wholesale energy product. This practice may take place on any individual trading day, but is particularly associated with dates such as future/option expiry dates or quarterly/annual portfolio or index reference/valuation points.'

On 22 March 2019, ACER published a specific [Guidance Note on layering and spoofing](#) that provides more details on this type of manipulative practice.

Layering and marking the close in a context where orders are shown in an anonymous form can produce a severe misrepresentation of an exchange's order book. If market participants are unsure whether the order book reflects market fundamentals, they may lose confidence in the integrity and transparency of the market, and may even withdraw from it,

1 I.e. on 3 November for the D+2 product, the weighted average price of Rock Trading's sell orders was 1.08 EUR/MWh lower than the weighted average price of the rest of the sell orders issued by other market participants.

2 The purpose of this low volume sell strategy was to reduce Rock Trading's potential economic loss in case its sell orders were executed.

3 I.e. on 6 November for intraday product, Rock Trading managed to buy at a price that was on average 0.17 EUR/MWh lower than that of the rest of the market.

hence creating a negative circle where market competition decreases and the reflectiveness of energy prices is eventually hampered.

CNMC's decision is the fourth decision from a national regulatory authority sanctioning an order-based manipulative behaviour of the 'layering and spoofing' type on the European wholesale gas markets. It follows two previous decisions from the French National Regulatory Authority (CRE), one from December 2019 imposing a EUR 1 million fine on the company BP Gas Marketing Limited for the same type of behaviour on the French Southern virtual Gas Trading Point (PEG Sud) on 37 days, and another from October 2018 imposing a EUR 5 million fine on the company Vitol S.A.

for engaging in a similar type of market manipulation, also on the PEG Sud, on 54 days (for more information on recent developments in this case, see the following article 'First High Court decision in a REMIT market manipulation case upholds the NRA sanction decision'). In September 2019, Great Britain's Gas and Electricity Markets Authority (Ofgem) also fined the company Engie Global Markets around EUR 2.3 million for manipulative spoofing occurring during a three-month period on the UK wholesale gas markets.

Rock Trading has not appealed the decision and has paid the fine with a 20% discount for immediate payment.

The decision is available [here](#) (in Spanish).

First High Court decision in a REMIT market manipulation case upholds the NRA sanction decision

On 18 June 2021, the French Conseil d'Etat upheld the CRE sanction committee's 2018 decision against the company Vitol S.A. for market manipulation on the French gas market.

In October 2018, the Dispute Settlement and Sanctions Committee (CoRDIS) of the French National Regulatory Authority, Commission de Régulation de l'Energie (CRE), imposed a fine of EUR 5 million on Vitol S.A. (Vitol). According to CoRDIS, Vitol had engaged in market manipulation on the French Southern virtual Gas Trading Point (PEG Sud) between June 2013 and March 2014, thereby breaching Article 5 of REMIT. It was the first penalty imposed by CoRDIS under the REMIT regulation.

Vitol had appealed against CoRDIS' decision to the French Conseil d'Etat (hereinafter High Court), which recently dismissed this appeal and upheld the sanction decision, both on procedural and material grounds.

According to the High Court, the rights of defence and the principle of impartiality were respected. The procedures followed by CRE at the investigation stage and then by CoRDIS at the enforcement stage were also found to be regular.

On the merits of the case, the High Court enunciated that an instance of market manipulation can be qualified on the basis of a body of consistent evidence resulting from the combination or reiteration of behaviours likely to give false or misleading information to the market.

The High Court also confirmed that the mere likelihood of a transaction or order giving false or misleading signals to the market is enough to qualify a behaviour as market manipulation. It is not necessary to demonstrate that such signals were actually given, or that there was manipulative intent.

In view of the above, the High Court decided that CoRDIS' analysis of the combination and reiteration of the six types of suspicious behaviours occurring on the relevant trading days on which it founded its decision (e.g. the piling of sell orders

when the interest was on the buy side of the order book, the withdrawal of sell orders when prices were increasing, etc.) can legitimately establish a breach. Vitol had placed orders on the sell side of the order book with no intention of executing them, which was likely to give a misleading impression of an abundant supply and facilitate transactions on the buy side of the order book. CoRDIS was not bound to demonstrate that the behaviour actually gave such misleading signals in each of the examined instances.

