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**Response to REMIT consultation on the Draft Trade Reporting User
Manual (TRUM)**

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1. Introduction

This document provides the thoughts and recommendations of ETR Advisory as part of the process of consultation for the Trade Reporting User Manual to be used for REMIT. The comments are non-exhaustive and reflect our key thoughts having read the provided documentation.

2. General comments on draft TRUM and its structure

In our opinion the draft TRUM makes a good attempt at explaining how to report relevant data in an accessible and understandable fashion. Clearly some details will need to be firmed up when the implementing act is finalised.

The various introductory chapters do form a good introduction for market participants. We would expect more detail about the types of trade that are covered in these, in terms of “what should be reported”.

More clarity in section 4 would be useful, that is whether to report via an RRM or to self-report. This decision is an important one for market participants and we feel that the choices available should be well spelled out. As outlined in the public session on April 3rd, we feel that any entity that is reporting on behalf of another entity in the same group should NOT be considered a third party RRM.

3. Data Fields

This section contains our thoughts on the data fields as proposed both in the Draft TRUM and the consultation document. Only the proposed fields on which we have comments are mentioned here, together with fields that we consider to be missing.

Standard Trades (Table 1 and TRUM)

Field Number	Description	ETR Comment
1	ID of the market participant or counterparty	We welcome the breadth of code types that are permitted to be used. We would question why it would be necessary to have an ACER ID in addition to an LEI.
2	Type of code used in field no 1	Since this information will be registered in the CEREMP, it would appear to be superfluous.
3	TraderID as generated by the organised market place	The same trader will have different IDs in different market places. If useful analysis is to be made of the data, there should be a requirement to transform the ID for the same trader that has different logins on different platforms to the same anonymised ID for submission. It is also recommended that the same ID be submitted for bilateral trades not executed on a market in order to allow for meaningful analysis.
4	Trader ID for the market participant or counterparty	It is not clear if this is referring to the internal ID used at the beneficiary or that of the other party. If the former, we recommend that all IDs be linked as per our comment for field 3. If the latter, we feel that this information would be difficult to obtain and redundant given that the other counterparty will also be reporting.

Field Number	Description	ETR Comment
6	Type of code used in field no 5 (ID of the other counterparty)	In addition to our comments on field 2, we feel that this field will force an extra lookup in the CEREMP for reporting parties which is unnecessary.
9	Type of code used in field no 8 (Beneficiary Identification)	See comments on fields 2 and 6
11	Buy/Sell Indicator	It is not always obvious what to place in this field, especially in the example of a swap. More guidance is therefore required for this field.
23	Contract ID	It is recommended that more standardisation (i.e. which ID types are acceptable, etc.) be applied to this field, in order to avoid mismatches.
25	Energy Commodity	From the allowable values one can infer that standard trades will not include LNG or emissions.
27	Contract Name	See comment on field 23.
28	Transaction ID	We urge ACER to provide mandatory rules on the generation of Unique Trade Identifiers in order to avoid the considerable confusion and issues that were experienced in the implementation of EMIR.
31	Transaction Reference Number	This description is not in line with EMIR, where the TRN is used only for exchange traded deals to link together different trades resulting from the same execution. The description should be updated to "Message ID" to reflect this.
32	Organised Market Place identification/ID	Under EMIR OTC products are denoted by an "XXXX" code rather than "OTC". We recommend this be synchronised.
34	Price	When implementing EMIR five digits decimal places were in some cases not found to be sufficient. This should be extended for REMIT.
35	Fixing Index	This should be standardised for the same reasons as expressed in fields 23 and 27.
38	Notional Amount	Some guidance needs to be given on what to put here for non-fixed contracts. This topic is far from straightforward. The same observations about number of digits and decimal places as per field 34 should also be noted.
40	Quantity	It is not clear whether this refers to the number of contracts, the number of lots in a contract or the lot size. The same observations about number of digits and decimal places as per field 34 should also be noted.
41	Total Notional Contract Quantity	See comment as field 40.
42	Quantity unit	A list of allowance values should be given.

Field Number	Description	ETR Comment
51-58	Fields relating to the physical delivery	A lot more information is required as to how to describe the load profiles of trades, as it is not obvious from the descriptions given in the TRUM. It is our understanding that such a description has been given to those participating in the pilot/prototype.
59	Price/Time Interval Quantity	This manner of reporting is confusing.
62	Lifecycle information	It is noted that the “split” event has been removed. We recommend adding it back.

Non Standard Trades (Table 2)

In general we are surprised to see that there has been a change from the originally specified approach of having a short form message only be sent. It is unlikely that the set of fields supplied will be exhaustive and we have not commented on the many types of missing trade types that cannot be represented by these fields.

