Trade Recall Proposal

To be discussed in SEMOpx User Group Meeting
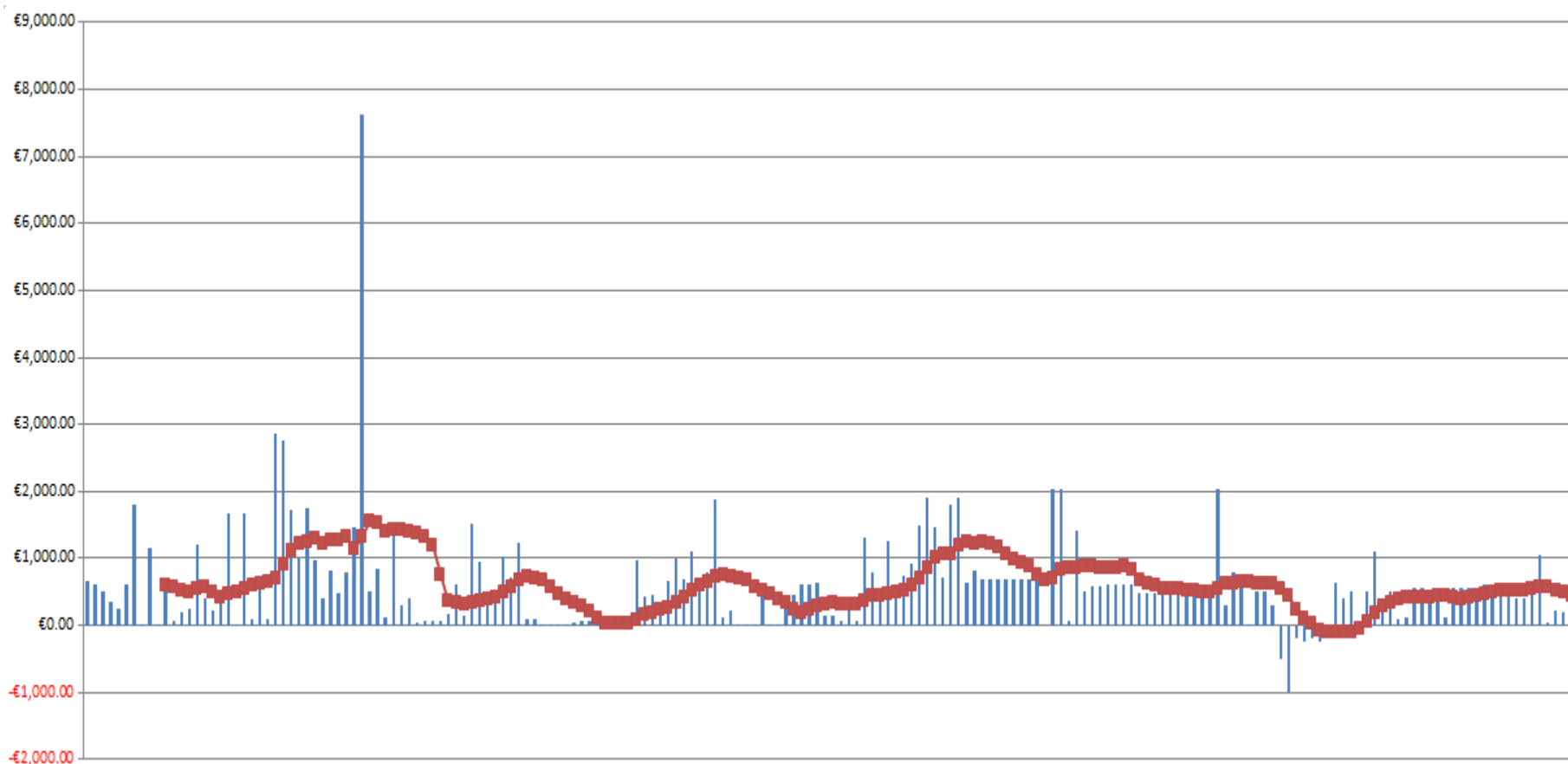
25th November 2020

