



EFETnet: Opportunities in a changing market

EFETnet User Group, June 7 2017

Prague

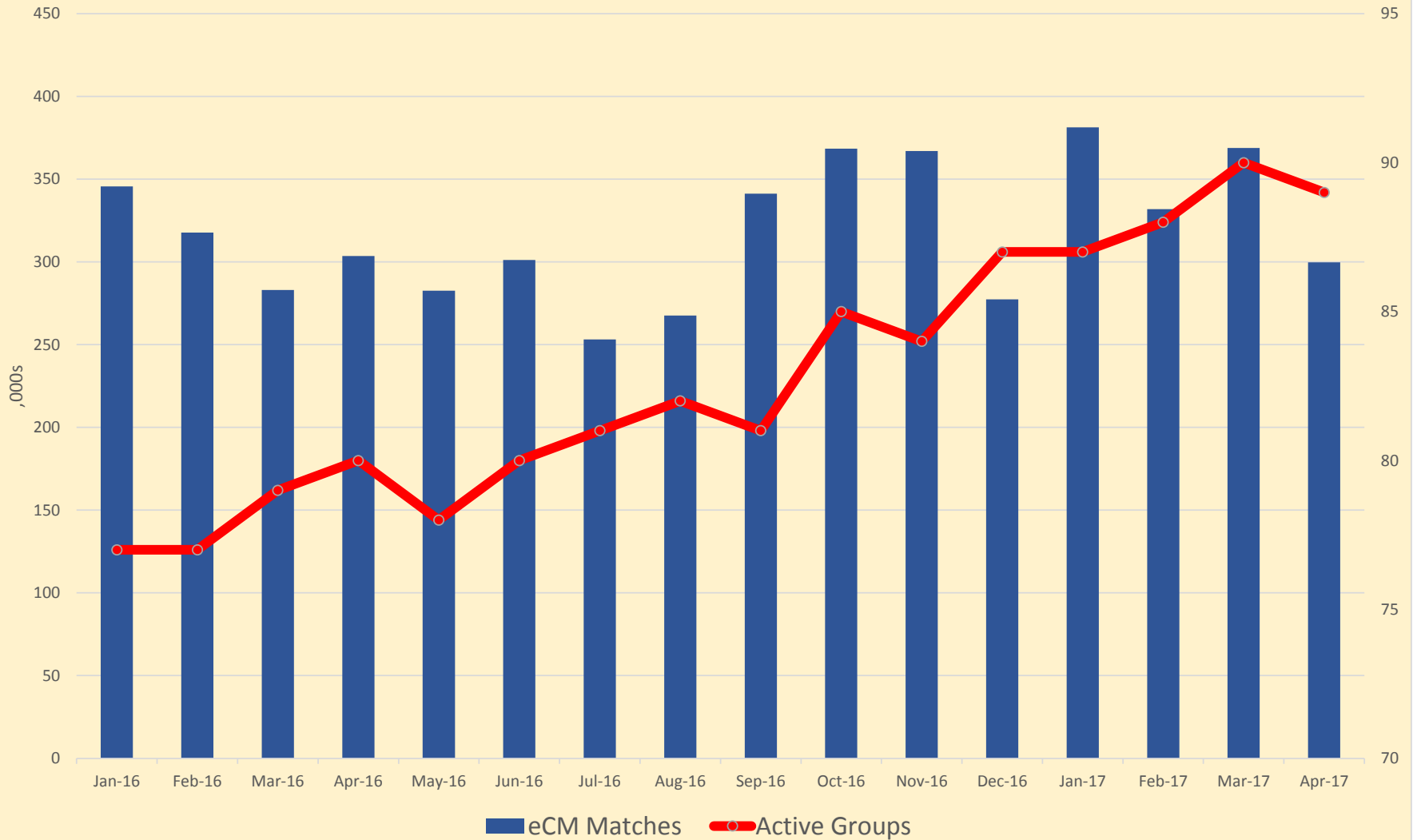


EFETnet's Central Matching Service

- The EFETnet CMS was launched in 2011 with 12 Trading groups and 5 Brokers, with about 50 traders continuing on the legacy Peer to Peer solution
- We are now at nearly 700 licensed users of the CMS, representing more than 1,200 companies across Traders, Brokers, Exchanges, Trade Repositories and Regulators
- The CMS platform has continued to scale with the increase in user numbers, processes supported, and data
 - Infrastructure has continued to grow (storage particularly), but team sizes have been largely stable
- Largest jump has been seen in the past 18 months

