

Oil Market Participants

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Chapter 1

Special guide for oil market participants

1.1 Application and purpose

- 1.1.1 **G** This special guide is for *oil market participants*.
- 1.1.2 **G** The purpose of this special guide is to help prospective and actual *oil market participants* find their way around the *Handbook* by setting out which parts of it apply to them.



1.2 Parts of the Handbook applicable to oil market participants

1.2.1 G The parts of the *Handbook* and their applicability to *oil market participants* are listed in ■ **OMPS 1.2.2 G. Oil market participants** should read applicable parts of the *Handbook* to find out what the detailed regulatory requirements for *oil market participants* are.

1.2.2 G **Parts of the Handbook applicable to oil market participants**

This table belongs to ■ **OMPS 1.2.1 G**

	Part of Handbook	Applicability to oil 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>COCON</i>)	This does not apply.
	Threshold Conditions (<i>COND</i>)	This applies.
	Statements of Principle and Code of Practice for Approved Persons (<i>APER</i>)	This applies to an <i>approved person</i> who performs a <i>controlled function</i> for an <i>oil market participant</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.
Prudential standards	Interim Prudential sourcebooks (<i>IPRU</i>)	Chapter 1 (Application and General) of <i>IPRU(INV)</i> (Interim Prudential sourcebook: Investment Businesses) applies. Chapter 3 (Financial resources for Securities and Futures Firms which are not MiFID investment firms or which are exempt BIPRU commodities firms or exempt IFPRU com-

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		<p>modities firms) of <i>IPRU(INV)</i> applies, with the following qualifications:</p> <p>(a) to an <i>oil market participant</i> only if it is a member of a <i>recognised investment exchange</i> or a <i>designated investment exchange</i> which is, under the rules of that exchange, entitled to trade with other members: see <i>IPRU(INV) 3-1A</i>;</p> <p>(b) the concentrated risk requirements do not apply</p>

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		<p>to an <i>oil market participant</i> if it is an <i>exempt IFPRU commodities firm</i> that applies the <i>large exposure</i> requirements in Part Four (articles 387 to 403) of the <i>EU CRR</i>: see <i>IPRU(INV)</i> 3-1B R, <i>IPRU(INV)</i> 3-1C G and <i>IPRU(INV)</i> 3-1D G; and</p> <p>(c) the concentrated risk requirements apply to an <i>oil market participant</i> if it is an <i>exempt BIPRU commodities firm</i> that satisfies the conditions in <i>BIPRU TP 16</i> in the version as at 31 December 2013.</p> <p>The other parts of <i>IPRU(INV)</i> do not apply.</p> <p>The other <i>IPRU</i> sourcebooks do not apply.</p>
	General Prudential sourcebook (<i>GENPRU</i>)	Except for provisions on capital requirements and the <i>ICAAP rules</i> , this applies to an <i>oil market participant</i> if it is an <i>exempt BIPRU commodities firm</i> : see <i>BIPRU TP 15.9 G</i> - <i>BIPRU TP 15.10 G</i> .
	Prudential sourcebook for Banks, Building Societies and Investment Firms (<i>BIPRU</i>)	Except for provisions on capital requirements and the <i>ICAAP rules</i> , this applies to an <i>oil market participant</i> if it is an <i>exempt BIPRU commodities firm</i> : see <i>BIPRU TP 15.9 G</i> - <i>BIPRU TP 15.10 G</i> .
	Prudential sourcebook for Investment Firms (<i>IFPRU</i>)	Except for provisions on combined buffer, <i>own funds</i> , <i>own funds requirements</i> and the <i>ICAAP rules</i> , this applies to an <i>oil market participant</i> if it is an <i>exempt IFPRU commodities firm</i> : see <i>IFPRU 1.1.1 G</i> .
Business standards	[deleted]	[deleted]
	Conduct of Business sourcebook (<i>COBS</i>)	Only some parts of <i>COBS</i> apply to <i>oil market activity</i> : see <i>COBS 18.2</i>
	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>oil market participant</i> . <i>MAR 5</i> (Multilateral Trading Facilities) applies to an <i>oil market participant</i> that operates an <i>MTF</i> , and <i>MAR 5A</i> (Organised trading facilities) applies to an <i>oil market participant</i> that operates an <i>OTF</i> .

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	Training and Competence sourcebook (TC)	TC (Rules and guidance) will apply where an <i>oil market participant</i> conducts activities set out in TC App 1 for <i>retail clients</i> . However, all <i>oil market participant</i> are subject to the <i>competent employees rule</i> in SYSC.
Regulatory processes	[deleted]	[deleted]
	Supervision manual (SUP)	This applies, with the following qualifications: (a) in SUP 3 (Auditors), only some provisions apply if IPRU(INV) 3 (Financial Resources for Securities and Futures Firms which are not MiFID investment firms or which are exempt BIPRU commodities firms or exempt IFPRU commodities firms) does not apply to an <i>oil market participant</i> : see SUP 3.1.2R ;

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		<p>(b) in SUP 10 (Approved persons), if an <i>oil market participant's</i> principal purpose is to carry on activities other than <i>regulated activities</i>, then the scope of the <i>significant influence functions</i> is restricted to the <i>required functions</i>: see SUP 10A.1.18 R - SUP 10A.1.19 G</p> <p>(c) SUP 16.7 (Financial reports) does not apply to the <i>firm</i> if IPRU(-INV) 3 does not apply: see SUP 16.1.3R and SUP16.7.5G;</p> <p>(d) SUP 17A</p> <p>(Transaction reporting) does not apply to an <i>oil market participant</i> which is not a <i>MiFID investment firm</i> or a <i>third country investment firm</i>:</p> <p>(e) SUP App 2 (Insurers: Scheme of operations) does not apply.</p>
	Decision Procedure and Penalties manual (DEPP)	This applies.
Redress	Dispute resolution: Complaints sourcebook (DISP)	<p><i>Oil 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 <i>FCA</i> 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)	<p>COMP applies to all <i>firm</i>. However, <i>oil market participants</i> that do not conduct business that could give rise to a <i>protected 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.</p>
	Complaints against the FCA (COAF)	This applies.
Specialist sourcebooks	Collective Investment Schemes sourcebook COLL	This does not apply to an <i>oil market participant</i> .

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	Investment Funds sourcebook (<i>FUND</i>)	This does not apply to an <i>oil market participant</i> .
	[deleted]	[deleted]
	Professional firms sourcebook (<i>PROF</i>)	None of the other specialist sourcebooks applies.
	Deleted	
Special guides	Recognised Investment Exchange and Recognised Clearing House sourcebook (<i>REC</i>)	
	Special guide for service companies (<i>SERV</i>)	This does not apply because <i>oil market participant</i> is defined to exclude a <i>service company</i> .
	Special guide for energy market participants (<i>EMPS</i>)	This does not apply because <i>energy market participant</i> is defined to exclude an <i>oil market participant</i> .
	Special guide for oil market participants (<i>OMPS</i>)	This applies.
Schedules	Summary schedules 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	These apply, but only to the extent that the sourcebook or manual to which they relate applies.
	Glossary of definitions	This applies.
	Index	This applies.

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

1. The Enforcement Guide (*EG*)