

Notice Energy trading

Payments relating to external transactions

Energy trading is categorised as trade in goods if a physical delivery has been agreed upon. Energy trading can be the trade in electricity, gas, oil, coal, biomass or other energy carriers. Where this trade is with non-residents, it must either be reported to the Bundesbank as an Other trade in goods transaction or Merchanting transaction, or, if it is a cross-border delivery, to the Federal Statistical Office in accordance with the relevant regulations.

Electricity and gas have a number of specific characteristics that distinguish them from other goods, however. Once they have been fed into the grid, they can no longer be allocated to their respective owners or producers. The owners or producers therefore merely own “a share” in the total amount of electricity or gas in the grid. Trade in these goods is therefore very largely detached from their actual physical flow, making it very difficult to classify them as Merchanting or Other trade in goods transactions.

For this reason, payments for the physical delivery of electricity or gas must not be classified as Merchanting or Other trade in goods transactions, but instead reported with separate codes.

In addition to the physical delivery of energy, energy trading also encompasses trade in energy derivatives and in emissions certificates. Below is a detailed description of the reporting requirements in force for energy trading.

I General information on reporting requirements for physical delivery and for trade in emissions certificates

The following transactions with non-residents must be reported.

- Purchases for own consumption
- Sales to end users
- Stock exchange transactions – spot market
- Stock exchange transactions – futures market with agreed physical delivery
- OTC transactions with agreed physical delivery

The country in which the non-resident counterparty is domiciled must be named as the creditor or debtor country in the report. For transactions on foreign stock exchanges, a check must be made as to whether, if there is a physical delivery, the counterparty is a credit institution (as an intermediary clearing house) or that particular stock exchange’s clearing house.

The reports must be made using the form Annex Z4 to the Foreign Trade and Payments Regulation (*Aussenwirtschaftsverordnung*) except the Emissions allowances (Annex Z 10 to the Foreign Trade and payments regulation), specifying the purpose of payment.

Until further notice, payments for the **physical settlement** of transactions which are processed via European Commodity Clearing Luxembourg S.à.r.l. (ECC) are **exempt from the obligation to report**. This also applies to payments arising from

- trading activities on EEX,
- traders who, as part of the EEX product cooperation, are using the Eurex for the clearing of energy or emissions certificates
- energy trading on foreign stock exchanges, for which ECC provides clearing houses (eg EPEX Spot SE, Powernext SA, HUPX Hungarian Power Exchange Ltd.),
- the physical settlement of OTC transactions invoiced by EEC.

It should be noted that **cross-border deliveries of electricity, gas, etc (import/export) that are reported to the Federal Statistical Office for the foreign trade statistics (IntraStat or ExtraStat) must not be included in the transaction reports.**

II Reporting requirements in detail for physical deliveries

Transaction type	Purpose of payment	Code	Annex to the AVW
1 Trade in electricity Trade in electricity – agreed point of delivery is located in Germany (no import or export)	Electricity trade – domestic point of delivery	994	Z 4
Trade in electricity – agreed point of delivery is located abroad (no import or export)	Electricity trade – foreign point of delivery	995	Z 4
2 Trade in gas Trade in gas – agreed point of delivery is located in Germany (no import or export)	Gas trade – domestic point of delivery	998	Z 4
Trade in gas – agreed point of delivery is located abroad (no import or export)	Gas trade – foreign point of delivery	990	Z 4

Transaction type	Purpose of payment	Code	Annex to the AWV
3 Trade in other energy carriers Trade in coal, oil or biomass, for example – goods situated in Germany (no import or export)	Purchase/sale of coal, oil or biomass in Germany	997¹	Z 4
Trade in coal, oil or biomass, for example – goods situated abroad (no import or export)	Coal, oil or biomass merchanting transaction	003²	Z 4
4 Trade in emissions certificates Domestic emissions allowances	Purchase/sale of emissions rights	507	Z 10
Foreign emissions allowances	Purchase/sale of emissions rights	467	Z 10

In case it cannot be identified whether it concerns domestic or foreign emissions allowances, the code of the domestic emissions allowances (507) has to be used.

III Reporting requirements for derivative transactions without physical delivery

Energy derivatives are categorised as commodity futures transactions. If no physical delivery takes place at contract maturity/fulfilment, these contracts must be reported solely under the corresponding codes for derivatives. Form annex Z10 to the Foreign Trade and Payments Regulation is to be used to report payments.

A distinction must be made between the following contract types:

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- ¹ More details on reporting requirements regarding the purchase/sale of goods in Germany can be found in the notice “Other trade in goods – code 997”.
 - ² More details on reporting requirements regarding the purchase/sale of goods abroad can be found in the notice “Merchanting”.

Type of contract	Code	Annex to the AWW
Futures on foreign futures exchanges The payments subject to reporting requirements are either the respective variation margins or the final profits or losses upon closure of the position.	882	Z 10
Futures on domestic futures exchanges The payments subject to reporting requirements are either the respective variation margins or the final profits or losses upon close-out of the position.	842	Z 10
OTC commodity futures transactions (forwards) these include, for example, OTC energy swaps (fix/float) The payments received or paid must be reported.	883	Z 10
Options on foreign futures exchanges Premium and margin payments between domestic entities and foreign counterparties resulting from options on a foreign futures exchange must be reported.	821	Z 10
Options on domestic futures exchanges Premium and margin payments between domestic entities and foreign counterparties resulting from options on a domestic futures exchange must be reported.	831	Z 10
OTC options with foreign option writers Premium and margin payments between domestic entities and foreign option writers must be reported.	820	Z 10
OTC options with domestic option writers Premium and margin payments between domestic option writers and foreign counterparties must be reported.	830	Z 10

More detailed information on how to calculate the payments to be reported as well as information on the country classification of stock exchange and OTC transactions can be found in the Explanatory notes on the coding list for the balance of payments statistics under section III, "Financial derivatives".

Information on external sector reporting

Hotline: 0800 1234 111 (freephone – only available if call is made from a German landline)
 Internet: www.bundesbank.de under Service/Reporting systems/External sector statistics
 Newsletter: (in German) www.bundesbank.de under Service/Newsletter (category: Meldewesen Aussenwirtschaft)
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