

## Customer Information

# Customer Information 2017-12-13

## MiFID II readiness for Trading Members

Paris, 13th of December, 2017

Dear Trading Members,

Powernext supports you in implementing the MiFID II requirements by 03 Jan 2018. This comprises the development of the necessary reporting infrastructure, while keeping your effort to the necessary minimum. In this customer information, we would like to provide some additional information regarding the data that we need from you to ensure your and Powernext's full readiness.

### LEIs and National IDs

According to RTS 7 Article 7, Trading venues are required to collect Market Participants reference data and enhance the information that needs to be provided with order and quote messages. For this purpose, the *LEI* of the company and the *National\_ID*'s of admitted traders on PEGAS Derivatives had been asked for via a joint customer information of Powernext and EEX on 26 July 2017. Following two reminders, we kindly ask you again to send us these information by 15 Dec 2017.

### Additional Short codes

To fulfill the Transaction Reporting (RTS 22) and Order Record Keeping (RTS 24) requirements, Powernext will introduce a range of new fields in order entry messages, including but not limited to:

<ClientID>  
<Investment Decision Maker Qualifier>  
<Investment Decision Maker>  
<Execution Trader Qualifier>  
<Execution Trader>  
<Commodity Hedging Flag>

Powernext provides a mapping service to allow clients to submit a dedicated file to the Member Portal with a mapping table of short codes used at the order entry and the corresponding long codes that will be used for transaction reporting to the regulators. You can use the EEX Member Portal to upload your file with the MIC Code **XEEE** or send it to Powernext Membership team ([membership@powernext.com](mailto:membership@powernext.com))

Please find additional information on the enclosed presentation.

### **Notification of Algorithms**

Powernext provided you with a new form to notify the Algorithm in use on PEGAS Derivatives along with the following customer information “*2017-10-17 PEGAS Customer Information: Request for mandatory PEGAS T02a Form*”. The Market Participants must certify that the Algorithms in use have been tested according to Article 9 of RTS 7 and Article 48(6) of MiFID II and flag the orders coming from Algorithm in the context of the above described short codes process.

Please find the current version of the Algo form enclosed.

### **Direct Electronic Access**

RTS 7 and Article 48(7) of MiFID II describe the requirements for members of trading venues to provide Direct Electronic Access, which is the generic term for direct market access and sponsored access. These conditions have been included in Powernext’s dedicated Third Party Admission form.

### **Due diligence**

Due to Article 7 of RTS 7 and Article 48(1) of MiFID II, a yearly assessment of Market Participants of Powernext’s regulated market will be established from 2018 on. This assessment will also be conducted when admitting new Market Participants from 15 Dec 2018 onwards.

Please notice that all these requirements have been included in PEGAS Derivatives Market Rules and PEGAS OTF Market Rules which will be published soon. In addition, the Market Notices will be updated for MiFID II entry into force and will provide further guidance.

We remain at your disposal for any questions you may have.

Yours faithfully,

**PEGAS Market Operations Team**

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