

Serbia: Power exchange SEEPEX, positive opinion of the Commission for Protection of Competition

Categories : [News Serbia Energy](#)

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Commission for the Protection of Competition issued a decision approving the concentration of market participants, coming from the joint investment of EPEX SPOT, from Paris, France and public company Elektromreža Srbije, whose goal was to create a new participant in the market, a joint stock company SEEPEX.

In the elaboration of the decision it is stated that EPEX provides services regarding electric power trade, day ahead and intra day (the so called spot electric power products) in France, Germany, Austria and Switzerland.

Apart from that; EPEX is doing an implicit allocation of cross border spot inter-connection capacities through connecting markets at the borders. Connecting markets consists of dividing the capacities among buyers and sellers according to sale and purchase demands and according to the scope of inter-connection capacities

They are present in Hungary through providing management services to the Hungarian stock market of electric power, as well as Slovakia and Romania, through providing the services of connecting markets to the operator of electric power market.

Joint investment company SEEPEX is formed as a joint stock company, seated in Belgrade. SEEPEX scope of activities is establishment and management of organized electric power market. Profit will come from charging a fee from market participants. SEEPEX will have two stock holders, EMS which will have 75% share and EPEX SPOT which will have 25% share based on financial stakes in the capital of the company, which will be 2 million euro in total.

Considering the specific and completely new activity to Serbia, which will be performed by SEEPEX, it is intended to form a joint company and fulfill the necessary conditions for the company to become functional and operational. Necessary activities can be divided into two phases - the phase of projecting and the phase of implementation.

The issue of clearing is directly connected and necessary for conducting the concentration. In the Contract between stockholders it says that the company ECC AG will be named as the clearing company for the SEEPEX market, through the Contract on providing clearing services between SEEPEX and ECC which is about to become effective. The company that could provide such a service does not exist in the country. ECC AG operates under the supervision of ESMA (European Securities and Markets Authority) and Bafin (German Federal Financial Supervisory Authority), which has been providing clearing services for 11 organized markets and it developed cooperation with many clearing banks in different countries.

ECC AG provides payments through providing only „net“ sum positions and providing

delivery of electric power through its daughter company ECC Lux Sarl, which is in its exclusive ownership and in that way closes the circle of transaction while providing total security.

SEPEX, as the market operator, in accordance with the Law on energy, will have to obtain the license for the management of organized electric power market in Serbia.

The trade in energy products can be done in an organized market/stock markets or through bilateral OTC trade. OTC trade can be done through an electronic platform managed by brokers or through bilateral negotiations of two interested parties.

As the market operator, SEPEX will manage the organized electric power market and it will provide the additional clearing services. The role of SEPEX is to facilitate the trade in electric power to the participants in the organized spot market.

To facilitate the electric power trade is characterized by the sale and purchase through transactions/contracts which can be long term or short term. Short term (spot) contracts have a short deadline for implementation, on the same day or the same hour (they are defined as "intra day" by the Law on energy) or the next day (day ahead), through auctions or continuous trade. Long term contracts refer to a longer period of time (one month, three months, seasonal or annual contracts)

The commission had in mind that SEPEX will be an optional organized market, which means that the participants will be free to choose whether they will trade in the stock market or the OTC market.

The commission also took into consideration the reasons for conducting the concentration. Serbia as the signatory of the Contract on the founding of Energy community has an objective to join the internal electric power market. Establishing an organized market is a step further in the process of opening the market of electric power.

In accordance with the Law on energy EMS has the obligation to establish an organized spot electric power market in Serbia, which means that through the mentioned concentration EMS is fulfilling its legal obligation.

In the elaboration of the Decision it is concluded that conducting the said concentration will not limit significantly or stop the competition in the Serbian market or any of its parts, transmits [Serbia-energy.eu](http://serbia-energy.eu)