

ICE/Trayport remittal

Submission from Trading Company X

Further to the Competition Appeal Tribunal's judgement of 6 March 2017, whereby it remitted to the CMA the question of whether ICE should be required to terminate the new agreement entered into between itself and Trayport post-merger, I would like to take this opportunity to set out Trading Company X's views on this issue. I apologise that our response comes slightly after the requested deadline of 9 May 2017, but I hope that you will still take our points into consideration.

By way of introduction, Trading Company X is a marketing and trading business specialising in energy across a number of different products and markets.

Trading Company X is not in a position to judge whether the new agreement was concluded on an arm's length basis between ICE and Trayport, or whether it contains anti-competitive provisions which would unfairly advantage ICE over other venue customers or impact the choice of Trayport's prospective purchasers following the divestment order.

Provided, however, that the new agreement was concluded on an arm's length basis and does not contain any anti-competitive terms, Trading Company X supports the implementation of the new agreement. We understand that the new agreement's implementation enables new ICE products to be made available on Trayport Gateway. Given ICE is an important venue for EU utilities trading, having such additional products will support market liquidity. Furthermore, the aggregation of such products on Trayport should also enhance trading efficiency, which would be beneficial to market participants.

In conclusion, Trading Company X would welcome the CMA thoroughly reviewing the new agreement to ensure that it neither creates unfair competitive advantage for ICE nor contains any provisions which may negatively affect the divestment of Trayport. To the extent that it does not, Trading Company X would be in favour of the new agreement remaining implemented for business and liquidity reasons, particularly as any divestment of Trayport could take months to implement.