The High Court further ruled that Vitol's alleged strategy of trying to benefit from price volatility and, more specifically, from possible quick upward price variations on the market, cannot explain its piling of orders at decreasing prices on the sell side of the order book. The systematic use of this piling on the sell side of the order book is furthermore not reconcilable with the structurally net buying position of the company over the relevant period. The use of iceberg orders covering important volumes on the buy side of the order book, combined with important volumes offered on the sell side of the order book, was likely to give a misleading impression as to the supply and demand.

The High Court also relied on ACER's Guidance Note 1/2019 on layering and spoofing that contains a non-exhaustive list of indicators of market manipulation to be used in a logic of body of consistent evidence, noting that some of the indicators included in the Guidance Note can be found in CoRDIS' decision. In this respect, Vitol's argument that some other indicators from the Guidance Note were not present in its behaviour during the period concerned was dismissed by the High Court as unsubstantiated. The list of indicators included in the Guidance Note is not exhaustive and the Guidance Note does not state that all indicators should be present in all instances of layering and spoofing.

ACER welcomes this judicial precedent confirming the lawfulness of CoRDIS' first decision adopted under REMIT, and notes the use of the ACER Guidance to support NRAs and Courts in their decision-making process on the application of the market abuse provisions under REMIT.

The decision of the French High Court is available [here](#) (in French).

More on the initial sanction decision from CoRDIS can be found in [the REMIT Quarterly publication from Q1/2019](#).

The ACER Guidance Note 1/2019 on layering and spoofing is available [here](#).

ACER's Notification Platform: an effective and efficient tool to notify REMIT breach suspicions

The Notification Platform supports trust, transparency and integrity in wholesale energy markets.

ACER developed, created and implemented the Notification Platform to allow persons professionally arranging transactions (PPATs), national regulatory authorities (NRAs), market participants and other parties to notify suspicious transactions in wholesale energy markets. The Notification Platform is an important source of information that signals potential market abuses, such as insider trading or market manipulation. It can also be used to notify improper disclosure of inside information, non-registration of market participants or non-reporting of data.

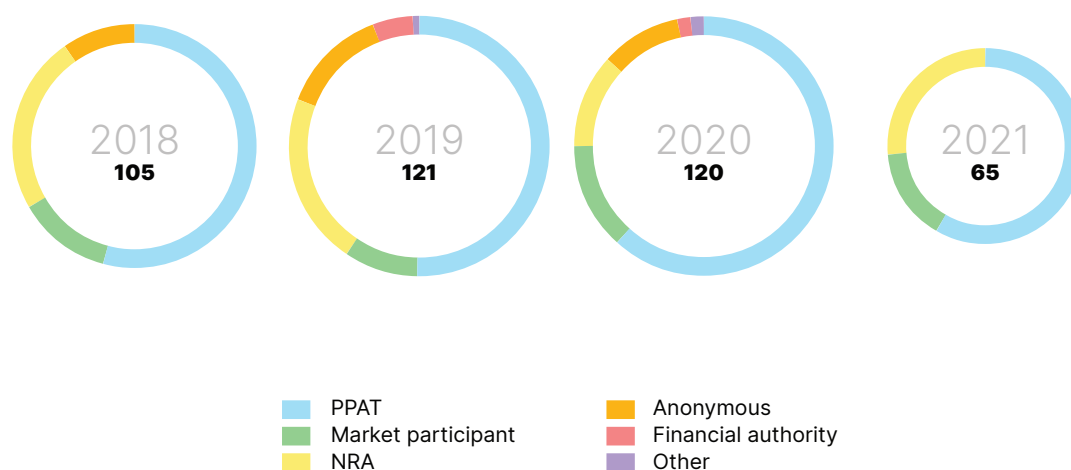
Any actor in the energy market can notify suspicious

behaviour under REMIT through the Notification Platform. PPATs that suspect a behaviour on their platforms may be in breach of REMIT have a duty to notify such a suspicion as soon as possible⁴. By doing so, all relevant authorities can be informed of suspicious behaviours in a timely manner⁵.

Who uses the Notification Platform?

The overall number of notifications submitted to ACER has been steadily increasing over the years (105 in 2018, 121 in 2019, 120 in 2020, and 65 in H1 2021)⁶. Figure 1 shows the origin of these notifications.

Figure 1: Origin of notification, 2018 to H1 2021



Source: ACER (2021).

