



**INDEPENDENT  
BULGARIAN  
ENERGY EXCHANGE**  
YOU SELL, WE DELIVER CONFIDENCE

# Market Conduct Rules for Day-ahead and Intraday Market /Market Conduct Rules/

---

INDEPENDENT BULGARIAN ENERGY EXCHANGE

**Contents**

Inside information ..... 2

Market manipulation ..... 3

Attempt to engage in market manipulation ..... 3

General terms ..... 4

Prohibition for market manipulation ..... 4

Prohibition for trading with inside information ..... 5

Information disclosure..... 5

Instruction..... 6

Obligation for providing information to IBEX ..... 6

Publication of information related to investigations ..... 7

Disciplinary Actions..... 7

## Main provisions

1. These rules are Appendix 4 of the IBEX Power Exchange Operational Rules and regulate the rights and the obligations of both the Operation and the market participants. The following Market Conduct Rules (MCR) are applicable to IBEX and its members, regarding the behaviour that should be observed in the participation, with respect to the administration and operation of the power exchange, the DAM and IDM segments. The MCR aim to strengthen the confidence in the electricity market, administered by IBEX.
2. The control over the compliance with these rules shall be performed by the Regulations and Market Surveillance (MS) department at IBEX.
3. MS shall have the power to represent IBEX at the regulatory authorities (Energy Water Regulation Commission) and registered market participants with respect to all issues governed by these rules.

## Terms and definitions

4. For the purposes of the MCR, the definitions contained in these rules and those in European Regulation No 1227/2011 on wholesale energy market integrity and transparency ("REMIT") shall apply.

## Inside information

5. The term "Inside Information" means information of a precise nature, which has not been made public and which relates, directly or indirectly, to one or more Products traded and /or TP and which, if it were made public, would be likely to significantly affect the prices of those Products.
6. For the purposes of p. 5 of these Market Conduct Rules and with respect to the term Inside Information, the following definition should be used:
  - 6.1. "Information" means:
    - a) Information, which is required to be made public in accordance with these Market Conduct Rules, contracts or customs for the Physical Markets, in so far as this information is likely to have a significant effect on the prices of Products;
    - b) Information, which is required to be made public in accordance with Applicable Law, including rules and/or guidelines issued by any relevant Regulatory Bodies, in so far as this information is likely to have a significant effect on the prices of Products; and
    - c) Other information that TP would be likely to use as part of the basis of its decision to enter into a transaction relating to, or to issue an order to trade in, a wholesale energy product
  - 6.2. The term "precise nature" means information that indicates a set of circumstances, which exists or may reasonably be expected to come into existence, or an event, which has occurred or may reasonably be expected to do so, and it is specific enough to enable a conclusion to be drawn as to the possible effect of that set of circumstances or event on the prices of Products.

7. Information regarding the TP's own plans and strategies for trading shall not be considered as Inside Information.

### **Market manipulation**

8. The term "Market Manipulation" means:

8.1. *Entering into any Transaction or issuing any Order in Products, which:*

- a) *Gives, or is likely to give, false or misleading signals as to the supply of, demand for, or price of Products; or*
- b) *Secures or attempts to secure, by a person, or persons acting in collaboration, the price of one or several Products at an artificial level, unless the person who entered into the Transaction or issued the Order establishes that his reasons for doing so are legitimate and that that Transaction or Order conforms to accepted market practices on the respective wholesale electricity markets; or*
- c) *Employs or attempts to employ a fictitious device or any other form of deception or contrivance, which gives, or is likely to give, false or misleading signals regarding the supply of, demand for, or price of Products*

8.2. *Disseminating information through the media, including the internet, or by any other means, which gives, or is likely to give, false or misleading signals as to the supply of, demand for, or price of Products, including the dissemination of rumors and false or misleading news, where the disseminating person knew, or ought to have known, that the information was false or misleading.*

### **Attempt to engage in market manipulation**

9. The term "attempt to engage in market manipulation" means:

9.1. *Entering into any Transaction, issuing any Order or taking any other action relating to a Product with the intention of:*

- a) *Giving false or misleading signals as to the supply of, demand for, or price of Products;*
- b) *Securing the price of one or several Products at an artificial level, unless the person who entered into the Transaction or issued the Order establishes that his reasons for doing so are legitimate and that that Transaction or Order submitted by TP conforms to accepted market practices on the respective market for wholesale trading of electricity; or*
- c) *Employing a fictitious device or any other form of deception or contrivance which gives, or is likely to give, false or misleading signals regarding the supply of, demand for, or price of Products.*

