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**NATIONAL FUTURES ASSOCIATION
BEFORE THE
BUSINESS CONDUCT COMMITTEE**

SEP - 3 2025

NATIONAL FUTURES ASSOCIATION
LEGAL DOCKETING

In the Matter of:)
OIL BROKERAGE LIMITED) NFA Case No. 25-BCC-009
(NFA ID #447025),)
Respondent.)

COMPLAINT

Having reviewed the investigative report submitted by the Compliance Department of National Futures Association (NFA) and having found reason to believe that NFA Requirements are being, have been, or are about to be violated and that the matter should be adjudicated, NFA's Business Conduct Committee (Committee) issues this Complaint against Oil Brokerage Limited (Oil Brokerage).

ALLEGATIONS

JURISDICTION

1. At all times relevant to this Complaint, Oil Brokerage has been registered with the Commodity Futures Trading Commission (CFTC or Commission) as an introducing broker (IB) and approved as a Member of NFA. As such, Oil Brokerage was and is required to comply with NFA Requirements and is subject to disciplinary proceedings for violations thereof.

BACKGROUND

2. Oil Brokerage has been an IB Member since January 2014. The firm is headquartered in London, United Kingdom and currently has branch offices in the United States (U.S.) and Singapore.

3. Oil Brokerage operates an execution-only brokerage that facilitates block futures and energy physicals for customers interested in trading energy products on various exchanges in the U.S. and abroad. The firm's customers consist of U.S. and non-U.S. institutional clients.
4. NFA commenced an examination of Oil Brokerage in March 2023 (2023 exam). At that time, NFA's Online Registration System (ORS) reported the firm had approximately 15 individuals who were NFA Associates and registered with the CFTC as associated persons (APs).
5. As alleged in more detail below, NFA's 2023 exam revealed that Oil Brokerage permitted numerous other individuals to solicit and/or accept orders from customers located in the U.S. without being NFA Associates and registered with the CFTC as APs of the firm, which deficiency the firm failed to promptly correct. The 2023 exam also revealed supervisory deficiencies at the firm.

APPLICABLE RULES

6. NFA Bylaw 301(b) provides, in pertinent part, that no person may be associated with a Member of NFA unless the person is registered as an NFA Associate or is an NFA Member. As used in the Bylaw, the term "associated with a Member" means any person who is associated with a Member of NFA within the meaning of the term "associated person" as used in the Commodity Exchange Act or Commission Rules and who is required to be registered as such with the Commission.
7. CFTC Regulation 3.12(h)(1)(iv) provides an exemption from registration as an AP for an individual who engages in AP activities from a location outside the U.S., its

territories or possessions and limits such AP activities to customers located outside the U.S., its territories or possessions.

8. NFA Compliance Rule 2-9(a) requires each Member to diligently supervise its employees and agents in the conduct of their commodity interest activities for or on behalf of the Member.

COUNT I

VIOLATIONS OF NFA BYLAW 301(b): ALLOWING INDIVIDUALS TO SOLICIT AND/OR ACCEPT ORDERS FROM CUSTOMERS LOCATED IN THE U.S. WITHOUT BEING NFA ASSOCIATES AND REGISTERED WITH THE CFTC AS ASSOCIATED PERSONS OF THE FIRM.

9. The foregoing paragraphs are realleged as if fully stated herein.
10. CFTC Regulation 1.3 provides, in pertinent part, that an AP is an individual associated with an IB who engages in the solicitation or acceptance of customer orders (or supervises any individual so engaged).
11. NFA conducted fieldwork at the firm's London office in late March 2023 and observed the firm's block futures activities. However, the number of individuals who appeared to solicit and/or accept orders from U.S. customers for block trades executed on U.S. exchanges exceeded the number of individuals the firm had reported as NFA Associates and APs in ORS.
12. NFA notified Oil Brokerage that all individuals soliciting and/or accepting orders from U.S. customers on the firm's behalf must be NFA Associates and registered APs. NFA also instructed the firm not to permit individuals brokering trades with U.S. customers to act as APs unless they were registered.
13. During the 2023 exam, Oil Brokerage provided NFA with a spreadsheet that listed all the firm's customers and their country and later submitted another

spreadsheet with the names of the brokers who conducted business with U.S. customers. The firm also supplied a document detailing its supervisory reporting lines.

14. NFA compared the documents that Oil Brokerage provided to the information the firm reported in ORS and confirmed that the firm allowed approximately 15 individuals to conduct business with U.S. customers without being NFA Associates and APs of the firm, contrary to Bylaw 301(b).
15. Two of these unregistered individuals included principals of the firm who should have been registered as NFA Associates and APs of the firm since they were within the line of supervisory authority over APs.
16. NFA's August 2023 exam report cited Oil Brokerage for failing to comply with NFA Bylaw 301(b) and required the firm to respond to NFA with, among other things, the corrective action the firm would take or had taken to address the deficiency.
17. In response to NFA's exam report, Oil Brokerage indicated the firm had sent an email to all brokers on August 8, 2023 informing them that anyone doing business with U.S. customers would have to cease communications and not broker for them until the individuals became registered (August 2023 email). The August 2023 email also indicated that registered brokers at the firm would handle the unregistered brokers' activities with U.S. customers.
18. To assess the firm's remediation efforts after the exam concluded, NFA reviewed trade confirmations and broker communications for a sample of dates from late August 2023 (after NFA issued the exam report) to early February 2024. The

review specifically focused on whether the firm had registered the individuals brokering trades with U.S. customers as NFA Associates and APs of the firm.