Notifications can also reach ACER through means other than the Notification Platform, such as the Case Management Tool between ACER and NRAs. The share of notifications

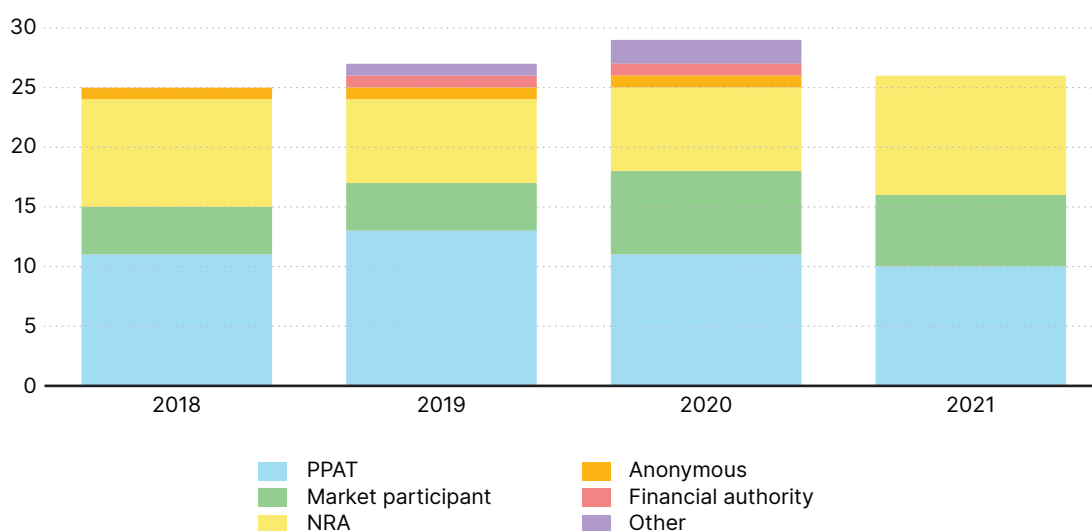
stemming from the Notification Platform is above 80% for each of the represented years. The displayed numbers only show all notifications that were notified to ACER.

⁴ According to Article 15 of REMIT which states that: 'Any person professionally arranging transactions in wholesale energy products who reasonably suspects that a transaction might breach Article 3 or 5 shall notify the national regulatory authority without further delay.'

⁵ The submitter of the notification can select which NRAs will receive the notification.

⁶ 2018 to 2020 covers full calendar years; 2021 covers the period from 1 January to 30 June.

Figure 2: Unique notifying parties by category 2018 to H1 2021



Source: ACER (2021).

Figure 2 shows that between 2018 and 2020, 10 to 13 unique PPATs submitted notifications each year. In other categories, different unique notifying parties were also active.

The Notification Platform can be accessed through the ACER website, the REMIT Portal, as well as through NRAs' websites. Currently, 19 of the 27 NRAs provide a link to ACER's Notification Platform on their website in order to increase its visibility.

For the majority of NRAs, the link to the platform highlights REMIT and the importance of notifying any potential market abuse, which often encourages PPATs (and any other market participants) to submit notifications. Using the Notification Platform ensures an efficient handling and sharing of the information in a way that ensures all relevant actors are informed in a secure way.

A good portion of PPATs submit notifications through the Notification Platform, but there is scope for improvement

Of the about 100 PPATs in the Union, approximately 10% submitted notifications through the Notification Platform in the last few years. Some important auction and continuous markets are therefore not represented. Three main reasons can explain this. First, the suspicious behaviours on these markets might be reported to the NRA through other means. Second, suspicious behaviours may not be taking place on these markets. And third, there may be a lack of effective measures for identifying potential market abuses or for notifying the relevant authorities. The latter might stem from some PPATs being insufficiently aware of their obligations to monitor and notify suspicions, or of the means to report them.

For 2019 and 2020, PPATs who submitted at least one notification⁷ about suspicious orders and/or transactions represented slightly over 50% of all volumes traded on auction

markets⁸. However, the same metric applied to PPATs who are responsible for trading on continuous trading platforms⁹ decreased from almost 50% in 2019 to 25% in 2020.

What happens once a notification is submitted?