9.2. *Disseminating information through the media, including the internet, or by any other means with the intention of giving false or misleading signals as to the supply of, demand for, or price of Products*

## Conduct Rules

### General terms

10. TP are obliged to comply behaviour of their employees with the Market Conduct Rules of IBEX when participating in trading on the power exchange Day Ahead and Intraday organized market segments.
11. Representatives of the TP are required to adhere to behaviour which meets the highest ethical standards and due to the relevant regulatory or legal obligations and the good business practice in order to maintain a high standard of power exchange electricity market operation.
12. Each TP is obliged to ensure that all the orders placed by it reflect a genuine interest in purchasing and / or selling electricity and that all transactions to which it is a counterparty are genuine.
13. TP are strictly forbidden to improperly influence the price or price structure in the power exchange market, or otherwise disturb other TPs' access to or participation in the market.

### Prohibition for market manipulation

14. Any engagement in or attempt to engage in Market Manipulation on a Physical Power Contract is prohibited for all TPs.
15. This prohibition includes, without limitation:
  - 15.1. *Any kind of false or misleading behaviour in connection with the submission of false or misleading signals;*
  - 15.2. *Any kind of collusions or the collusive cooperation of IBEX TP among each other or with third parties;*
  - 15.3. *Any kind of Price positioning behaviour.*
16. Any kind of false or misleading behaviour in relation to entering into any Transaction or issuing any Order to trade, which gives, or is likely to give, false or misleading signals is prohibited. This prohibition includes, without limitation:
  - 16.1. *register Orders without a due economic justification;*
  - 16.2. *register Orders with no intention of executing them;*
  - 16.3. *generate false or misleading signals as to the supply of, demand for, or price of Physical Power Contracts;*
  - 16.4. *employing a fictitious mean or any other form of deception or contrivance which gives, or is likely to give, false or misleading signals regarding the supply of, demand for, or price of Physical Power Contracts;*
  - 16.5. *disseminate false or misleading market information through media, including the internet, or by any other means;*
17. Any kind collusion of collusive cooperation or pre-arranged trading and secret negotiation is prohibited for all TPs.
18. TPs are strictly forbidden to secure the price of one or several physical power contracts at an artificial level, unless the person who entered into the Transaction or issued the

Order to trade establishes that his/her reasons for doing so are legitimate and that such Transaction or Order to trade conforms to accepted market practices on IBEX.

### **Prohibition for trading with inside information**

19. TPs or their counterparties who possess inside information in relation to a Physical Power Contract shall be prohibited to:
  - 19.1. *Use this information, when they acquire or dispose with or when they attempt to acquire or dispose at their own expense or at the expense of a third party, directly or indirectly, products to which this information relates;*
  - 19.2. *Disclose this information to a third party, unless this is under normal procedures for carrying out their employment, profession or duties;*
  - 19.3. *Offer or entice another person on the basis of inside information to acquire or dispose with products to which the information relates.*

## **Transparency**

### **Information disclosure**

20. TPs shall publicly disclose information, which they have available regarding trading activity or facilities, which the respective TP or its parent company or affiliated company owns or controls or regarding issues related to their operation for which the respective market participant or said company is responsible irrespective whether in whole or in part. Such disclosure shall include information related to the capacity and use of facilities for generation, consumption or transmission of electricity, including planned or unplanned inaccessibility of these facilities.
21. The requirements for information disclosure pursuant to art. 20 shall not apply to information for own plans and strategies for trading of a TP.
22. Information that is publicly disclosed shall include but not be limited to:
  - 22.1. *Any outage, limitation, expansion or dismantling of capacity of single facilities or changes of minimum installed capacity of 100 MW or more in actual availability of a production unit with an installed generation capacity of 200 MW or more.*
  - 22.2. *Any Inside Information that is not covered by the previous provisions and is likely to significantly affect the prices on the power exchange if made public;*
23. Where information is subject to a public disclosure, the public disclosure shall include information on:
  - 23.1. *Publication date/time; (day, hour)*
  - 23.2. *Event start and end time;*
  - 23.3. *Duration of the event; (hours, days)*
  - 23.4. *Type of unavailability*
  - 23.5. *Reason for the Unavailability*

