

› eex group

Brexit Q & A

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Brexit Question & Answers

Please find in this document some questions and answers on Brexit which may be useful in the evaluation of your Brexit transition plans.

Please engage proactively with your Key Account Manager for further information.

General question may also be addressed to the following addresses:

For EEX Sales: sales@eex.com

For Clearing: clearing@ecc.de

For EPEX: sales@epexspot

For Pownext: regulation@pownext.com

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Membership

Will there be any specific membership requirements for non-EU exchange participants?

The membership criteria as defined in the Exchange Rules does not distinguish between EU and non-EU participants but only determines a number of additional requirements for any foreign company. However, the future laws of the UK or European law may impose specific requirements on UK members depending on the scope of activities undertaken by the member.

Applies to EEX, Powernext, EPEX SPOT

Does EEX or Powernext need permission to admit new companies?

It must be assumed that UK companies can only trade at EEX or Powernext after Brexit if EEX/Powernext is permitted to admit these companies according to the new UK law. EEX and Powernext closely monitor the outcome of the Brexit negotiations in this respect and apply for the respective license as soon as the licensing requirements are available.

Applies to EEX, Powernext

Trading Arrangements

What will happen to the market coupling arrangements for near-term power markets?

The European Commission published a notice to stakeholders regarding the Withdrawal of the UK and the Internal Energy Market.

If there was not a ratified withdrawal agreement and UK became a third country, then EPEX SPOT's interpretation of this notice was that UK based operators (in our understanding this means NEMOs and interconnectors) would not participate in market coupling. This means that there will not be implicit allocation of capacity on the Day-ahead auction. As such the GB markets will continue to exist but will operate in isolation. Our expectation is that the interconnectors will offer their capacity via explicit auctions.

Applies to EPEX SPOT

Clearing Arrangements

Will there be any specific requirements for UK Non-Clearing Members?

There are no specific requirements for non-EU Non-Clearing Members in the ECC Clearing Conditions. However, with the change of the legal framework a review of the KYC-form might be initiated by ECC for UK clients.

Applies to ECC (and hence to all markets cleared by ECC)

Will there be any specific requirements for UK DCP-Clearing Members?

In order to admit DCP-Clearing Members from any jurisdiction ECC first has to check the enforceability of its Clearing Rules under the respective jurisdiction. ECC has done that already for the UK but with the change of the legal framework following Brexit this would have to be renewed.

Applies to ECC, EPEX SPOT

Will there be any specific requirements for UK Clearing Members?

As a result of the uncertain outcome of the Brexit negotiations no clear recommendations can be provided for Clearing Members. However, ECC closely monitors the outcome of the Brexit negotiations in this respect.

Applies to ECC (and hence to all markets cleared by ECC)

Does ECC need permission to be able to provide clearing services in the UK after Brexit?

According to the current communication of UK regulators it is to be assumed that ECC must acquire a license to be allowed to continue the provision of clearing services in the UK. ECC is in close contact with UK regulators in this respect and will undertake all necessary steps towards an acquisition of the respective license.