Market Surveillance

of

the organised market place for natural gas

of

Bulgarian Energy Trading Platform AD

July 2020

CONTENT

1. Nature of Market Surveillance. **3**

2. Principles of operation of the Market Surveillance. **3**

3. Duties, responsibilities and rights of Market Surveillance. **3**

4. Market Surveillance Cooperation. **4**

5. Market Surveillance Notifications. **4**

1. Nature of Market Surveillance.

Bulgarian Energy Trading Platform AD (BETP AD) establishes Market Surveillance of the organised market place for natural gas of BETP AD (Market Surveillance) as an independent subsidiary body, which operates in accordance with the Internal operational rules of the Market Surveillance of BETP AD and is independent to make decisions. Market Surveillance reports on its activities to the General Meeting of the Shareholders of BETP AD, at least once a year.

2. Principles of operation of the Market Surveillance.

Market Surveillance conducts all necessary research and systematically analyzes data on BETP trade. If the Market Surveillance establishes facts justifying assumptions that there are infringements:

- of the Art. 3 and Art. 5 of Regulation (EU) No. 1227/2011 of the European Parliament and of the Council (REMIT),
- of the Market Rules of BETP AD or the applicable norms of the Bulgarian and/or European legislation,
- for submitted orders or concluded transactions on the BETP market,
- other irregularities that may disrupt the proper conduct of trade on the BETP market, especially with regard to possible pricing irregularities.

Market Surveillance shall promptly notify the National Regulatory Authority (NRA) the Energy and Water Regulatory Commission (EWRC) in accordance with the procedures specified in the Internal operational rules of the Market Surveillance of BETP AD.

Market Surveillance shall exercise the powers conferred on it in order to ensure the transparency of the BETP market in particular, which will also reflect on the transparency of the wholesale market of natural gas in Bulgaria and the European Union.

3. Duties, responsibilities and rights of Market Surveillance.

Market Surveillance monitors on a daily basis, as an independent body, the functioning of the market and the activities of the members of the BETP market.

Market Surveillance monitors the implementation of the the Market Rules of BETP AD in connection with the submission of orders, the conclusion of transactions, the

observance of the Market Rules of BETP AD by the members of the BEPT market and the proper trading on it.

The Market Surveillance monitors the strict compliance with the provisions of Art. 15 of Regulation (EU) № 1227/2011 of the European Parliament and of the Council, and in case of established violations immediately informs the NRA EWRC.

In order to carry out its tasks, the Market Surveillance may carry out special inspections. Market Surveillance may, if necessary, require BETP market members to disclose information and documents, even disclosing of the economic beneficiary of a transaction.

Market surveillance is not empowered to impose sanctions. It only informs EWRC and when necessary the Board of Director of BETP AD to take appropriate measures against members of the BETP market, according to the Market Rules of BETP AD.

4. Market Surveillance Cooperation.

BETP Market Surveillance cooperates fully with the EWRC in order to ensure harmonized, efficient and regulated trade. Market surveillance may transmit data in connection with the execution of EWRC transactions, as a body responsible for monitoring the trade of natural gas in Bulgaria and receive data from the EWRC, insofar as this is necessary to ensure the proper conduct of trade on the BETP market.

5. Market Surveillance Notifications.

According to Art. 15 of REMIT IR, if the Market Surveillance reasonably suspects that a transaction may violate the prohibition on market manipulation or the prohibition on insider dealing, it shall notify the EWRC.

The members of the BETP market are obliged to provide the Market Surveillance with permission to provide data from the BETP Clearing House (when applicable) on details and any information for their transactions on the BETP market, if applicable and regulated by law or regulation. In the event of such information, Market Surveillance shall treat the data as highly confidential and private.