*TOPIC-SPECIFIC LEARNING JOURNEY*

# COURSE PACKAGE:

# "EU MARKET ABUSE REGULATIONS"



ENTRIMA's Learning Platform lists a wide range of courses, all related to markets & trading. Some of these courses have been bundled to form a course package, as they all concerns the same field of expertise.

The Course Package "**EU market abuse regulations**" consists of the following courses:


| | | page |
|---|---|---|
| 1. | EU market abuse regulations & institutions | 3 |
| 2. | REMIT – *Regulation on Wholesale Energy Market Integrity & Transparency* | 4 |
| 3. | MAR – *Market Abuse Regulation* | 5 |
| 4. | Ethics & integrity | 6 |
| 5. | Commodity value chain | 7 |
| 6. | Inside information | 8 |
| 7. | Inside information – Under REMIT | 9 |
| 8. | Inside information – Under MAR | 10 |
| 9. | Insider trading & market manipulation | 11 |
| 10. | Markets & trading | 12 |
| 11. | Products | 13 |
| 12. | Pricing | 14 |


Each of these courses ends with an exam. Upon passing the exam the learner will be certified instantly. The contents, duration and level of each course is set out in the pages hereafter.

**Duration**

Total duration*) of all twelve (**12**) courses together: **360** minutes (i.e. **6** hours)

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|---|---|
| ➢ **Study hours:** | **6** |
| ➢ **CPD points:** | **6** |

*) *Excluding examination*

**Study advice**

Here is provided our study advise for the following four target groups, and the related study points:

| | | | |
|---|---|---|---|
| ✓ | Market practitioners: | **2** | → course 1-4 |
| ✓ | Insiders: | **4** | → course 1-8 |
| ✓ | Deal-makers: | **5** | → course 1-9 |
| ✓ | Surveillants: | **6** | → course 1-12 |

## COURSE:
# EU REGULATIONS & INSTITUTIONS

This training covers the fundamentals of the legislative process in the European Union. It touches on the basics of the related topics or themes. EU regulations are set out in a nutshell and it is explained what institutions are relevant and what roles they have.

This training covers the following topics:

- Policy making & development of legislation
  - Brussels: DG FISMA & DG ENER
  - Institutions: EC, EP & The Council of the EU
- Stakeholders
  - Regulatory affairs
  - Lobbying & industry representatives
- Financial crime
  - Money laundering, terrorist financing & tax fraud
  - Market abuse: MAR & REMIT
- Regulations & directives
  - Differences
- Dominant themes & relevant aspects
  - Protection, transparency & integrity
  - Prohibitions & obligations
- Compliance & risk management
  - Compliance risk management
  - Reputational risk
- Supervision
  - Competition authorities & their role
  - ESMA & ACER & their role
  - NCAs & NRAs & their role

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|---|---|---|---|
| ❖ | Level: | Basic | No prerequisites |
| ❖ | Intensity: | 30 minutes | Excluding examination |
| ❖ | Language: | Voice & text | English |
| ❖ | Including: | Examination | Certification upon passing |

## COURSE:
# REMIT

This training covers the fundamentals of the regulation and its consequences. It touched on the basics of the related aspects and crucial elements.

The following topics are addressed:

- The background & objectives of REMIT
  - Integrity
  - Transparency
- The scope of this legislative package
  - Electricity and gas
  - Electricity and gas contracts
  - Capacity
- Inside information
  - Physical capacity
  - Criteria to qualify information as inside information
- The prohibitions under the regulation
  - Insider trading
  - Market manipulation
- The obligations under this regime
  - Publication of inside information
  - Data collection/reporting
  - Registration
  - Market monitoring & surveillance (PPAT)
- The organisation of supervision
  - The role of ACER and NRAs
- Sanctioning in case of non-compliance
  - Administrative & criminal sanctions
  - For companies & individuals

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## COURSE:
# MAR

This training covers the fundamentals of the regulation and its consequences. It touched on the basics of the related aspects and crucial elements.

