

Principles of Good Conduct for Energy Trading

The “10 Pillars”

Companies engaged in trading in energy markets will:

1. Respect free and fair competition as the basis for trading energy.
2. Not engage in any activities which would amount to market abuse, market manipulation or fraud, nor relay information known or strongly suspected to be false or misleading.
3. Deal with each other in accordance with established market practices and the standards expected of professional market counterparties.
4. Deal with customers fairly and with integrity and manage any conflicts of interest that may arise appropriately.
5. Organise their energy trading business effectively, respecting appropriate segregation of staff duties, and exercise diligent control over trading functions.
6. Establish effective risk management policies and control procedures governing the key risks managed by their energy trading functions.
7. Establish compliance policies setting out the company’s procedures for fulfilling all legal and regulatory obligations and any related corporate governance rules relating to their energy trading functions.
8. Ensure that their traders are suitably qualified and properly supervised to carry out their duties, including where appropriate to have taken relevant industry examinations.
9. Prohibit their employees from giving or receiving bribes and from indulging in other corrupt behaviour in all circumstances; and establish policies governing gifts and hospitality, highlighting acceptable and unacceptable practices.
10. Maintain accounts related to trading transactions and risk books in accordance with relevant accounting standards and respecting normal audit practices.