

# Changes in Market Conduct Rules

Effective from 16 June 2015

NPS has revised the Market Conduct Rules (MCR) with effect from [date]. This is to better adapt to the new regulations, in particular REMIT<sup>1</sup> and the Transparency Regulation<sup>2</sup> which has a significant impact on the MCR.

The purpose of this document is to explain the changes to the MCR and the background for these. There have been made a number of changes in the wording in order to improve the MCR, and to align these with the market conduct rules of N2EX. However, the focus below will primarily be on the material changes in the content of MCR, and hence, not all changes are described here.

To prevent double regulation, the prohibition against market manipulation and the prohibition against insider trading are removed from the MCR. Market Surveillance will still monitor possible breaches of the prohibition against market manipulation and insider trading according to REMIT, and suspected breaches will be reported to the relevant authorities.

To make sure that members placed in Norway has to comply with the same rules as the rest of the members at Nord Pool Spot, there will be implemented special regulations for Norway until REMIT and the Transparency Regulation are implemented in Norway.

A further description of all the changes in the MCR follows.

## MCR Section 2 - Compliance with applicable law

A new section is added, where it is stated that members shall comply with both MCR and applicable law. This implies that all members are obliged to comply with regulations like REMIT and the Transparency regulation, and Nord Pool Spot may react towards members if they do not act in accordance with such regulations.

Special regulations are added for members in Norway, to ensure that all members have to comply with similar rules relating to insider trading and market manipulation until REMIT is entered into force in Norway.

## MCR Section 3 (Previous Section 2) - Interpretation

The definition of market manipulation and the definition of attempt to engage in market manipulation are moved to the appendix where it is only valid in Norway.

## MCR Section 4 - Prohibition of insider trading and duty of confidentiality

This section is moved to the appendix where it is only valid in Norway.

## MCR Section 5 - Disclosure requirements

5.1 – it is stated that information relating to business or facilities outside the Nordic and Baltic area shall only be published in the UMM system if the information is not publically disclosed in accordance with the REMIT or the Transparency regulation. Previously, this only referred to REMIT.

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<sup>1</sup> Regulation (EU) No 1227/2011 of the European Parliament and of the council of 25 October 2011 on wholesale energy market integrity and transparency

<sup>2</sup> Commission Regulation (EU) No 543/2013 of 14 June 2013 on submission and publication of data in electricity markets and amending Annex I to Regulation (EC) No 714/2009 of the European Parliament and of the Council

5.2 a, b and c – changed how long ahead information is subject to the disclosure requirements. Previously it was three calendar years ahead, while now it is simplified to be up to three years. Meaning from today and three years ahead. This change is made to harmonise the MCR with the Transparency Regulation.

#### [MCR Section 6 - Prohibition against market manipulation](#)

The prohibition against market manipulation is moved to the appendix where it is only valid in Norway.

#### [MCR Section 6 \(Previous Section 7\) - Duty to provide information to NPS](#)

It is specified that NPS do not have to suspect a breach of the MCR or other rules or regulations in order to ask for information, and that information may be shared with relevant regulatory body. It is stated that all communication with NPS and Market Surveillance may be recorded, stored and used for surveillance purposes. These changes are just clarifications, and do not represent any material changes.

#### [MCR Section 9 \(Previous Section 10\) - Procedures for Investigation of Breaches and Disciplinary Actions](#)

The disciplinary procedures have been amended to clarify also the procedures relating to investigation of Applicable Law, not only breaches with the Market Conduct Rules. This is especially relevant in relation to investigations of possible breaches with REMIT Article 3 and 5, where Nord Pool Spot is obliged to have procedures in place according to REMIT Article 15.

#### [Appendix 1 – Special regulations for members trading in products with delivery in Norway, or with business or facilities in Norway](#)

A new appendix with special regulations for members trading in products with delivery in Norway or with business facilities in Norway is added. This is to ensure that all members of NPS has to comply with the same rules.

#### [Appendix to the MCR Section 2 - Interpretation](#)

The definition of the term market manipulations and the term attempt to engage in market manipulation are added in the appendix. These are moved from the MCR, and the wording is changed to apply only to products with delivery in Norway.

#### [Appendix to the MCR Section 3 - Prohibition of Insider Trading and Duty of Confidentiality](#)

The prohibition of insider trading and duty of confidentiality are added in the appendix. This is moved from the MCR, and the wording is changed to apply only to products with delivery in Norway.

#### [Appendix to the MCR Section 4 - Prohibition of Market Manipulation](#)

The prohibition of market manipulation is added in the appendix, and removed from the MCR.

**Obsolete**