In line with the obligations to inform relevant authorities of reasonable grounds for suspicion of market abuse, ACER and NRAs are obligated to ensure the relevant information reaches the right authority, which can be one or several NRAs, financial authorities (and ESMA), or competition authorities. By actively assessing the relevant jurisdiction and reaching out to the relevant authority or authorities, ACER and NRAs ensure that the received notifications are always processed by the appropriate entities. This is usually done in a matter of few weeks after receiving a notification but can, in more complex cases, take up to a few months.

ACER first screens every received notification and, where possible, complements it with information collected under REMIT and/or associates it with another notifications with similar type of behaviour. Notifications that lead to cases are coordinated between ACER and the NRAs in order to ensure consistency in the application of REMIT. NRAs are responsible for the investigations of potential breaches and enforcement of REMIT. During these phases, ACER and NRAs coordinate with each other and assess which other authorities need to be informed.

The information contained in notifications

The information that notifications should contain, in particular the ones from PPATs, is listed in Chapter 9.3 of the ACER Guidance (5th Edition). As a rule, the more information a notification holds, the better the starting point for any possible further analysis is. So far, the received notifications have been overall comprehensive¹⁰, with improvements achievable yet.

⁷ Thereby being part of the 10% of PPATs mentioned above.

⁸ Predominantly operated by energy exchanges.

⁹ Predominantly operated by brokers.

¹⁰ Applying the criteria from Chapter 9.3 of the ACER Guidance.

Market participants (or other notifying parties) that use the Notification Platform should aim to provide as much information as possible about the relevant incident or suspicious behaviour.

The market benefits of effectively notifying relevant authorities

Notifications of potential REMIT breaches allow the relevant authorities to perform their duties in an informed way. Notifications can point to behaviours of which the respective authorities are otherwise unaware or can help to confirm the already performed assessments and analyses. Ultimately, such notifications considerably contribute to the detection of REMIT breaches and therefore help to uphold trust in the markets.

Notifications can also serve as a way for market participants to explain how a potential REMIT breach negatively affected their activity, caused financial fallout or influenced the market in terms of price, supply or demand. Such insights allow for a better understanding of potential market abuses and their consequences, which can contribute to the evolution of the detection strategies.

Conclusion

As highlighted in this article, the number of notifications is increasing each year. The continued submission of notifications of suspected REMIT breaches, along with the improvement of their comprehensiveness, will contribute to the integrity and the transparency of European wholesale energy markets, and benefit all market participants.

Since every kind of REMIT breach can affect the integrity of the market, informing the relevant authorities, whether under the obligation to do so as a PPAT or on a voluntary basis, will raise awareness, improve detection probabilities, and facilitate deterrence. ACER and NRAs ensure that all relevant information reaches the right authorities without delay.

The Notification Platform is an effective tool through which all relevant actors can submit a notification on the suspicion of a REMIT breach. Its design ensures an efficient and fast coordination between all relevant authorities involved, in line with the obligations set out in Article 16 of REMIT. Thanks to continuous feedback from its users, the Notification Platform has seen improved releases and will continue to evolve in order to provide an efficient notification service for the European wholesale energy market.

 [ACCESS THE NOTIFICATION PLATFORM](#)

Inside information Platforms: market coverage in the EU-27

In 2020, ACER commenced the process of registering Inside Information Platforms (IIPs) based on their compliance with the minimum quality requirements for effective disclosure of inside information, as defined in Section 7.2.2 of the ACER Guidance on the application of REMIT. The list of IIPs available on the REMIT Portal contains both the IIPs that comply with the requirements and can therefore already be used for the effective disclosure of inside information, as well as the ones that are still under evaluation and in the process of becoming fully registered IIPs.

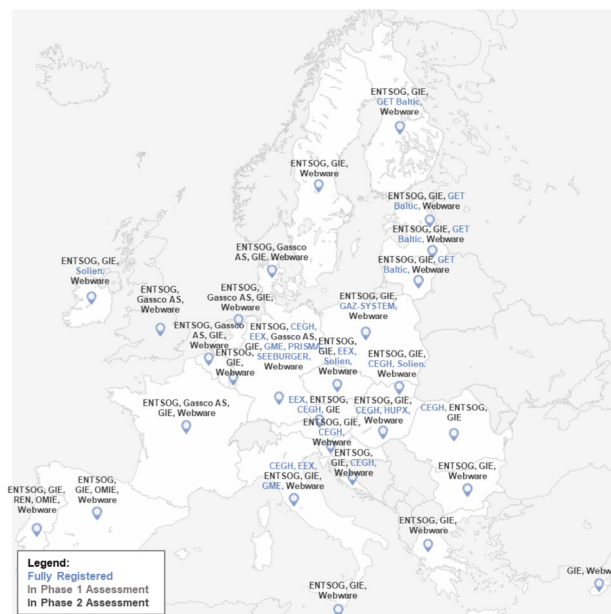
The maps below show the EU-27 market coverage¹¹ by Inside information Platforms, both registered and those in the process of registration. The different colours of the IIPs correspond to the status of their evaluation (fully registered, under evaluation for phase 1, or in the second and last phase of the assessment process).

