



## EUA Auctions - FAQ

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## 1. FAQ

### 1.1. Which persons are eligible to bid?

Any ETS operator or aviation operator is eligible to apply for admission to bid in the auctions, and so are their parent, subsidiary or affiliate undertakings. Operators can also form business groupings to bid as an agent on their behalf.

In addition to operators, investment firms and credit institutions, authorized and regulated under EU law, may apply for admission to bid.

Furthermore, EU rules provide for an additional category, namely intermediaries that benefit from an exemption from the authorization requirements in EU law, and have been authorised under rules laid down in the Auctioning Regulation. For example, this is relevant for intermediaries such as fuel traders, so these could easily add allowances to the products they offer to ETS operators.

### 1.2. Which "other intermediaries" can apply for bidding in the auctions aside from investment firms and credit institutions, and how can they get authorisation?

The scope of other intermediaries eligible to bid in the auctions covers persons that are not MiFID-licensed but benefit from the MiFID-exemption for "ancillary activity" [MiFID Art. 2 (1) (i)]. Those persons would have to get a special authorization from their competent national authority (e.g. from FSA or BaFin) in order to be eligible to bid. Once such an authorisation is granted, they can participate in phase III auctions on all auction platforms, provided that they have been admitted to the respective exchange.

The relevant competent national authority can grant such authorization only if respective national legislation has been enacted by the Member State in the first place.

**For example: In the UK,** HM Treasury has made "bidding for emissions auctions" a new regulated activity within the Financial Services & Markets Act 2000 (FSMA) as part of its implementation of the EU Auctioning Regulation. This enables the UK financial regulator (FSA) to authorize and supervise intermediaries exempt from MiFID under Article 2 (1) (i) for bidding in the auctions. Those intermediaries (when based in the UK) will have to apply for such authorization by submitting a ["Variation of Permission \(VoP\) application" form](#) to the FSA. For more information on the applications process you can also refer to the [FSA Handbook](#).

**For example: For Germany,** a similar provision is set out in the German Emissions Trading act ("Treibhausgasemissionshandelsgesetz", TEHG), namely in Article 8 (4) TEHG. Based on this piece of legislation, intermediaries exempt from MiFID under Art. 2 (1) (i) will have to apply for authorization by contacting the German financial regulator (BaFin).

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### **1.3. I am already an EEX member and admitted to the EUA spot market. Am I automatically eligible to bid in the auctions?**

All EEX members, including admitted EUA Spot members, must additionally prove their Eligibility in the Phase 3 Auctions via the [Eligibility Form](#). In addition, EEX may request supporting documents such as verification of your Union Registry account and current versions of your company's annual report and extract from the commercial registry.

### **1.4. I am already an EEX member but not currently admitted to the EUA spot market. What do I have to do in order to participate in the auctions?**

EEX members may contact the [EEX Sales Team](#) in Leipzig, London, or Paris, to be guided through the admission process for the EUA spot market. This will include the completion of some basic forms for identifying two persons responsible for registry transaction requests, ordering a technical connection to the spot market, and identifying an authorized trader for the spot market. Support is provided by the EEX Admissions department. Once setup is complete, EEX Market Supervision will send the member their login details for EUA spot trading and for the auction platform. There is no extra cost for existing members to join the spot market.

### **1.5. I would like to become an EEX member in order to participate in the auctions. What do I have to do?**

Interested companies must first check that they fulfil the EEX and EU Auction participation requirements. If so, the first step is to contact the [EEX Sales Team](#) in Leipzig, London, or Paris, to be guided through the admission process for the EEX markets and informed on the different types of membership options. In parallel, they must sign an agreement with a clearing bank who is a member of the ECC. Additionally, an exchange trader must be appointed who has passed an EEX trader exam. Once the company has picked their preferred access option, they may download and complete the EEX and ECC admission forms and supply all necessary supporting documents. EEX Market Supervision then sets up the technical and trader access and provides the member with all necessary information to trade.

EEX also provides an Auction-Only membership option, whereby the company applying may choose to have their bids entered by EEX Market Supervision. Applicants for this membership need not furnish proof of liable equity of 50 000 EUR, and there is no annual membership fee. Only a small technical access fee is charged if the member would like to access the electronic auction platform.

## **1.6. I would like to participate in the auctions without becoming an EEX member. How can I do that?**

Companies who would like to participate indirectly in the auctions may contact a clearing member of European Commodity Clearing, or a trading member of EEX, and request to enter into an agreement. This may require providing the chosen member with additional information according to their procedures. Once the agreement has been concluded, the member is informed on their client's bid preferences, and receives any necessary upfront payments in time for the auction. During the auction, the member bids on their client's behalf and has to reveal their client's name per bid, as per the EU Auction Regulation. Settlement of successful bids are completed according to the terms of the agreement. For a full list of ECC and EEX members, please consult the [ECC website](#) or the [EEX website](#).