

# Market Abuse Regulation for Emission Market Participants

# Market abuse regulation (MAR) for Emission allowance market participants

## Entry into force

- MAR: **3 July 2016**, except for those provisions which explicitly depend on MiFID II, and where reference is made to emission allowances then the entry into force is **3 January 2018**
- MiFID II: **3 January 2018**
- MAD: to be adopted by EU member states before **3 July 2016**

## Targeted companies

**Emission allowance market participant** means any person who enters into transactions, including the placing of orders to trade, in emission allowances, auctioned products based thereon, or derivatives thereof and whose **installations rated thermal input is above 2,430 MW** or whose **emissions are above 6-million tCO<sub>2</sub>eq p.a. on a group level in the EU Member states and in EEA/EFTA countries.**

## Obligations

- Monitoring and Notification of insider dealing, market manipulation, and market abuse (ESMA's interpretation of the definition for a **person professionally** arranging or **executing transactions** is very broad and **also covers non-financial entities**. There are differences between a similar legal concept in REMIT (PPAT) and the MAR (PPAET) concept.)
- Public disclosure of insider information, including **emission allowances holdings**, and **capacity and utilization of installations**, including planned or unplanned unavailability of such installations
- Notification of delayed disclosure of inside information and written explanation to competent authorities
- Insider list (differentiating between deal-specific or event-based insiders and permanent insiders) to be transmitted to competent authorities
- Notification and public disclosure of managers' transactions

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## Fines

Failure to publish inside information, publishing them too late, publishing them not in the foreseen way, or publishing them incorrectly - deliberately or frivolously - is punished by a fine, **for individuals up to 1 Mio. €, for legal entities** or associations of individuals **up to the higher of 2.5 Mio. € or 2 % of their annual turnover** (in Germany). Furthermore a fine can be set to three times the amount gained by such an offence.

In addition the names of offenders are published on the internet site of the German financial regulator ("**naming & shaming**").

Fines in other member state of the EU may be different.

# Turning a regulatory requirement in a practical advantage

- Fulfilling the regulatory requirements of the market abuse regulation may be used to gain some more practical advantages, e.g. an improved business planning process or advances in the „Business Integration“ (BI) infrastructure.
- Apart from the regulatory burden added benefits may be generated.



## Your contacts

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