IDC Trade Recall Story to Date …

- Intraday Continuous Trade Recall has been available to our members since Market Go-Live
- This is a standard service used by power exchanges throughout Europe
- European power exchanges typically charge approx. €3,000 each time it is utilised
- Currently SEMOpx does not charge members to use the service
- The service is provided to allow the recall of 'fat-finger' type trading errors. Data suggests, in some cases, members are potentially using it for:
  - Strategy Testing
  - 'Get out of Jail free' after the fact trading mistakes
  - Training for new trading team members
- While the SEMOpx Market Monitor can and does query members use of the service, this is a limited deterrent
- **This proposal aims to encourage Participants to use the service for what it was intended, as a last resort to resolve unintended trading mistakes**
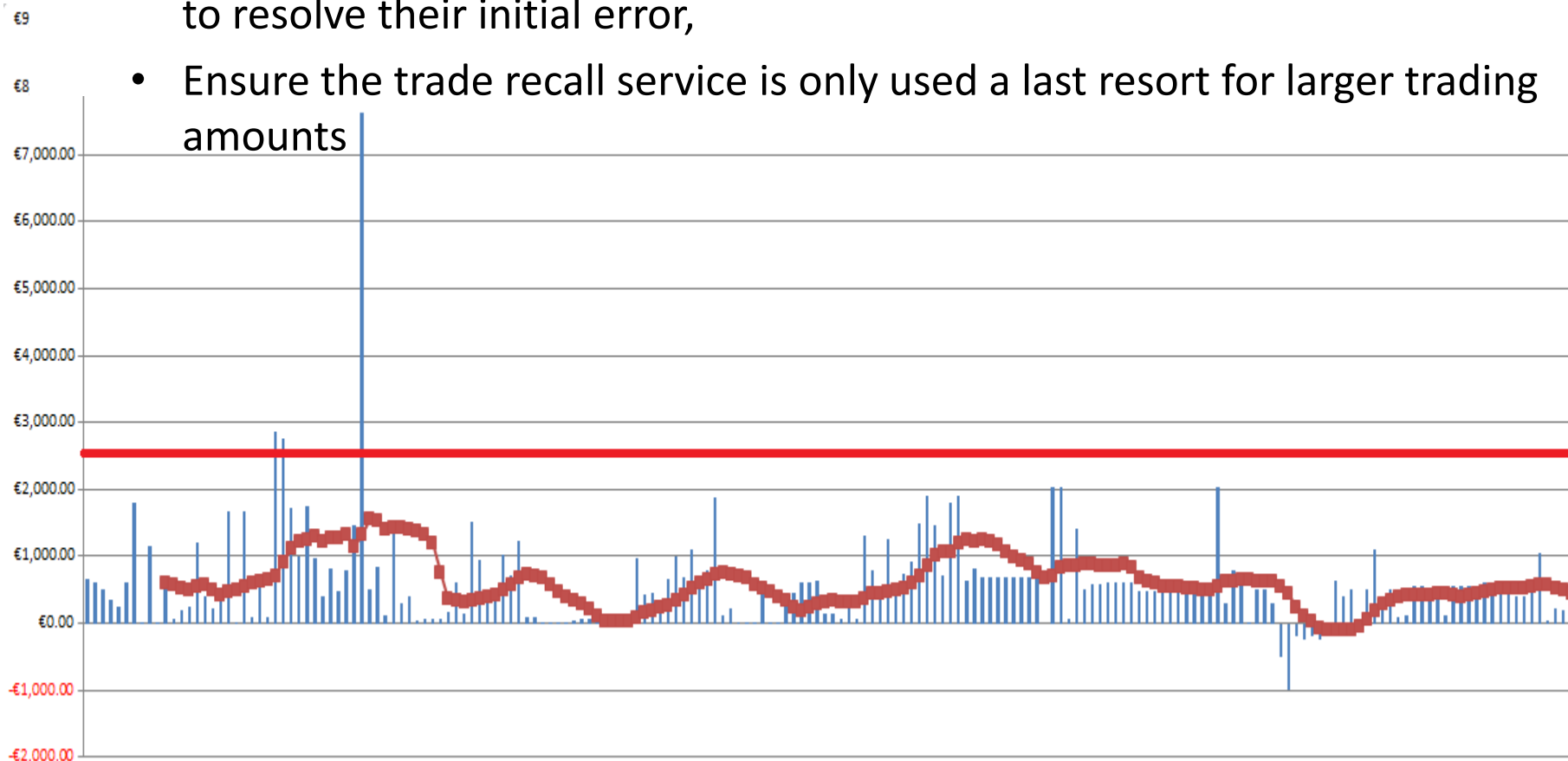
Intraday Continuous Trade Recall € values since Go-Live

- Recall Euro values are generally below €2,000
- **Average value of €599** (Max €7,630, Min €2)

Proposal on Charges for Trade Recalls

- ## SEMOpx propose is to set the trade recall charge to **€2500**

  - High enough for Participant to want to seek other routes (i.e. trade out) to resolve their initial error,

  - Ensure the trade recall service is only used a last resort for larger trading amounts

How the charge would be implemented?

Update Statement of Charges

SEMOpx request and receive approval from RAs to update the SEMOpx Statement of Charges to include the charge for Trade Recalls

Execute Trade Recall

The trade recall would be initiated and completed in the normal way

Charge included in Invoice

On a monthly basis SEMOpx would identify and include the trade recall charges for a member in their SEMOpx fee invoice under the "Technical" line item.

Use of Fees Collected

Any fees collected over and above the costs of administering the collection process would be k-factored (as a credit) into SEMOpx fees in the subsequent year