

Regulation

Pownernext SA is a regulated market undertaking under the French Authority for Financial Markets (Autorité des Marchés Financiers – AMF) and under the Prudential and Resolution Control Authority (Autorité de Contrôle Prudentiel et de Résolution – ACPR) of Banque de France. Pownernext SA is based in Paris and part of EEX Group which is headquartered in Leipzig, Germany. Due to the specificity of the instruments and products traded on its platforms, Pownernext SA is also monitored by the energy regulator (Commission de Régulation de l’Energie – CRE) and is subject to the French energy and environmental legislation and regulation.

EEX Group services for Pownernext

In the aftermath of the 2008 financial crisis commodity markets have increasingly been put under the scope of financial regulation. On exchanges supply and demand are matched to define a fair and transparent price. With the liberalization process in the energy sector starting in the mid-1990 competitive markets have become increasingly important for the European energy market. However, since the financial crisis, volatilities in commodity prices have raised concerns of a potential systemic risk of trading with commodity products. With the renewal of the Markets in Financial Instruments Directive (MiFID II) the energy sector will have to stem additional requirements besides the compliance with the Regulation on Wholesale Energy Market Integrity and Transparency (REMIT) and with the European Market Infrastructure regulation (EMIR).

Pownernext and EEX Group are conform with the regulations put in place by national and international regulators. We are committed to help our clients apply the required measures with the aim to enhance efficiency, resilience and transparency of European energy markets. All regulatory reporting services of all integrated exchanges within EEX Group are aligned using the same infrastructure, member access mechanism as well as a common source of Exchange, Clearing and Configuration data.

EEX Compliance Framework

All regulatory reporting services of all integrated exchanges within EEX Group are aligned using the same infrastructure, member access mechanism as well as a common source of Exchange, Clearing and Configuration data. Markets in Financial Instruments Directive (MiFID II)

The Markets in Financial instruments Directive (MiFID) was implemented in 2009 to set a common framework towards a fully integrated pan-European financial market with the aim to enhance transparency and prevent market abuse. Its renewal MiFID II, launched in 2011 and entering into force in 2018, will induce sweeping changes in the way how the European financial sector will be regulated and monitored. The directive especially targets at the regulation of commodity derivatives inter alia with the implementation of position limits and position reporting(RTS 21).

The general exemption for commodity trading which existed in MiFID I will be repealed and replaced by a so-called ancillary activity exemption. With this change, only traders with ancillary activities in trading commodity derivatives will stay outside the scope of MiFID II. Those who are captured by MiFID II (by exceeding the ancillary activity exemption thresholds) will be categorised as an investment firm and will consequently have to comply with many new legal requirements.

As required by the regulation Pownernext and all EEX Group’s exchanges will leverage ECC’s position data and combine this information with the instrument reference data and configuration data provided by the members to create draft daily and weekly MiFID II position reports. Members will be able to access and amend the draft reports provided by the regulatory reporting service of EEX Group. We publish additional information on position limits (RTS 21) and transaction reporting (RTS 22).

Wholesale Energy Market Integrity and Transparency (REMIT)

REMIT applies more directly to power and gas transactions. The legislation aims at first hand to prevent market manipulation abuses in the wholesale energy market. Consequently, the regulation requires all inside information to be published. Furthermore, energy market participants have to register with national regulators and report transaction details to the authorities. The European energy regulatory authority is in charge of monitoring the wholesale energy market.

Pownexts offers the reporting of transaction data according to Article 8 of REMIT. This service enables all trading participants to delegate their reporting obligations of transaction data to those exchanges. This includes all transactions concluded on any of the exchanges or registered for clearing via the Trade Registration function as well as orders. Our service covers the reporting or the provision of exchange trading data. The data will be formatted as defined by REMIT, the REMIT Implementing Regulation and the latest procedures, standards and electronic formats published by ACER and will be reported or provided accordingly. For bilateral transactions concluded off the exchange, trading participants will be able to use the same technical infrastructure in the context of an additional service.

Find additional information about REMIT attached to this page and in our Download Center.

European Market Infrastructure Regulation (EMIR)

EMIR will require all transactions involving exchange-traded and over-the-counter derivatives to be reported for the purpose of ensuring public transparency and accountability in the market place. Energy companies in the EU will be required to report trade details to authorized trade repositories in a timely manner in order to mitigate risks. Furthermore, positions against the clearing threshold will be monitored and future contracts will be cleared if the threshold has been exceeded.

For more information on this topic please contact: compliance-services@eex.com