

## **Legislation to prevent energy market abuse considered**

The European Union could introduce legislation as soon as next year to increase transparency and prevent abuse in energy markets, the EU securities regulator says, according to *Bloomberg*. The regulations should apply to both physical and derivatives markets, particularly in electricity and gas sectors, says Committee of European Securities Regulators Secretary-General Carlo Comporti. The committee advises the European Commission. “We do consider that in the energy sector there should be a regime as stringent as what we have currently in the Market Abuse Directive for the financial markets to counteract market abuse,” Comporti says. The EU market abuse directive, known as MAD, prohibits insider dealing and market manipulation. It also creates obligations aimed at deterring abuses, such as insiders’ lists, suspicious-transaction reporting and disclosure of trades by managers of issuers. “The objective would be the same, but since MAD is very much focused on the specificity of financial markets, we suggested that a specific legislative tool would be probably best and most appropriate in the context of energy markets,” Comporti says. “And I think that the new commission that will come from January will have to address this.” The European Commission has outlined plans to improve transparency in the over-the-counter derivatives market, which has an estimated global value of US\$592 trillion. The EU should also establish a “sound mechanism” of cooperation between financial and energy market regulators and introduce new legislation on the transparency of the energy industry, Comporti says.

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