Here we have only commented where our thoughts are different to those for standard trades.

Field Number	Description	ETR Comment
	Trader ID	There is no reason why an internal Trader ID should not be supplied for non-standard trades.
13	Contract ID	It is assumed that this is the Unique Trade Identifier.
28	Fixing Index	Guidance will be required with regards to which IDs will be acceptable here.
30	Fixing Index Sources	Standardisation will be required here.

We note that required to send the PDF of the contract is not in this table.

4. TRUM Trade Descriptions

In general we feel that the TRUM should highlight which fields are mandatory. Our other comments have already been outlined in section 3 of this document (standard trades section).

5. Reporting of Energy Derivatives/ Using the same standards and EMIR/MiFID

We agree that as far as possible, the same standards should be used for REMIT that are used for EMIR and MiFID. However, some of those standards will be too onerous for the energy markets and some will not be relevant.

6. Trading Scenarios

Here we describe trading scenarios, and also reporting scenarios that we feel should be included in the TRUM. We have not included “vanilla” scenarios which we are sure ACER are already considering.

Scenario	Description
Trading via a pool	In certain markets trading is carried out via a pool. It would be useful to see examples of how this should be reported.
Cleared trades where the CCP is not known	In some cases trades are cleared where the market participant does not know via which CCP.
Trading on behalf of another entity not mentioned in the contract	There are certain contracts where a counterparty is in fact trading on behalf of another but the contract is silent about this.
Delegation of reporting	There are many examples where reporting is delegated to the counterparty, or to a third party (this is not the same as sending to an RRM). Clear examples should be given of the correct manner of reporting
Cross border trades	Certain trades will be cross border with one end of the trade being outside of the EU.

7. Data Integrity

Our overall comment on this section is that there would appear to be a misconception in the market on the responsibilities of a market participant vis a vis an RRM. This is the assumption that once a trade is reported to a RRM the reporting obligation is fulfilled by the market participant.

The reason for this being the market view is that under EMIR, reporting to a TR fulfils the obligation. Since RRM's will be subject to a series of rigorous requirements by ACER, it is not unreasonable to assume that the same relationship holds. However, this does not appear to be the case when reading section 9 of the TRUM.

We would urge ACER to reconsider this view so that Market Participants can be considered to have fulfilled their obligations once they have reported the information to an RRM.

Responsibility of reporting (sections 9.1 and 9.3 of the TRUM)

Section 9.1 lists a series of attributes that a Market Participant should display in order to be compliant. The majority of these are sensible although they are also subjective. However, the responsibility to "check" third party RRM's needs some clarification.

As we commented above, we feel that once a report has been submitted to an RRM, it should be considered reported. This would appear not to be the intention of Section 9.3.

Section 9.3 also talks about the "responsibility of the market participant to verify that the outsourcing service has robust governance and control processes and mechanisms in place for ensuring the accuracy and completeness of the reporting". We feel that this is not appropriate. In many cases, small market participants will be outsourcing reporting to large RRM's and third parties, who will be considered "approved" RRM's. This approval should provide the verification required, rather than the market participant that is using them.

Completeness (Section 9.2 of the TRUM)

Once again this section appears to put a great deal of onus on the market participant as opposed to the RRM. In addition, the sections seems to focus on a few keys pieces of information to be provided. We feel it would be better to mark each piece of data required as mandatory, or not, in the appropriate part of the data section.

Transaction reporting errors and failures (Section 9.4 of the TRUM)

This section would benefit from more specific guidelines, in terms of the types of error that need to be reported and in which timeframe. It should also be possible to correct small errors without providing a specific report, via the "error" state in the transaction record.

8. Concluding thoughts

During the EMIR trade reporting process, many issues were uncovered as the deadline drew closer, and also when reporting started. At the time of writing, these issues are still causing issues to market participants.

In our view, even taking into account lessons learned and even with all the consultations that ACER is carrying out, it is likely that issues will arise close to go live.

It is therefore recommended that ACER show a great deal of flexibility and plan in revised versions shortly after go live. This will permit lessons learned to be actioned as soon as possible, causing far less distress for Market Participants compared to EMIR.

Readers wishing to discuss the above issues further are welcome to contact the author of this document, [REDACTED]

9. About ETR Advisory

ETR (Energy Trading Regulation) Advisory Ltd is a specialised, expert resource which explains and helps implement the complex labyrinth of European Energy and Commodity Market Regulations. ETR run the web site www.energytradingregulation.com which provides updates on the state of energy regulation in Europe.

Since our founding in April 2013 we have helped several Market Participants to comply with various regulations that apply to the energy and commodities markets. We have also helped several technology companies and platforms to comply and provided training to the market.

10. Terms and Conditions

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