



## EEX Code of Conduct

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Datum / Date

**24/06/2010**

Ort / Place

**Leipzig**

Dokumentversion / Document Release

**V001b\_e**

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## 2. Preamble

- (1) In the framework of its right to self-management EEX sets the following rules of conduct for itself through the exchange council in addition to the existing provisions.
- (2) This EEX Code of Conduct is based on the fundamental principle of the need for the joint responsibility of EEX and its trading participants for a fair and transparent energy market.
- (3) These rules make an active contribution to the requirements of the developing internationalisation of energy trading and aim at complying with the market's need for a uniform and internationally harmonised control system.
- (4) These rules are intended to strengthen the confidence which the market and the public have in the markets of EEX, its pricing mechanisms and the reference character of the exchange prices.

## 3. Scope of Application

### Art. 1 Scope of Application

- (1) The EEX Code of Conduct is applicable to the exchange itself, all trading participants and traders licensed to trade on EEX. It shall be binding for all the parties involved.
- (2) Furthermore, art. 7 section 2 shall be binding for those persons and companies involved in the determination of the settlement price by the management board of the exchange.

### Art. 2 Legal Classification

- (1) The EEX Code of Conduct is part of the rules and regulations of EEX.
- (2) The EEX Code of Conduct does not release the trading participants from the obligation to comply with statutory rules and further specific provisions of the exchange, such as the exchange rules and the trading conditions of EEX.

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## 4. Rules of Conduct for Exchange Trading

### 4.1. Ban of Price and Market Manipulation

#### Art. 3 Principles

- (1) In order to safeguard free, transparent and fair trading on EEX any form of manipulation of exchange trading and the exchange prices as well as the unfair use of the exchange and its facilities are banned.

The following, in particular, shall be banned:

- entering of orders without trading interests (fictitious orders),
  - the conclusion of transactions suitable for a manipulation of the exchange prices (misleading trading transactions),
  - collusions or the collusive co-operation of trading participants among each other or with third parties,
  - influencing of settlement prices so that these do not reflect the fair market value.
- (2) The trading participants and exchange traders commit to fairness towards the exchange and the other trading participants. They shall only conclude transactions on EEX in compliance with the customary trade practices and the principles of professional market traders.

#### Art. 4 Ban on Fictitious Orders

Entering of orders which are not intended to lead to the conclusion of a transaction (fictitious orders) and suitable to influence exchange prices shall be banned.

#### Art. 5 Ban on Misleading Transactions

The conscious conclusion of transactions which are suitable for setting incorrect or misleading signals regarding the supply or the demand for the products traded on EEX or establishing an artificial price level shall be banned.

#### Art. 6 Collusions and Collusive Behaviour

- (1) Any collusive co-operation of trading participants among each other or with third parties which is suitable for influencing trading on the exchange shall be banned.
- (2) The conclusion of collusive transactions and internal transactions concluded by trading participants shall not be permitted unless these are expressly permissible as an exception according to the more detailed provisions of the rules of the exchange. Sentence 1 shall be applied accordingly with regard to other behaviour which constitutes a circumvention of this provision.

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## **Art. 7 Establishment of Settlement Prices**

- (1) Any influencing of the settlement price and, in particular, any attempts at achieving a deviation of the settlement price from the fair market value by means of the conclusion of transactions or by entering orders shall be banned.
- (2) All participants in the chief trader procedure in which the fair market value (fair values) is established by means of a survey by EEX shall convey their assessment free from any self-interest and to the best of their knowledge and belief.

## **4.2. Requirement of Transparency**

### **Art. 8 Transparency and Insider Dealing**

- (1) The trading participants support the exchange in further developing the transparency of the activities on the exchange and the information of the public also beyond the pure exchange trading.
- (2) The trading participants shall not use any information in an illegal or improper manner either for themselves or for others.

### **Art. 9 Information**

Trading participants or their exchange traders shall be banned from

- publishing or disseminating market-relevant information in an intentionally incorrect manner or in such a manner that said information might have a confusing effect on the trading participants of EEX. Market-relevant information comprises the information which is significant for the evaluation or pricing regarding one of the products traded on EEX.
- holding back market-relevant information with the intention of misusing such information if this violates statutory disclosure duties.
- carrying out other acts of deception suitable for having an improper effect on the market or settlement price of the products traded on EEX.

