



Agency for the Cooperation
of Energy Regulators

Director ad interim

Ljubljana, 8 January 2019
ACER-AP-VZ-ss-2019-11

To whom it may concern

Subject: Open Letter on the Withdrawal of the United Kingdom from the European Union and implications on the registration of market participants and data collection under Regulation (EU) No 1227/2011 on wholesale energy market integrity and transparency (REMIT)

The European Union Agency for the Cooperation of Energy Regulators (ACER) is issuing this Open Letter in order to raise awareness of all market participants on the importance to prepare for the withdrawal of the United Kingdom (UK) from the European Union.

The European Union and the UK reached a political agreement on a Withdrawal Agreement. If ratified, this Withdrawal Agreement will provide the basis for a smooth and orderly withdrawal of the UK from the European Union. The Withdrawal Agreement, as endorsed by the European Council, can be found on the European Commission Website, along with the Political Declaration agreed between the European Union and the UK on the future relationship.

However, as part of the Agency's contingency preparations, we consider that it is timely to convey to European Union's Market Participants, and relevant UK stakeholders, how the Agency will approach issues relating to wholesale energy market integrity and transparency in the event that the Withdrawal Agreement is not ratified and, therefore, that the UK leaves the European Union on 29 March 2019 without such an Agreement.

Purpose of this open letter

The purpose of this Open Letter is to give guidance to national regulatory authorities and to inform market participants and the wider market about the views of the Agency with regard to certain repercussions on the implementation of REMIT of the withdrawal of the UK from the European Union on 29 March 2019, in case this were to happen without a ratified Withdrawal Agreement.

Re-registration of market participants currently registered in the UK

Article 9(1) of REMIT obliges market participants entering into transactions which are required to be reported to the Agency in accordance with Article 8(1) of REMIT to register with the national regulatory authority in the Member State in which they are established or resident or, if they are not established or resident in the European Union, in a Member State in which they are active.

In the light of the above, market participants established or resident in the UK – or market participants from third countries currently registered in the UK - who wish to enter into transactions or place orders to trade in European Union's wholesale energy markets after the

UK's withdrawal from the European Union on 29 March 2019 will need to be registered with a national regulatory authority of another Member State (EU27 Member State) where they are predominantly active (so-called “re-registration”).

In accordance with Article 9(1), second subparagraph, of REMIT, a market participant may register only with one national regulatory authority. Nonetheless, market participants currently registered in the UK and intending to enter into transactions in European Union’s wholesale energy markets after the UK's withdrawal from the European Union, may already prepare their registration with the national regulatory authority of a EU27 Member State. Until the withdrawal of the UK from the European Union, they will continue to be registered solely in the UK.

Based on the records of national registrations and in line with requirements in Article 9(3) of REMIT, the Agency has established the European register of market participants (CEREMP¹). Beyond its core function, CEREMP was also developed with a view to facilitate the national registration processes. CEREMP is currently used by all European Union’s national regulatory authorities to register market participants, except for E-Control in Austria, ARERA in Italy, ANRE in Romania and Agencija za energijo in Slovenia, which have established separate tools for this purpose.

When re-registering with the national regulatory authority of a EU27 Member State which uses CEREMP for national registration purposes, market participants should use the “Change Member State” functionality in the CEREMP registration system. This functionality will pre-populate the registration form for the re-registration with the new national regulatory authority of choice with the information previously provided for registration in the UK. Market participants will be required to provide their previous UK ACER code in the custom field for the “Change Member State” functionality. The initiation of the “Change Member State” functionality for re-registration is considered to fulfil the market participant’s obligation to submit the registration form to a national regulatory authority prior to entering into a wholesale energy market transaction which needs to be reported pursuant to Article 9(4) of REMIT.

The Agency takes this opportunity to remind market participants that the time national regulatory authorities need to analyse a registration request depends primarily on the quality of the registration file and encourages market participants to be complete and accurate in their filing for re-registration. Therefore the Agency invites market participants to make themselves familiar with the specificities of the registration process with the national regulatory authority they aim at re-registering with in due time in early-2019.

Data collection from reporting parties established in the UK

Market participants will be able to continue reporting with their UK ACER code until their de-registration in the UK will be acknowledged in CEREMP, no later than the date in which the UK withdraws from the European Union in case this happens without a ratified Withdrawal Agreement. Once re-registered with another national regulatory authority, they will receive a new ACER code for reporting purposes.

¹ Centralised European Register of Energy Market Participants

The Agency is engaging on a continuous basis with Registered Reporting Mechanisms to ensure a smooth ongoing REMIT reporting and will address any REMIT reporting issue related to the UK withdrawal from the European Union through the existing communication channels.

The Agency would also like to remind stakeholders of its guidance on the application of REMIT to non-EU market participants trading in European Union's wholesale energy markets² and their reporting obligation under REMIT³ and emphasises that this guidance will also apply to UK market participants trading in European Union's wholesale energy markets following the UK withdrawal from the European Union.

In general, the Agency emphasises that market participants in European Union's wholesale energy markets must comply with the requirements in REMIT, including reporting to the Agency of the records of European Union's wholesale energy market transactions and orders to trade. All market participants and third parties acting on their behalf must ensure that this reporting requirement continues to be fulfilled. The national regulatory authority re-registering market participants from the UK will be responsible to ensure that the enforcement provisions pursuant to Article 13 to 18 of REMIT be effectively applied.



Alberto Pototschnig

² 4th edition of ACER Guidance on the application of REMIT from 22 March 2018, available under: https://documents.acer-remit.eu/wp-content/uploads/4th-Edition-ACER-Guidance_updated.pdf

³ Transaction Reporting User Manual (TRUM) from 26 April 2017, available under: <https://documents.acer-remit.eu/category/remit-reporting-user-package/transaction-reporting-user-manual-trum/>.