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Project Manager, ICE/Trayport Remittal inquiry
Competition and Markets Authority
Victoria House
Southampton Row
London
WC1B 4AD
United Kingdom

Rotterdam, May 3rd 2017

ICE Endex - Trayport

Dear Sir/Madam,

With this letter we wish to inform you of the following.

Eneco Energy Trade B.V (EET) is the trading and sourcing branch of the Eneco group, a Dutch utility.

EET understands that the new agreement between ICE and Trayport enables additional IFEU and ICE Endex EU utilities products to be made available on Trayport Trading Gateway and the provision of Trayport's Clearing Link to ICEU to facilitate straight-through-processing (STP) of broker-intermediated trades (this agreement hereinafter referred to as the "New Agreement").

As such, the New Agreement will enhance choice of execution and clearing for market participants such as EET who are active in wholesale EU gas/power markets, thereby increasing competition for these services.

Provided that the New Agreement does not contain any anti-competitive provisions that would provide ICE with an unfair advantage and/or constrain Trayport's ability to operate its business as currently (i.e. as a venue-neutral aggregator), EET views the New Agreement favourably, on the basis that it enables enhanced distribution of IFEU and ICE Endex EU utilities products.

ICE is an important venue for EU utilities trading/clearing and EET wishes to have the additional IFEU and ICE Endex markets available on Trayport, something which is not possible today.

Continued delay to the implementation of the New Agreement means that trading firms such as EET are today losing out on their ability to trade/clear additional IFEU/ICE Endex markets such as financial German, Belgian, French and Dutch power futures which EET would like to have available on Trayport. It is also hampering ICE in its ability to launch new products and services and compete on an equal footing with other trading venues and clearinghouses active in EU utilities. This creates distorted market outcomes and may have a negative impact on the functioning of certain wholesale markets for EU gas and power.



EET therefore considers that the New Agreement should be allowed to be implemented without delay, particularly as any divestment of Trayport could take months to implement. For business and liquidity reasons, and also to preserve ICE's ability to compete on an equal footing, EET believes that the CMA should permit the New Agreement to be implemented immediately.

Trayport's core business model is to be an aggregator of multiple venues and ICE is an important venue for EU utilities trading/clearing – so it's clearly in Trayport's interests to have the New Agreement in place. EET assumes that any prospective buyer of Trayport would view the New Agreement in a similar way.

As such, EET would expect that the New Agreement being in place would encourage prospective buyers to participate in a divestiture process, as ensures that ICE is part of the Trayport venue aggregation model. If anything, EET expects that a prospective buyer would be concerned if the New Agreement were required to be terminated, on the basis that this would create uncertainty about the availability of IFEU and ICE Endex products and markets on Trayport Trading Gateway and the provision of Trayport's Clearing Link to ICEU for STP.

EET is happy to discuss these views with the CMA in further detail. If you have any further questions, please direct them to Lucien Wiegers.

With kind regards,

Lucien Wiegers
Director

Head of Trading
Asset & Portfolio Management