Figure 3: Electricity Market – coverage by IIPs



Source: ACER (2021).

Figure 4: Gas Market – coverage by IIPs



Source: ACER (2021).

RRM registration in 2021

In 2021, ACER resumed the registration of registered reporting mechanisms (RRMs), which had been suspended since 18 November 2019 due to a shortage of resources, and updated its requirements document for RRMs following the adoption and entry into application of the European Commission’s Decision on fees due to ACER for collecting, handling, processing and analysing of information reported under REMIT.

ACER’s review of pending RRM applications in January 2021 showed that there was a number of pending RRM applications that needed to be addressed. As many of them were no longer relevant or had been initiated by mistake, it was essential that these were removed so that the applicants would not become subject to REMIT fees.

RRM registration in numbers

In the first two quarters of 2021, ACER received 50 new RRM applications, nine of which were later withdrawn by the applicants. By June 2021, ACER had registered four new RRMs and terminated 11 RRMs.

Table 1: RRM registration numbers in Q1 and Q2 2021

RRM registration numbers Q1 and Q2 2021	
Number of MP applicants	48
Number of third-party applicants	2
Number of applicants that withdrew the application	9
Number of registered RRMs	4

Source: ACER (2021).

11 The coverage is provided by an IIP in their application and the condition to be listed under the EU Member State is that at least one market participant is registered with the IIP as a user for that specific market.

At the moment, there are 105 RRMs. The status of each RRM application process stage is shown in the table below.

Table 2: RRM registration process per stage

RRM registration process per stage	Number of applicants currently at the stage
Identification	38
Attestation	3
Testing stage	1

Source: ACER (2021).

RRM registration and REMIT fees

As of 2021, following the adoption and entry into application of Commission Decision (EU) 2020/2152 of 17 December 2020, RRM applicants have to pay fees to ACER for collecting, handling, processing and analysing information reported under REMIT. Pursuant to Article 4(3) thereof, if an entity applies to become a registered reporting mechanism, ACER shall send the entity a debit note amounting to 50% of the

flat enrolment fee component pursuant to point (a) of Article 5(1), amounting to EUR 4500, and only accept the application once the debit note is paid.

If ACER rejects the application because an entity does not comply with the requirements pursuant to Article 11 of Commission Implementing Regulation (EU) No 1348/2014, the entity is not entitled to a reimbursement of the paid fee.

After the registration of an entity as a registered reporting mechanism, ACER sends the entity a debit note for the remaining fee. It consists of 50% of the flat enrolment fee component (amounting to EUR 4500) pursuant to point (a) of Article 5(1), and, unless the RRM declares that it will solely report fundamental data, a transaction records-based component. The latter is calculated on the basis of Article 6(4) of the Decision, which stipulates that the transaction records-based component in the year of registration is EUR 65 for each calendar day from the day of registration until the end of the year. The RRM and ACER may mutually agree on a different amount of the transaction records-based component in order to better reflect the expected reporting by the registered reporting mechanism.

