

## ***Introduction***

The Market Evolution Program's (MEP) Market Pricing Working Group provides a forum where stakeholders can raise and discuss concerns and issues relating to price determination in the IMO-administered markets and possible options for their resolution. While any changes to the market design or market operations must be co-ordinated within the overall Market Evolution Program and with the activities of other working groups, the IMO will use the Market Pricing Working Group as a primary vehicle for soliciting detailed stakeholder advice on specific changes or enhancements that are planned or contemplated to address known pricing issues and concerns.

The working group provides advice to IMO staff. The resulting discussion papers, background information and other material is used by staff to consult more broadly on policy issues through the Market advisory Council and on implementation issues through the Market Operations Standing Committee. The results of this broad consultation are used in advising the IMO Board and in supporting the IMO Technical Panel on market policy and rulemaking.

## ***Objectives***

- To discuss, analyse and document the determination of prices in the IMO-administered markets with the purpose of gaining a shared understanding within the Market Pricing Working Group and for communicating to the broader stakeholder population.
- To assemble and maintain an inventory of pricing issues identified by the IMO and market participants along with the nature and potential impacts of those issues on market participants and/or market operations. This will aid the Working Group in considering the relative importance and priority of pricing issues and their resolution.
- To identify and provide advice on potential solutions to specific pricing issues through analysis and discussion. Resolutions to pricing issues recommended by this Working Group will recognise the difficulty and magnitude of effort required for implementation (extent of process and systems changes for participants and/or the IMO).

## ***Business Practices***

- IMO staff will chair the Working Group.
- IMO will take meeting notes and post them on the Market Evolution web pages.
- Working Group meetings will be primarily face-to-face, however conference calls may be used in some cases to maximize efficiency.
- Working Group members will use email as the primary means of communication between meetings.
- All material circulated within the Working Group is for discussion purposes only.

- The working group will strive to achieve consensus in issue definition and options for resolution. Where consensus can not be achieved, material created by the Working Group will include dissenting opinions and identify the dissenter's market sector.
- On key issues where the IMO staff will be taking working group advice to the IMO Board, the chair may conduct a survey or poll attendees to measure consensus and identify dissenting views by market sector. The IMO will record the results in the notes, in the form that they will be communicated, and confirm to members when so communicated.
- Working Group members will be required to sign a non-disclosure agreement with the IMO in order to receive certain test and/or simulation data created for the analysis of pricing issues.
- All material created by the Working Group will be posted on the Market Evolution web page and notification sent to stakeholders as per the MEP's Phase 1 Consultation Plan. This will not include any data covered by the terms of the non-disclosure agreement.
- The analysis and documentation (initial drafts, review of material) in support of this will be undertaken by both Working Group members and IMO staff.

### ***Working Group Membership***

- Participation is open to all stakeholders, however the IMO reserves the right to manage meeting/teleconference participation to ensure effective interaction.
- Corresponding membership is available to stakeholders who want to receive the work-in-progress documents and other information shared within the Working Group, but do not wish to attend meetings and/or conference calls.
- Working Group membership will be posted on the Market Evolution web pages.