

Market Surveillance Report for First Half of 2013 – N2EX

This is the second edition of the Bi-Annual N2EX Market Surveillance report. The aim of the report is to update members on the Market Conduct Rules and REMIT, and explain the role of the Market Surveillance Department (MS) at Nord Pool Spot AS.

REMIT

As REMIT was implemented in December 2011, all participants in the UK are obliged to comply with its terms. N2EX, as a market place, is obliged to have procedures in place to identify breaches of Article 3 (prohibition against insider trading) and Article 5 (prohibition against Market Manipulation). MS is continuously monitoring REMIT compliance in accordance with REMIT Article 15.

REMIT transaction reporting

According to REMIT Article 8.1 *“Market participants, or a person or authority listed in points (b) to (f) of paragraph 4 on their behalf, shall provide the Agency with a record of wholesale energy market transactions, including orders to trade.”* As an organised market place N2EX may report orders/transactions on behalf of N2EX members. Nord Pool Spot has now initiated an internal project and the intention is to offer a REMIT transaction reporting service to UK customers. Nord Pool Spot will be able to provide further details to members in the coming months.

REMIT expert groups

Two representatives from Nord Pool Spot’s MS team are members of relevant expert groups established by ACER. These groups focus on REMIT implementation measures and wholesale energy market surveillance. Their goal is to provide support to ACER during the development of guidance, recommendations and transparency rules in the implementation phase of REMIT and to advise and assist ACER as well as national authorities in preparing them for the market monitoring and surveillance activities required by REMIT. Two meetings of each group have been held during the first half of 2013.

Market Conduct Rules

N2EX’s Market Conduct Rules (MCR), which are set out in an appendix in the N2EX rulebook, currently contain rules that are similar to, but which pre-date, REMIT. We are currently in the process of updating the MCR to align with REMIT and will keep members informed of any changes that occur as a result.

Contact Market Surveillance

Nord Pool Spot has unrivalled experience in wholesale energy market surveillance. We would welcome any input or questions regarding REMIT, our MCR or our experience of market oversight.

The current version of N2EX's MCR, together with reports, information regarding sanctions and other relevant information published by MS can be found on the N2EX website (www.n2ex.com).

Please feel free to contact us using the contact details set out below.

MARKET SURVEILLANCE

Tel +47 67 10 91 35 (*this line is recorded*)

Nord Pool Spot AS

market-surveillance@npspot.com

www.nordpoolspot.com

www.n2ex.com

Relevant links:

[ACER web site where you can find REMIT and the guidelines](#)

[Market Conduct Rules at N2EX](#)

[Market Conduct Rules at Nord Pool Spot](#)

- including the Nordic and Baltic disclosure requirements in section 5

[Market Surveillance at N2EX](#)

[Market Surveillance at Nord Pool Spot](#)