Overview of contingency reports opened by RRMs

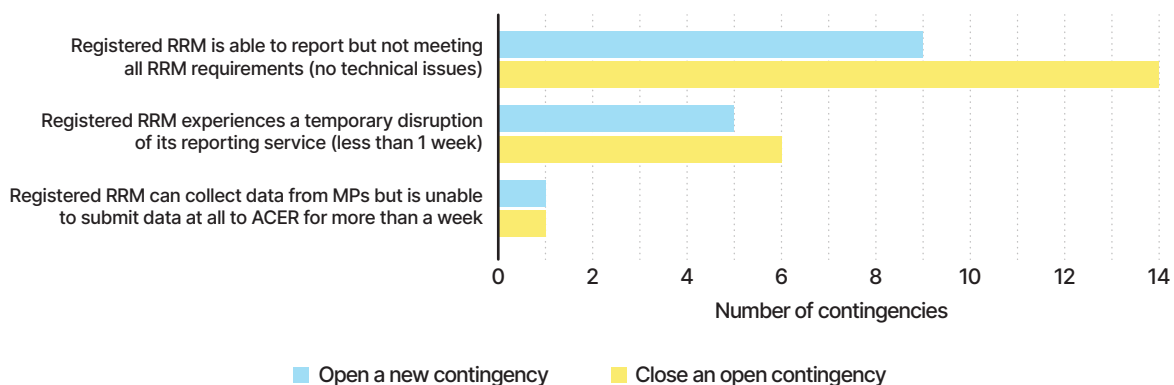
Every quarter, ACER communicates the number and status of contingency reports opened by registered reporting mechanisms (RRMs), as well as the most common reasons for which RRMs resort to contingency in the first place.

The statistics for Q2 of 2021 show that eight different RRMs submitted 15 contingency reports between April 2021 and June 2021. The most common contingency scenario indicated by RRMs in this period refers to the case when an RRM is able to report but is not meeting all of the RRM requirements, such as completeness of data, timeliness of submission, accuracy of data, and validity. In particular, the

most affected data stems from the reporting of transactions related to standard supply contracts, as defined by REMIT and its Implementing Acts.

Out of the 15 contingency reports opened during the quarter, seven have already been closed (RRMs needed 11 days on average to close them). A total of eight reports remain open.

Figure 5: Number of contingencies opened and closed in Q2 divided by scenario



Source: ACER (2021).

Recent updates of REMIT documentation

Annex II of the TRUM, Annex VII of the MoP on data reporting, and updated FAQs on transaction reporting and on fundamental data and inside information

Following a six-month consultation with stakeholders and with the objective to improve REMIT data reporting, ACER published on 30 April 2021 new versions of Annex II of the Transaction Reporting User Manual (TRUM) and of Annex VII of the Manual of Procedures (MoP) on data reporting, as well as the updated FAQs on transaction reporting and on fundamental data and inside information.

[Annex II of TRUM](#) describes several examples of transaction reporting, including orders to trade, related to contracts reportable to ACER, pursuant to [the REMIT Implementing Regulation](#).

More specifically this new publication aims to:

- ensure consistency with [the TRUM \(main text\) v.4.0](#) published in June 2020;
- reflect the market design evolution by adding new examples on market coupling;
- provide the description of each example scenario in order to improve the readability of the document;
- include additional examples based on ACER's analysis and the interaction with NRAs and stakeholders.

Consulted stakeholders include associations of market participants, organised market places, and RRM.s.

The updated [Annex VII of the MoP on Data Reporting](#) describes data fields for inside information and the new electronic formats for reporting. The changes reflect the results of [ACER's Public Consultation on the revision of electronic formats](#), which ran in 2017.

The 12th edition of the FAQs on REMIT transaction reporting and the 7th edition of the FAQs on fundamental data and inside information include new frequently asked questions

to better reflect the continuous evolution of EU markets and facilitate data reporting.

The new versions of the FAQ documents are available on [the REMIT Portal](#).

Updated List of accepted EIC codes

The second 2021 quarterly update of [the List of accepted EIC codes](#) was published on the REMIT Portal on 2 July 2021. A new EIC code was included in the list, while 130 EIC codes were delisted due to Brexit, as highlighted in the previous two updates of the List of Accepted EIC codes.

The next update of the List of accepted EIC codes will occur in Q3 2021. The involved parties are invited to check Annex VI of the TRUM before submitting their requests, and to make sure to submit their requests for the inclusion of new codes in the List of accepted EIC codes no later than two weeks before the end of a quarter. Late requests will be considered for the next planned quarterly publication.

New edition of the ACER Guidance on the application of REMIT

On 22 July, ACER published [the 6th edition of the Guidance on the application of REMIT](#).

This edition, which coincided with the 10th anniversary of the ACER Guidance, took into account the expected market developments resulting from the implementation of the European Green Deal, as well as the experience gained so far, including the feedback received from NRAs, market participants and other stakeholders. Its structure was also fully revisited in order to make it more intuitive, while specific content was added on the scope of REMIT and on the core prohibitions of insider trading and market manipulation.

