

# Chapter 1

## Special guide for energy market participants

## 1.2 Parts of the Handbook applicable to energy market participants

**1.2.1** **G** The parts of the *Handbook* and their applicability to *energy market participants* are listed in ■ EMPS 1.2.3 G. *Energy market participants* should read applicable parts of the *Handbook* to find out what the detailed regulatory requirements for *energy market participants* are.

**1.2.2** **G** ■ EMPS 1.2.3 G takes account of the availability of the *waiver* mentioned in ■ EMPS 2.

**1.2.3** **G** **Applicability of parts of Handbook to energy market participants**

This table belongs to ■ EMPS 1.2.1 G

|                      | Part of Handbook  | Applicability to energy market participants  |
|----------------------|---|--|
| High Level Standards | Principles for Businesses ( <i>PRIN</i> )   | This applies.  |
|                      | Senior management arrangements, Systems and Controls ( <i>SYSC</i> )              | This applies.  |
|                      | Code of Conduct ( <i>COCOM</i> )  | This applies.  |
|                      | Threshold Conditions ( <i>COND</i> )  | This applies.  |
|                      | Statements of Principle and Code of Practice for Approved Persons ( <i>APER</i> ) | If an <i>energy market participant</i> has an <i>appointed representative</i> , <i>APER</i> applies to <i>approved persons</i> in relation to that <i>appointed representative</i> . |
|                      | The Fit and Proper test for Employees and Senior Personnel ( <i>FIT</i> )         | This applies.  |
|                      | The Financial Stability and Market Confidence sourcebook ( <i>FINMAR</i> )        | This is unlikely to be of relevance to the business of an <i>energy market participant</i> .   |
|                      | General provisions ( <i>GEN</i> )   | This applies.  |

|                             | Part of Handbook  | Applicability to energy market participants  |
|-----------------------------|---|--|
| <b>Prudential standards</b> | Interim Prudential sourcebooks ( <i>IPRU</i> )            | <p>Chapter 1 (Application and General) of (Interim Prudential sourcebook: Investment Businesses) applies.</p> <p>Chapter 3 (Financial resources for Securities and Futures Firms which are not MiFID investment firms) of <i>IPRU(INV)</i> applies, with the following qualifications:</p> <p>(a) <i>energy market participants</i> whose main business consists of the generation, production, storage, distribution and/or transmission of <i>energy</i> may be granted a <i>waiver</i> of Chapter 3 in the <i>FCA's</i> discretion: see SUP 21.</p> <p>(b) [deleted]</p> <p>(c) [deleted]</p> <p>The other parts of <i>IPRU(INV)</i> do not apply.</p> <p>The other sourcebooks do not apply.</p> |
|                             | [deleted]   | [deleted]  |
|                             | [deleted]   | [deleted]  |
|                             | [deleted]   | [deleted]  |
| <b>Business standards</b>   | [deleted]   | [deleted]  |
|                             | Conduct of Business sourcebook ( <i>COBS</i> )            | Only some parts of <i>COBS</i> apply to <i>energy market activity</i> : see <i>COBS</i> 18.2.  |
|                             | Mortgages: Conduct of Business sourcebook ( <i>MCOB</i> ) |  |
|                             | Client assets sourcebook ( <i>CASS</i> )                  | This applies.  |
|                             | Market Conduct sourcebook ( <i>MAR</i> )                  | This applies. However <i>MAR 2</i> (Stabilisation) is likely to be of only marginal relevance to the business of an <i>energy market participant</i> . <i>MAR 5</i> (Multilateral Trading Facilities) applies to an <i>energy market participant</i> that operates an <i>MTF</i> , and <i>MAR 5A</i> (Organised trading facilities) applies to an <i>energy market participant</i> that operates an <i>OTF</i> .   |
|                             | Training and Competence sourcebook ( <i>TC</i> )          | <i>TC</i> does not apply to <i>energy market participants</i> as they do not carry on activities for <i>retail clients</i> . But they are subject to the <i>competent employees rule</i> in <i>SYSC</i> .  |

