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Release Number 8953-24

CFTC Orders Swiss Energy Trader to Pay \$48 Million for Attempted Market Manipulation

TOTSA Attempted to Manipulate the Market for EBOB-Linked Futures Contracts

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Order: TOTSA TotalEnergies Trading SA, et al

Statement of Commissioner Caroline D. Pham

August 27, 2024

Washington, D.C. — The Commodity Futures Trading Commission today issued an order filing and simultaneously settling charges against **TOTSA TotalEnergies Trading SA**, formerly known as TOTSA Total Oil Trading SA (TOTSA), for attempting to manipulate the market for EBOB-linked futures contracts in order to benefit its derivatives positions in violation of the Commodity Exchange Act (CEA) and CFTC regulations. TOTSA is not registered with the CFTC.

The order requires TOTSA to pay a \$48 million civil monetary penalty and cease and desist from violating the CEA and CFTC regulations.

“Benchmark manipulation is an age-old scheme firms have attempted in many markets,” said Director of Enforcement Ian McGinley. “In numerous cases over the past 20 years, the CFTC has guarded market integrity by detecting and prosecuting these benchmark-related schemes. The scheme in this matter involved an attack on the market integrity of CFTC-regulated futures contracts on gasoline, and this settlement demonstrates such attacks will not be tolerated in any market.”

Case Background

According to the order, TOTSA attempted to manipulate the market for EBOB-linked futures contracts. EBOB is a type of refined gasoline used primarily in automobiles in Europe. A number of energy-trading companies, including TOTSA, blend and sell EBOB gasoline. Futures contracts linked to the price of EBOB trade on CFTC-regulated exchanges. The value of these financially-settled futures contracts is determined based on a benchmark price for physical EBOB that is published by the London-based price-reporting service Argus (Argus EBOB Benchmark). The Argus EBOB Benchmark is based on brokered physical EBOB transactions that are reported to Argus.

In March 2018, TOTSA attempted to manipulate this market for EBOB-linked futures by selling physical EBOB in the Argus brokered market at prices below what buyers indicated they would pay. During this month, TOTSA sold more physical EBOB than it had sold in any other previous month. TOTSA's sales constituted more than 60% of the volume transacted by all brokered market participants. TOTSA's transactions were reported to Argus, and incorporated into the Argus EBOB Benchmark. In tandem with these sales of physical EBOB, TOTSA maintained a large short position in March-settled EBOB-linked futures which, because it was a short position, would increase in value if the reported price of EBOB declined.

In an attempt to benefit its EBOB-linked short futures position, TOTSA not only blended and sold large quantities of physical EBOB, but also attempted to sell physical EBOB at prices that were lower than what buyers indicated they were willing to pay. On multiple occasions in March 2018, TOTSA traders maintained an offer to sell EBOB for a price that was lower than another market participant's indicative bid. Essentially, TOTSA's traders were willing to accept less revenue from the company's sales of physical EBOB, in an attempt to depress the reported price of EBOB, and increase TOTSA's overall trading profits (by boosting the value of the company's EBOB-linked short position). This conduct constituted attempted market manipulation in violation of Section 6(c)(1) of the CEA and CFTC Regulation 180.1(a)(1).

In accepting TOTSA's Offer of Settlement, the CFTC recognizes that TOTSA provided some cooperation during the Division of Enforcement's (DOE) investigation of this matter. However, TOTSA did not timely produce certain WhatsApp communications DOE requested or adequately preserve these communications following DOE's request, with the result that potentially relevant evidence was unavailable to DOE.

The CFTC appreciates the assistance of the Swiss Financial Market Supervisory Authority (FINMA) and the United Kingdom Financial Conduct Authority (FCA).

Division of Enforcement staff responsible for this action are Jason T. Wright, Jennifer Blakley, Chrystal Gonnella, A. Daniel Ullman II, Paul G. Hayeck, and former staff member Lauren Bennett.

Customers and other individuals can report suspicious activities or information, such as possible violations of commodity trading laws, to the Division of Enforcement via a toll-free hotline 866-FON-CFTC (866-366-2382), [file a tip or complaint](#) online, or contact the [Whistleblower Office](#). Whistleblowers are eligible to receive between 10 and 30 percent of the monetary sanctions collected paid from the CFTC Customer Protection Fund, which is financed through monetary sanctions paid to the CFTC by violators of the Commodity Exchange Act.

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