ACER will continue its work to assist NRAs in carrying out their activities under REMIT in a consistent and coordinated way.

314 REMIT breach cases under review at the end of the second quarter

ACER had 314 REMIT cases under review at the end of Q2 2021. REMIT cases are potential breaches of REMIT that are either notified to ACER by external entities or identified by ACER through its surveillance activities.

A case could, after a thorough investigation by the relevant national authority, lead to sanctions. A case could also be closed without sanctions, for instance if the suspicions were unfounded.

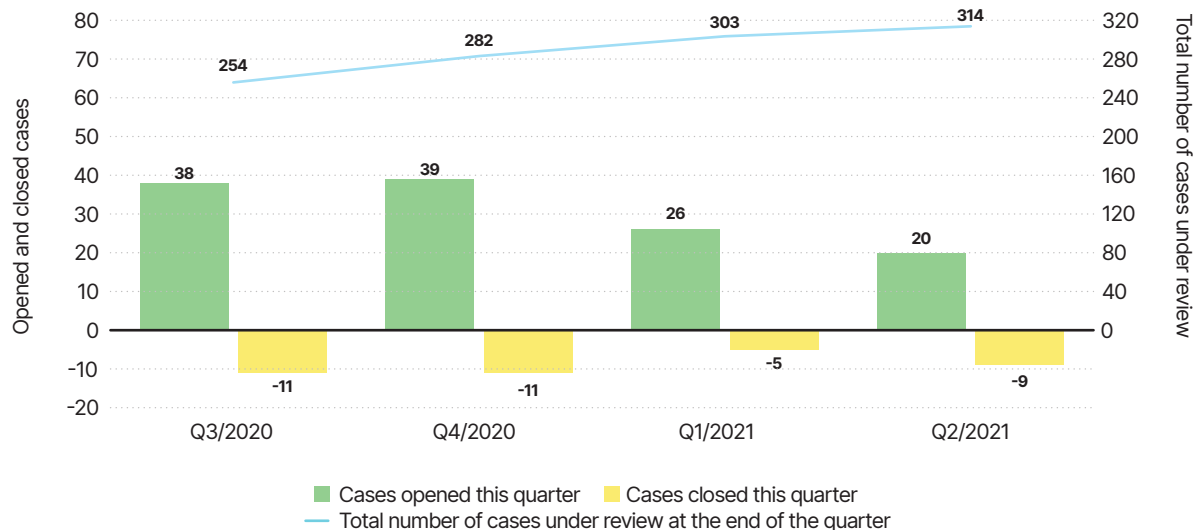
Figure 6 shows the number of cases that were under review by ACER at the end of Q2 2021¹².

¹² The numbers for 2020 were updated with the offline information received during the COVID lockdown period that is now fully incorporated in the system.

Table 3 lists the cases where a Decision imposing a sanction was published by the relevant national authority in the last four quarters. Some of these Decisions are currently under appeal. An overview of all market abuse Decisions (breaches of Articles 3 and 5) imposing sanctions made publicly available can be found [here](#).

ACER is responsible for the monitoring of wholesale energy markets and aims to ensure that national regulatory authorities carry out their tasks in a coordinated and consistent way, but it is not, however, responsible for the investigation of potential breaches of REMIT.

Figure 6: Potential REMIT Breach Cases - Quarterly Statistics



Source: ACER, Case Management Tool (2021).

Table 3: Overview of market abuse Decisions (breaches of Articles 3 and 5) imposing sanctions (last 4 quarters)

Decision date	NRA, Member State	Market Participant	Type of REMIT breach	Fine	Status	Source
25 February 2021	CNMC (ES)	Rock Trading World S.A.	Article 5	EUR 60,000	Appeal possible	Link
16 December 2020	Ofgem (UK)	EDF Energy (Thermal Generation) Limited	Article 5	GBP 6,000,000 (approx. EUR 6.7 million)*	Final	Link

Note: Article 18 of REMIT establishes that the rules on penalties for breaches of Article 3 and 5 of REMIT are established by the Member States. The implementation regime is therefore different across Member States and some breaches of REMIT may be sanctioned under national provisions. Please consult the sources for the status of the proceedings and more information on the Decisions. Only the Decisions publicly announced by the NRAs are included. Due to this fact, there are several sanction Decisions taken in 2020 that are not part of this table.

* This amount includes both the (i) fine and (ii) confiscated profit.

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