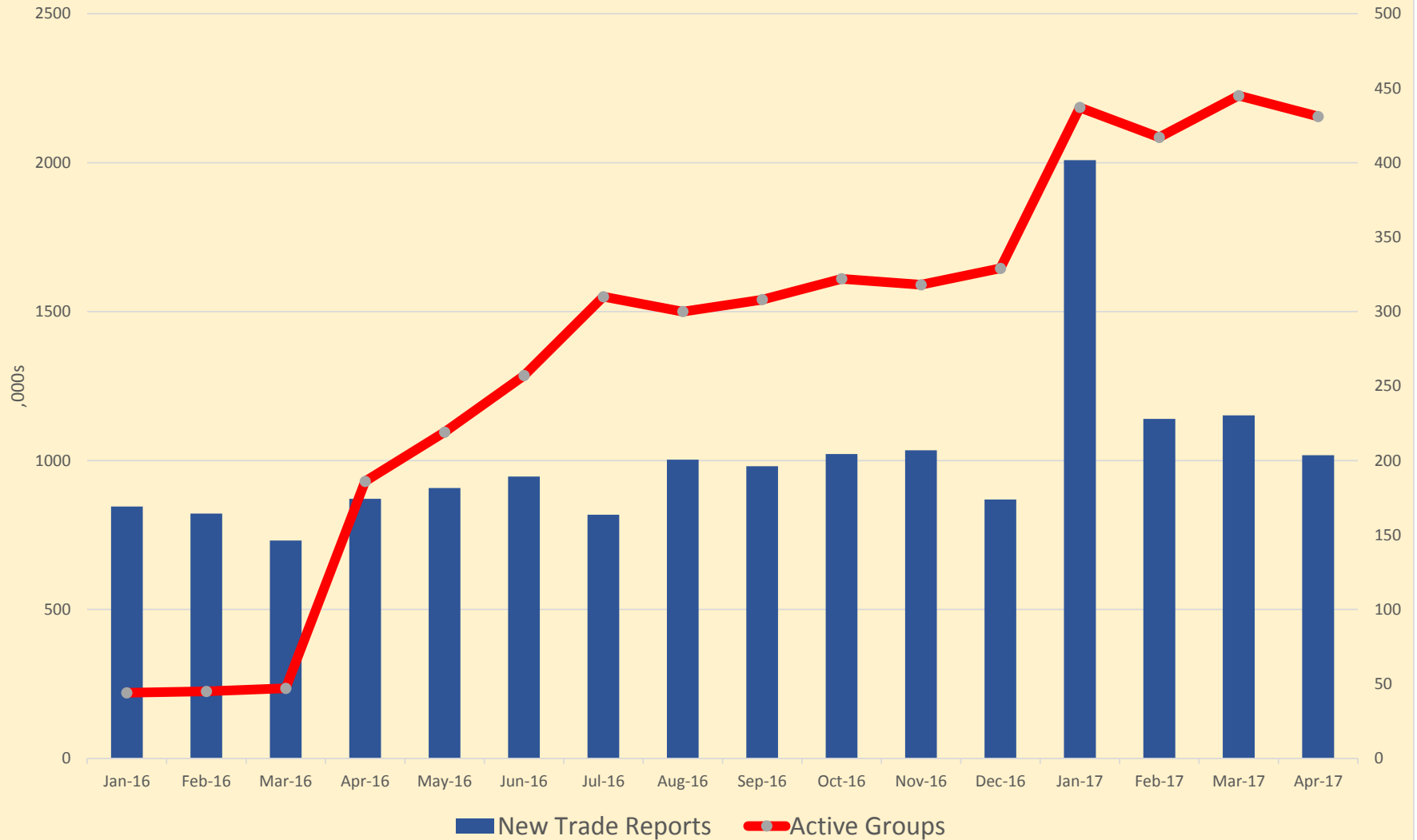


eCM Transactions by Month





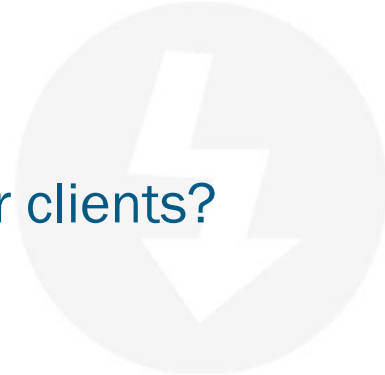
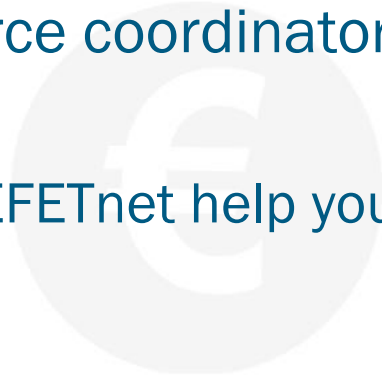
eRR Transactions by Month





What are the challenges facing the industry?

- Common themes we hear regularly from users:
 - Changing profile of clients
 - Increasing external influences
 - Continual drive for regulation impacting day to day processes
 - Clients looking for EFETnet to act an industry and/or resource coordinator
- How can EFETnet help you, our clients?