19. Despite the firm's August 2023 directive to brokers and representation to NFA that registered brokers would manage the U.S. customer business, NFA's review found the firm continued to permit numerous individuals to broker trades for U.S. customers (including some of the same U.S. customers that NFA had identified during the exam) without the proper registration.
20. The following example illustrates NFA's findings. According to Oil Brokerage's October 18, 2023 trade documents, an unregistered individual employed in the firm's London office brokered a freight futures trade with a customer located in the U.S. (Customer 1), according to the spreadsheet Oil Brokerage had provided NFA previously (as discussed on page 3).
21. Since Customer 1 was located in the U.S., Oil Brokerage knew or should have known that the individual who brokered the October 18, 2023 trade did not qualify for the Regulation 3.12 exemption and should have been an NFA Associate and registered AP of the firm but was not.
22. In July 2024, NFA informed Oil Brokerage of almost 70 instances where the firm permitted 15 individuals to broker trades with U.S. customers without the required NFA and CFTC registration.
23. NFA continued to periodically monitor the firm's remediation efforts by checking the unregistered individuals' status in ORS and through communications with the firm.

24. In August 2024, NFA again notified the firm that all unregistered individuals referenced in the spreadsheet must register with NFA and the CFTC or immediately stop brokering trades for U.S. customers.
25. In February 2025—almost two years after NFA first identified Oil Brokerage's registration deficiency—three individuals who had previously brokered trades with U.S. customers and one individual in the line of supervisory authority remained unregistered, according to information the firm reported in ORS.
26. By reason of the foregoing acts and omissions, Oil Brokerage is charged with violating NFA Bylaw 301(b).

COUNT II

VIOLATIONS OF NFA COMPLIANCE RULE 2-9(a): FAILING TO SUPERVISE.

27. The foregoing paragraphs are realleged as if fully stated herein.
28. Under NFA Compliance Rule 2-9(a), Oil Brokerage is required to diligently supervise its employees and agents in the conduct of their commodity interest activities for or on behalf of the firm.
29. However, as alleged above, Oil Brokerage fell short of fulfilling its supervisory obligations to ensure the firm complied with NFA Requirements applicable to registering individuals as NFA Associates and APs of the firm.
30. Even though NFA notified the firm of the Bylaw 301 deficiency at the start of the 2023 exam, the firm continued to permit numerous individuals to act as APs without NFA and CFTC registration for at least a year thereafter.
31. Oil Brokerage further demonstrated its supervisory shortcomings by failing to take adequate steps to monitor and ensure that unregistered individuals stopped

communicating with and brokering trades for U.S. customers following the firm's August 2023 directive and representation to NFA.

32. Oil Brokerage's failure to supervise also extended to monitoring its brokers' communications.
33. Oil Brokerage's supervisory procedures state that monthly reviews of trades and communications should be conducted to check for recordkeeping, violations of client confidentiality and to assess conversations between brokers and clients, among other things.
34. However, Oil Brokerage did not adequately review its brokers' oral and written communications, which allowed questionable conduct to go unnoticed, including potential recordkeeping violations.
35. For example, in several instances, brokers on recorded voice lines either asked customers (or were asked by customers) to "call me" or stated "call you" to redirect the conversation off the recorded line.
36. In one recorded call, a customer inquired whether "block London" was selling, to which the Oil Brokerage broker replied "no." Immediately after this response, the broker said, "Actually, I'll call you. I'll call you." During another instance, a broker and customer were discussing pricing and sellers in the market and abruptly took the call offline.
37. Oil Brokerage brokers also informed customers in chat messages that "we traded" a specific product at a certain price or stated "just traded" in their communications with customers, which phrases could give the impression the firm had just executed a trade in a particular product at that price and entice a

customer to act. When presented with these findings, the firm acknowledged that its brokers could have been clearer in their communications.

38. In addition, Oil Brokerage failed to ensure that London brokers who used Zoom for pre-trade communications with employees in the firm's Houston office recorded those communications, as required under NFA Compliance Rules.
39. By reason of the foregoing acts and omissions, Oil Brokerage is charged with violating NFA Compliance Rule 2-9(a).

PROCEDURAL REQUIREMENTS

ANSWER

You must file a written Answer to the Complaint with NFA within thirty days of the date of the Complaint. The Answer shall respond to each allegation in the Complaint by admitting, denying, or averring that you lack sufficient knowledge or information to admit or deny the allegation. An averment of insufficient knowledge or information may only be made after a diligent effort has been made to ascertain the relevant facts and shall be deemed to be a denial of the pertinent allegation.

The place for filing an Answer shall be:

National Futures Association
320 South Canal
Suite 2400
Chicago, Illinois 60606
Attn: Legal Department-Docketing

E-Mail: Docketing@nfa.futures.org

Failure to file an Answer as provided above shall be deemed an admission of the facts and legal conclusions contained in the Complaint. Failure to respond to any allegation shall be deemed an admission of that allegation. Failure to file an Answer as provided above shall be deemed a waiver of hearing.

POTENTIAL PENALTIES, DISQUALIFICATION, AND INELIGIBILITY

At the conclusion of the proceedings conducted in connection with the issuance of this Complaint, NFA may impose one or more of the following penalties:

- (a) expulsion or suspension for a specified period from NFA membership;
- (b) bar or suspension for a specified period from association with an NFA Member;
- (c) censure or reprimand;
- (d) a monetary fine not to exceed \$500,000 for each violation found; and
- (e) order to cease and desist or any other fitting penalty or remedial action not inconsistent with these penalties.

The allegations in this Complaint may constitute a statutory disqualification from registration under Section 8a(3)(M) of the Commodity Exchange Act. A respondent in this matter who applies for registration in any new capacity, including as an AP with a new sponsor, may be denied registration based on the pendency of this proceeding.

**NATIONAL FUTURES ASSOCIATION
BUSINESS CONDUCT COMMITTEE**

Dated: 09/03/2025

By: Angie L
Chairperson