|                      | Part of Handbook                                 | Applicability to energy market participants  |
|----------------------|--|--|
| Regulatory processes | [deleted]  | [deleted]  |
|                      | Supervision manual (SUP)                         | <p>This applies, with the following qualifications:</p> <p>(a) in SUP 3 (Auditors), only some provisions apply if IPRU(INV) 3 (Financial Resources for Securities and Futures Firms) does not apply to an <i>energy market participant</i> (because it has been granted a <i>waiver</i> of that chapter): see SUP 3.1.2 R;</p> <p>(c) SUP 16.12 (Integrated Regulatory Reporting): <i>energy market participants</i> whose main business consists of the generation, production, storage, distribution and/or transmission of <i>energy</i> may be granted a <i>waiver</i> of this section in the FCA's discretion: see SUP 21;</p> <p>(d) SUP 17 A</p> <p>(Transaction reporting): does not apply to <i>energy market participants</i> which are not <i>third country investment firms</i>; and</p> <p>(e) SUP App 2 (Insurers: Scheme of operations) does not apply.</p> |
|                      | [deleted]  |  |
|                      | Decision Procedures and Penalties Manual (DEPP)  | This applies.  |
| Redress              | Dispute resolution: Complaints sourcebook (DISP) | <p><i>Energy market participants</i> are subject to the <i>compulsory jurisdiction</i> of the <i>Financial Ombudsman Service</i>.</p> <p>However, a <i>firm</i> which does not, and notifies the FCA under DISP 1.1.12 R that it does not, conduct business with <i>eligible complainants</i> (persons eligible to have a complaint considered under the <i>Financial Ombudsman Service</i>, as defined in DISP 2.4) will be exempt from the <i>rules</i> on treating complainants fairly (DISP 1.2 to DISP 1.11) and from the <i>Financial Ombudsman Funding rules</i> (FEES 5.1 to FEES 5.7).</p>  |
|                      | Compensation sourcebook (COMP)                   | COMP applies to all <i>firms</i> . However, <i>energy market participants</i> that do not conduct business that could give rise to a <i>protected</i>  |

|                               | Part of Handbook  | Applicability to energy market participants  |
|-------------------------------|---|--|
|                               |   | <i>claim</i> by an <i>eligible claimant</i> as defined and have no reasonable likelihood of doing so can gain exemption under FEES 6.2 from some compensation scheme levies. |
|                               | Complaints against the FCA (COAF)   | This applies.  |
| <b>Specialist sourcebooks</b> | Collective Investment Schemes sourcebook (COLL)                               | This does not apply to an <i>energy market participant</i> .   |
|                               | Investment Funds sourcebook (FUND)  | This does not apply to an <i>energy market participant</i> .   |
|                               | [deleted]   | [deleted]  |
|                               | Professional firms sourcebook (PROF)  | None of the other specialist sourcebooks applies.  |
|                               | Deleted   |  |
| <b>Special guides</b>         | Recognised Investment Exchange and Recognised Clearing House sourcebook (REC) |  |
|                               | Special guide for service companies (SERV)                                    | This does not apply because an <i>energy market participant</i> is defined to exclude a <i>service company</i> .   |
|                               | Special guide for energy market participants (EMPS)                           | This applies.  |
|                               | Special guide for oil market participants (OMPS)                              | This does not apply because an <i>energy market participant</i> is defined to exclude an <i>oil market participant</i> .   |
| <b>Schedules</b>              | Summary schedules   | These apply, but only to the extent that the sourcebook or manual to which they relate applies.  |
|                               | 1. Record keeping requirements  |  |
|                               | 2. Notification requirements  |  |
|                               | 3. Fees and other required payments   |  |
|                               | 4. Powers exercised in making the Handbook                                    |  |
|                               | 5. Rights of action for damages   |  |
|                               | 6. Rules that can be waived   |  |
| 7. Releases                   |   |  |
|                               | Glossary of definitions   | This applies.  |
|                               | Index   | This applies.  |

The following Regulatory Guides may also be relevant to *energy market participants*:

1. The Enforcement Guide (EG)