This training covers the following topics:

- The background & objectives of MAR
  - Financial market package
  - MAD, MAD II & MAR
- Definitions
  - EAMP
  - PPAET
- The scope of this legislative package
  - Financial instruments
  - Commodities and commodity-related contracts
- The prohibitions under this regime
  - Unlawfully disclosing inside information
  - Insider trading
  - Market manipulation
- The obligations under the regulation
  - Publication of inside information
  - Insider lists
  - Market monitoring & surveillance
- The organisation of supervision
  - The role of ESMA and NCAs
- Sanctioning in case of non-compliance
  - Administrative & criminal sanctions
  - For companies & individuals

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## COURSE:
# ETHICS & INTEGRITY

This training covers the fundamentals of the concepts 'ethics' and 'integrity'. It touches on the basics of behaviour and related topics or themes.

This training covers the following topics:

- Behaviour
  - Conduct vs. misconduct
  - Prohibition of abusive behaviours
- Compliance
  - Compliance function
  - Code of conduct
- The concepts explained
  - Ethics
  - Integrity
- Conflicts of interest
  - Morality
  - Dilemmas: the grey zone
- Financial crime
  - Money laundering, terrorist financing, tax fraud, employee fraud & market abuse
- Crime management
  - Effectiveness
  - Segregation of duties
- Classifications
  - Religion and philosophy
  - Natural evil, social evil & moral evil
- Trading behaviour
  - Rationale vs. emotion
  - Content vs. context
- Unethical decision making
  - Dimonic dimension
  - Complexity of today's society and markets

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## COURSE:
# COMMODITY VALUE CHAIN

This training covers the fundamentals of the 'commodity & energy value chain'. It touches on the basics of the physical flow of commodities. Attention is given to production, storage, transport and consumption and related capacities.

This training covers the following topics:

- The value chain
  - Physical flow
  - Security of supply
- Activities in the chain
  - Production
    - ❖ Exploration & production of fossil fuels (extraction)
    - ❖ Power generation
    - ❖ Production facilities
  - Storage
    - ❖ Security of supply
    - ❖ Storage facilities
    - ❖ Storage system operators
  - Transport
    - ❖ Transport facilities
    - ❖ Transmission system operators
    - ❖ Balancing & the nomination process
  - Consumption
    - ❖ Consumption & consumption facilities
- Relevant terminology
  - Upstream, midstream & downstream activities
- Pricing
  - Availability of capacity as price driving factor
  - Merit order
  - Weather circumstances

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## COURSE:
# INSIDE INFORMATION

This training covers the fundamentals of 'inside information' under (various) market regulations. It touches on the definition and relevant criteria.

This training covers the following topics:

- Information vs. inside information
  - Qualification
  - Responsibility of professional
- Awareness of sensitivity
  - Crucial information
  - Careful treatment
- Relevant criteria
  - Product within scope of regulation
  - Non-public information
  - Precise information
  - Likely to have a significant price impact
- Interpretation of criteria
  - Product within scope of regulation
  - Non-public information
  - Precise information
  - Likely to have a significant price impact
- Acting based on inside information
  - Market abuse

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## COURSE:
# INSIDE INFORMATION UNDER REMIT

This training covers the fundamentals of 'inside information' under the REMIT regulation. It sets out how inside information has to be handled in energy markets.

This training covers the following topics:

- Definition of inside information under REMIT
  - Definition
  - Physical capacity
- Obligation to publish inside information
  - Why to publish?
  - Who has to publish?
  - What to publish?
  - How to publish?
  - Where to publish?
  - When to publish?
- Exemptions
  - Timing & order of acting
  - Immediate physical loss
  - National emergency
- Disclosure
  - Timely
  - Effective
- Urgent market message
  - UMM

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## COURSE:
# INSIDE INFORMATION UNDER MAR

This training covers the fundamentals of 'inside information' under the MAR regulation. It sets out how inside information has to be handled in financial markets.

