



European Federation
of Energy Traders
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EFET - European Federation
of Energy Traders
Amstelveenseweg 998
1081 JS Amsterdam
The Netherlands

Tel: +31 (0)20 5207970
Email: secretariat@efet.org
www.efet.org

Competition & Markets Authority
Project Manager
ICE Trayport merger
Victoria House
Southampton Row
London WC1B 4AD

Per electronic mail:
Jack.Munn@cma.gsi.gov.uk

Amsterdam, 20 September 2016

**EFET SUBMISSION IN RESPONSE TO ICE-TRAYPORT RESPONSE TO CMA'S
PROVISIONAL FINDINGS IN THE CONTEXT OF THE ICE-TRAYPORT
TRANSACTION**

Dear Sirs,

We make reference to ICE / Trayport response to CMA Provisional Findings in the context of the ICE / Trayport Merger ("Parties Response").

The European Federation of Energy Traders (EFET) is an association of European energy traders in markets for wholesale electricity and gas, representing more than 100 traders in Europe. EFET was founded in 1999 in response to the liberalisation of electricity and gas markets within the European Union. EFET advocates policies and

regulatory measures which allow electricity and gas trading to develop freely while encouraging good risk management practices and responsible corporate governance.

In its role as a standard setting body, EFET aims to provide standard solutions to common aspects of wholesale energy transactions, such as data exchange. EFET is issuing standard contractual templates for physically settled transactions of electricity and gas.

This letter in response to the Parties Response and, in particular, "ICE's own impression that most traders are neutral towards its ownership of Trayport" because "only three traders out of some 250 firms that licenses Trayport software, appear to have expressed any concern to the CMA".

The ICE suggestion that "trading companies" do not have any concern could not be further from reality. Trading participants in the UK, and in the rest of Europe, are very concerned about this transaction.

Because of reputational risks, trading companies often prefer to form their opinion through associations as associations can take up issues relating to the industry as a whole. Before associations can take external action, they require formal internal backing from member companies, which has been secured here.

EFET seeks to operate on the basis of consensus of members before taking external positions in procedures such as to intervene in competition and merger control proceedings.

Several decision making committees have formally endorsed EFET acting in this matter and we request EFET's position to be understood as joint industry action carried by the over 100 member companies organised within EFET.

On the request of our members, all of them are Trayport licensed users, we have voiced their concern about the ICE \ Trayport acquisition and its expected serious anti-competitive implications. EFET represents the main user community of Trayport.

EFET fully supports the concerns identified in the CMA provisional findings. EFET equally support CMA's conclusion on its notice of proposed remedies. In our opinion, a full divestiture of Trayport could be the most effective remedy to avoid negative implications, otherwise feared as consequence of the intended merger.

EFET members as users of the Trayport platform alternatively welcome the opening of Trayport API in order to foster competition, and to enable alternative services to Trayport to arise. We however consider this option as a less effective measure compared to a full divestiture, as we are aware of the commercial and technical difficulty to offer competing services to Trayport.

EFET considers that a partial divestiture of some of the Trayport components, namely the TGW and CL, will be a less effective remedy, even if the partial divestment is combined with the opening of the relevant Trayport APIs.

We trust this letter clarifies the position of EFET members, all active energy traders in Europe, and contributes to a satisfactory solution to the entire industry.

We remain at your disposal to discuss any solutions or any need for additional information.

Yours sincerely

Jan Van Aken
General Secretary