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# Improving integration of ID markets with XBID

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# Why did we decide to establish XBID?

- Allowing efficient matching of offer and demand at each point in time via continuous ID trading throughout Europe
- Ensuring efficient cross-border access through implicit allocation
- Opening up the trading window to the maximum with an early GOT and a GCT maximum one hour before real time

**Promise of the European Commission  
and European regulators:**

**“There will be no step back with the implementation of XBID”**

# What we collectively achieved with 3 extra months before go-live

- Guarantee of a single shared order book between XB ID GOT and GCT
  - ✓ No parallel local order books for standard products
  - ✓ Vital to prevent market fragmentation and limit operational burden
  - ⚠ Solutions for automatic transfer of orders from the local trading solutions (LTS) to the XBID shared order book to be confirmed by NEMOs
  - ⚠ Original time stamps from local ID market to be preserved after transfer
- Sub-hourly products included in XBID where they already exist
  - ✓ Preservation of advanced design features at certain borders
  - ✓ Preparation for future improvements of XBID
- ACER decision guaranteeing an early XB ID Gate Opening time (GOT)
  - ✓ XB ID GOT at 15:00 from 1 January 2019 will boost liquidity on XBID

# What still needs to be improved or reformed

- Platform performance and related design features need improvements
  - ⚠ Visibility of order book (31 orders) should improve fast to facilitate price discovery
  - ⚠ Tests on the performance impact of the 2-decimal tick size required
  - ⚠ Capacity of XBID to withstand further extensions to new bidding zones
  - ✓ XBID project parties committed to assessing these elements by the fall of 2018
- Iberian market design needs reform
  - ⚠ MINETAD market rules ignore the CNMC/ERSE opinion on XBID of 2017
  - ⚠ The regional Iberian design for the coexistence of XBID and auctions must ensure:
    - Liquidity on XBID is the priority over liquidity in the auction(s), as per CACM
    - Full functioning of XBID with possibility to trade all 24h of the day, based on portfolio bidding
    - Non-discriminatory access of all market participants (including non-Iberian) to the Iberian ID market (XBID + auctions)

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