This training covers the following topics:

- Definition of inside information under MAR
  - Definition
- Prohibition of unlawful disclosure of inside information
- Obligation to publish inside information
  - Why to publish?
  - Who has to publish?
  - What to publish
  - How to publish?
  - Where to publish?
  - When to publish?
- Disclosure
  - Platform
- Issuer
  - Obligation to publish inside information
- EAMP
  - Emission allowances market participant
  - Obligation to publish inside information
- Inciting, aiding & abetting
- Legitimate behaviour

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## COURSE:
# INSIDER TRADING & MARKET MANIPULATION

This training covers the fundamentals of 'market abuse'. It touches on the basics of insider trading and market manipulation.

This training covers the following topics:

- The prohibition of insider trading
  - Unlawful disclosure of inside information
  - Recommendations & inducements
  - Front running
- The prohibition of market manipulation
  - Categories of manipulation
  - Types of manipulation
- Prevention & detection of market abuse
  - PPA(E)T
  - ST(O)R
- Prevention & detection of market abuse requires understanding content & context
  - Applicable for professionals in a market access function
  - Applicable for professionals in a monitoring & surveillance function

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## COURSE:
# MARKETS & TRADING

This training covers the fundamentals of 'markets' and 'trading'. It touches on the basics of market working and covers the types of markets. Included are the basics of deal making and transacting.

This training covers the following topics:

- What is a market?
  - Buyers & sellers: suppliers & consumers, plus others
  - Spot vs. forward
- Organisation of markets, products, pricing & trading
  - Standard vs. Non-standard products
  - Bilateral deals - Master agreement (legal framework for non-commercial terms)
- Types of markets
  - Balancing markets, spot markets ((W)IDM, DAM) & forward markets
  - Auction & continuous market
- Comparison: Commodity markets vs. Financial markets
- Venues
  - On-venue & off-venue – OTC markets vs. exchange trading
    - ❖ Counterparty risk management - Collateralisation & Margining
    - ❖ Exchange rulebooks
- Transacting
  - Deal making
    - ❖ Product, volume & price, plus terms (specifications)
- Trading technicalities & strategies
- Basic questions
  - Who? → Market participants & types of traders
  - What? → Products & trading activities
  - Why? → Reasons to enter into a contract; trading strategies
  - Where? → On-venue vs. off-venue; exchange & OTC trading
  - When? → Timing (spot vs. forward)
  - How? → On-site & online (live, platform, chat), plus tools (phone, squawk box)

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## COURSE:
# PRODUCTS

This training covers the fundamentals of 'products and pricing'. It touches on the types of products. Attention is given to contracts and their features plus their specifications.

This training covers the following topics:

- Contracts
  - Commercial terms
    - Buyer vs. Seller
    - Underlying value
    - Volume
    - Price
  - Non-commercial terms
- Settlement
  - Physical delivery vs. Cash settlement
  - Physical delivery
    - Immediate delivery vs. Delivery in time
    - Delivery period vs. Delivery moment
- Contracts
  - Spot products vs. Derivatives
    - Examples of derivatives
      - Term contracts: Forwards & Futures
      - Swaps
      - Options
      - CFDs
    - Contract specifications
      - Terms & conditions
      - What? where, when, who & how?

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## COURSE:
# PRICING

This training covers the fundamentals of 'pricing'. It touches on the basics of the price formation process. Attention is given to the order book, order submission and deal making. Furthermore, attention is given to indices and settlement prices.

This training covers the following topics:

- Price formation
  - Price level vs. price volatility
  - Price drivers (fundamental & non-fundamental)
  - Orders book
    - ❖ Order submission, prioritization & execution
    - ❖ Orders types
- Concepts & Terminology
  - Price correlation
  - Merit order
  - Mean-reversion
  - Seasonality
  - Negative prices
  - Spread
- Price-indexation
  - Fixed price vs. Floating price
  - Reference, or benchmark
    - Settlement prices & their application
    - Indices
    - Calculation procedures

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