

EEX and ECC react to the recent EU wide Market Correction Mechanism agreement

Yesterday's meeting of the Energy Ministers brought forward a political agreement on the so-called Market Correction Mechanism, which will enact a framework for a gas derivatives price cap. The mechanism is expected to apply as of 15 February 2023. For more information please consider the [Councils press release of 19 December 2022](#).

EEX has consistently voiced its concerns about the mechanism and continues to be concerned about the implications of such a price cap on the markets. This information is subject to final wording of the regulation which we will analyze as soon as it is published.

Impact on Trading and Trade Registration at EEX Regulated Market

Upon activation of the price cap, EEX will no longer permit the order entry or trade execution for affected contracts above the cap, except in certain exceptional cases outlined in the Market Correction Mechanism regulation. Trading participants shall not enter orders exceeding the imposed price cap. Any exceeding orders (and trades) will be cancelled.

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Impact on Settlement Price Procedure of EEX

The [EEX Settlement Pricing Procedure](#) applies without changes. This means that settlement prices will continue to reflect the fair market value.

Impact on Clearing & Settlement at ECC AG

The proposed market correction mechanism is a significant intervention in the transparent and reliable price formation procedure of trading venues and might have impact in the way CCPs' calculate their margin requirements or perform their default management.

Further information

Further information will be provided by EEX and ECC in due course. Concrete questions will be answered via the established Q&A on [EEX](#) and [ECC](#) Website.