- 23.6. *Market participant name and EIC code*
- 23.7. *Installed Capacity in MW*
- 23.8. *Available Capacity in MW*
- 23.9. *Unavailable Capacity in MW*
- 23.10. *Fuel Type*
- 24. All information, which shall be publicly disclosed pursuant to this Section, shall be publicly disclosed as soon as possible, and no later than 60 minutes after occurrence of the event, which leads to the relevant information. Such information shall be publicly disclosed as a message on the website of the respective TP and with no delay it shall send it to MS, which shall promptly upload it on the website of the power exchange operator.
- 25. A TP may, under its own responsibility, exceptionally to delay the public disclosure so as not to prejudice its legitimate interests provided that such omission is not likely to mislead the public and provided that the TP is able to ensure the confidentiality of that information and does not make decisions relating to trading in Products based upon that information. In such a situation the TP shall without delay provide that information, together with a justification for the delay of the public disclosure, to Market Surveillance.
- 26. In the case of any message relating to an outage, limitation, expansion or dismantling of capacity, where the power exchange operator determines that such a message does not adequately describe the relevant information or there have been numerous messages relating to substantially the same event, MS may require the TP to submit an additional message. IBEX may set a deadline for publishing the message, which shall also be published by IBEX.

## **Instructions, Information and Disciplinary actions**

### ***Instruction***

- 27. TPs authorized to trade on IBEX shall comply with the instructions and rules of the Relevant Authorities, in accordance with the provisions of the European and national legal and regulatory framework and as defined in these rules and the Power Exchange Operational Rules.
- 28. TPs authorized to trade on IBEX may be temporarily suspended or expelled from trading on IBEX in its entirety or for certain Markets Segments if they breach existing provisions or fail to comply with the instructions of IBEX in accordance with the Power Exchange Operational Rules.

### ***Obligation for providing information to IBEX***

- 29. IBEX is entitled to request information from any TP and to carry out investigations in so far as required for the performance of its tasks according to Power Exchange Operational Rules.
- 30. TP shall be obliged to provide all the available information following a written request within the deadlines specified by IBEX.

31. IBEX is entitled to request, at any time, information from any TP, including documents, if there is suspicion that the provisions and / or instructions applicable to trading on IBEX DAM and IDM segments have been violated.
32. Every TP shall agree that:
  - 32.1. *IBEX shall periodically provide information on trading on the power exchange and other relevant information to the respective regulatory body.*
  - 32.2. *IBEX shall provide information, whether or not such information is acquired in the context of an investigation or not, to the relevant Regulatory Body.*
  - 32.3. *IBEX may provide information to the market surveillance teams of other power exchange operators or the TSO, provided that there is a written agreement put in place between IBEX and such relevant party for targeted and confidential treatment of such information;*
  - 32.4. *All communication with IBEX and Market Surveillance may be recorded, stored and used in connection with the monitoring of compliance with these Market Conduct Rules and Applicable Law and each TP shall procure all necessary consents from all its relevant officers, employees and agents prior to such individuals communicating with IBEX on behalf of such TP.*
33. Communication between the power exchange operator and TP may include personal data relating to individuals representing the respective TP to certify the representation.

### ***Publication of information related to investigations***

34. Information obtained under the MCR is used only for the purposes stated in this document. IBEX may disclose the results on a specifically performed inspection, provided that the name of the relevant TP is not revealed.
35. IBEX may only make public the identity of a TP under investigation if, at the sole discretion of IBEX:
  - 35.1. *Such publication is necessary to sustain the integrity of the DAM and IDM segments;*
  - 35.2. *Such publication is necessary to prevent unjustified damage and/or loss of reputation to another TP, and the envisaged consequences of the TP's identity being disclosed are proportionally deemed less onerous than those resulting from non-disclosure.*

### ***Disciplinary Actions***

36. MS shall monitor the power exchange market on behalf of IBEX for possible breaches of these rules or power Exchange Operational Rules and their annexes or applicable legislation.
37. MS is entitled to carry out investigations in case of reasonable assumption for a violation of Power Exchange Operational Rules or other applicable legislation.
38. If MS inspection results in finding of an infringement or reasonably suspects that a transaction might breach Article 3 or 5 of Regulation (EU) No 1227/2011 MS shall notify the national regulatory authority without further delay.
39. In case TP violates the MCR, does not comply with the instructions given by IBEX or does not provide the requested information from the MS, they may be suspended from

participation on the power exchange, DAM and IDM segments, in accordance with the provisions contained in Power Exchange Operational Rules.

### **Additional provisions**

40. All terms and definitions used in the MCR are contained in the Power Exchange Operational Rules.

Important notice:

*The English version is only for your convenience and has no legal force.*