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## 5. Conduct Towards the Public

### Art. 10 Principle

- (1) In as far as a trading participant makes statements regarding its participation in the exchange towards the public, said participant shall be obliged to make such statements truthfully.
- (2) Moreover, trading participants shall be obliged to refrain from bringing the exchange and the companies operating the exchange EEX into disrepute by consciously false statements.

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## 6. Internal Regulation and Organisation

### Art. 11 Principle

The trading participant shall be obliged to establish internal regulations for itself in accordance with its personal circumstances and the extent of its business activities and to provide an organisational structure ensuring a proper participation in exchange trading and the settlement of exchange transactions.

### Art. 12 Organisation

- (1) The trading participant shall be obliged to organise its business operations in such a way that it fulfils all the legal and regulatory requirements for energy trading.
- (2) The adequate organisation of the trading participant shall comprise, in particular, the following – under consideration of the personal circumstances and the extent of the business activities of the trading participant:
  - that the trading participant has an internally established organisational structure,
  - that the scope of duties of the employees is clearly defined,
  - that the trading activities are monitored effectively internally and
  - that effective risk management with regulations and control mechanisms for the basic risks from energy trading is available.

### Art. 13 Qualification of the Traders

The trading participants shall ensure that their traders are sufficiently qualified and enjoined to comply with the rules of the exchange, including this EEX Code of Conduct.

## 7. The Trading Participant's Conduct towards its Clients

### Art. 14 Principle and Scope of Application

- (1) The provisions of this section apply to the trading participants and traders who carry out their clients' orders directly or indirectly on EEX.
- (2) The trading participants are obliged to treat their clients with the required professionalism and fairness and to resolve conflicts with client's interests adequately.

### Art. 15 General Rules of Conduct

- (1) Trading participants shall, in particular, be obliged
  - to provide their services in connection with trading on EEX with the required expert knowledge, care and conscientiousness in the interest of their clients at all times,
  - to endeavour to avoid conflicts of interests and to clearly explain the general type and origin of conflicts of interest to the clients prior to the execution of transactions for clients.
- (2) All the information which trading participants make accessible to their clients has to be honest, unmistakable and such information must not be misleading.

### Art. 16 Processing of Orders

Upon the execution of client orders a trading participant shall take precautions safeguarding that

- client orders are executed forthwith, in particular, against other client orders and own interests of the trading participants or forwarded to third parties,
- comparable client orders are executed or forwarded in accordance with the sequence in which they were received,
- the interests of all the clients involved are preserved in combining client orders,
- any misuse of information in connection with client orders which have not yet been carried out is prevented.

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## 8. Instructions, Information and Penalties

### Art. 17 Instructions

- (1) The trading participants and traders licensed to trade on the exchange are obliged to comply with the instructions and rules by the exchange supervisory authority, the management board of the exchange and the market surveillance department.
- (2) In as far as trading participants or traders licensed to trade on the exchange violate existing provisions or fail to comply with instructions they can be temporarily suspended from trading on the exchange in its entirety or for certain partial markets by the management board of the exchange in accordance with the more detail provisions of the exchange rules.

### Art. 18 Information Rights

- (1) The exchange supervisory authority and the market surveillance department are entitled to request information and the submission of documents from any trading participant and to carry out inspections in as far as this is required for the performance of their tasks.
- (2) The exchange supervisory authority and the market surveillance department can request information from everyone, they can also request the submission of documents and the surrender of copies, summon and interview persons in case there are indications substantiating the assumption that provisions or instructions under exchange law are violated or that there are other grievances which might affect the proper execution of trading on the exchange or the settlement of exchange transactions.
- (3) In addition to this, the statutory provisions shall apply.

### Art. 19 Penalties

- (1) In case trading participants and traders licensed to trade on the exchange violate existing rules, fail to comply with instructions by the management board of the exchange or the request for information by the market surveillance department or the exchange supervisory authority, they can be excluded from trading on the exchange in its entirety or for certain partial markets or products by the management board of the exchange either temporarily or permanently in accordance with the more detailed provisions in the exchange rules.
- (2) This provision does not exclude penalties on account of other provisions. In as far as there are possibilities for further penalties for the exchange on account of other provisions, such shall not be restricted by this provision.

## 9. Final Provisions

### Art. 20 Entry into Force

The EEX Code of Conduct as well as any amendments thereto shall enter into force on the day after its publication unless a different time is provided for.