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## **The Financial Markets Authority and CRE have signed a cooperation agreement on the exchange of information on energy markets and CO2 quotas**

The Financial Markets Authority (AMF) and the Regulatory Commission of Energy (CRE) have signed a Memorandum of Understanding on the exchange of information, control, and monitoring of the markets for greenhouse gas emission quotas, electricity, natural gas, and their derivatives.

This MOU organises cooperation between the two regulators for both CO2 quotas and Electricity and Gas markets.

Specifically, this cooperation will result in an exchange of information and assistance between the AMF and CRE within the framework of their supervisory and monitoring missions. Its purpose is for both authorities to share their information and expertise to identify risk factors for these markets.

The MOU covers the monitoring of the following products:

- greenhouse gas emission quotas and derivatives of which CO2 emission quotas are underlying assets;
- electricity and derivatives of which electricity is the underlying asset;
- natural gas and derivatives of which natural gas is the underlying asset;

This agreement is one application of the law on banking and financial regulation that defines the cooperation between the two regulators on the carbon market.

- This law allows admission of emission quota financial instruments on regulated markets and empowers the AMF to monitor the CO2 spot market.
- It extends the CRE's mission to monitoring transactions by energy market participants on CO2 to analyse their consistency with economic and technical factors explaining these markets.

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Through this agreement, France is the first European country to anticipate the provisions of the draft EU regulation on the integrity and transparency of energy markets (REMIT, Regulation on Energy Markets Integrity and Transparency) that the European Commission has just made public.

*Founded on 24 March 2000, the French Energy Regulatory Commission (CRE) is an independent administrative body. CRE works to guarantee smooth and efficient operation of the electricity and natural gas markets for the benefit of the end-user. It also works to guarantee the absence of discriminatory practices, cross-subsidies or restrictions on competition.*

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