Changing profile of clients

EFETnet initiatives:

- New Small/Medium Enterprise offering
 - Simplified onboarding, including self service contracts
 - Simpler dashboards for less complex operations
- Support for delegated operations
 - EFETnet Reporting On Behalf Of solution
 - Common dashboards
 - Simplified confirmations?
- Relaxing and improving security
 - Removing the requirement for a fixed IP address for the GUI
 - Retaining IP range checking if wanted
 - Removing support for unsafe browsers

Increasing external influences

EFETnet initiatives:

- Driving standardisation in data and processes
 - CpML extensions for EMIR Level 3 and MiFiD II
 - Standardised approach to MAR
 - Working with ACER to improve ACER UTI algorithm
- Developing low-cost proportionate solutions
 - EFETnet MAR solution is being developed with the industry, for the industry, in a cost sharing model
- Acting as the honest broker
 - Collating and routing REMIT data to minimise interfaces for OMPs
 - Collating, enriching and delivering MiFiD II data to venues and ARMs to standardise and simplify processes

Regulation requirements impacting day to day

EFETnet initiatives:

- Consuming the impact of changes centrally, to limit the impact on end users
 - Changes from EMIR Level 3 affects c100 fields, but the impact on EFETnet eRR users is less than 10 changes to the reporting document
- Providing stable low cost centrally hosted solutions for the business processes which do not differentiate
 - eCM is the standard confirmation process in the energy trading industry
 - eRR enabled clients to take control of their reporting solution with the need to build complex in-house solutions and removed the need for multiple scattered RRM
- Innovating on new standardised solutions to share and minimise costs
 - Taking the work done by the EFET WG in the MAR space and developing that with clients to provide solutions which leverage investment already made by the trading firms

EFETnet as an industry/resource coordinator

EFETnet initiatives:

- Investigating how your assets can be put to better use
 - The industry 'natural resource' of information being refined into a product for the benefit of the community to address problems like MAR and MiFiD II
- Creating a central repository for Static Data
 - Growing and externalising the static data set (code mappings, ETD product definitions, MiFiD II ISINs etc.) that the CMS already maintains for processes like eRR and making this available to the industry in standard formats
- Holding ongoing client forums
 - Engaging closely with small and large users to understand how the CMS can serve these diverse communities
 - Ongoing EFETnet user meetings for general feedback on the CMS service
 - Providing on-line forums for the exchange of ideas and experience
- Taking the work of EFET to develop common solutions
 - Currently MAR and MiFiD II are in progress
- Working closely with ACER to improve REMIT operational process



Plan for key initiatives

	2017			2018				2019	
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	
Key Milestones		EMIR Level 3	MiFiD II	FinfraG (NFC)	EFETnet User Group 2018				
eRR	EMIR Level 3			Ongoing Regulatory Changes					
		FinfraG							
MAR	Product Prototype	Product Implemt	Further Abuse Pattern development			Further Abuse Pattern development			
MiFiD II	Product Prototype	Product Implemt	Development of Position Limit calculation						
			Ongoing Connections to Venues and ARMs						
SME	CMS enhancements								
	Simplified CMS access		Ongoing enhancements						
	Self-service Onboarding								
Data	Static Data Services		MAR and MiFiD II links		New services				
	Updated Infrastructure								

What further ahead?

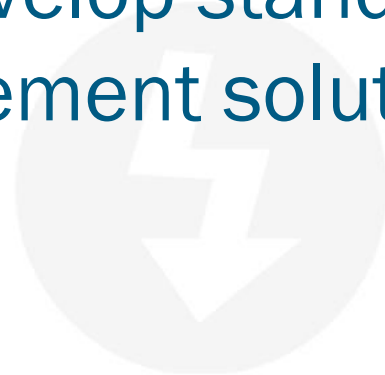
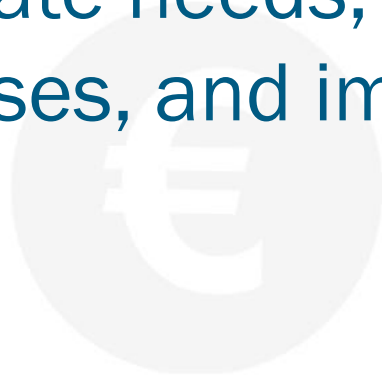
- EFETnet Portal
 - Using EFETnet's infrastructure as a distribution channel for third party data providers (exchanges, market data providers, etc.)
- New market structure – the 'Prosumer'
 - Blockchain nets
- Improved market data
 - Collaboration with PRAs to improve market data quality





EFETnet's Role?

- Be at the heart of the market
- Respond to the needs of our community
- Anticipate needs, develop standardised processes, and implement solutions





THANK YOU





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