

# Notice under Section 5(8) of the Code Manager Selection Regulations 2024

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## Notice under section 5(8) of the Code Manager Selection Regulations 2024

1. The Gas and Electricity Markets Authority (“the Authority”)<sup>1</sup> hereby gives notice under section 5(8) of the Code Manager Selection Regulations 2024 (“the Regulations”) as follows:
2. The Authority proposes to grant a code manager licence as defined under Section 6(1)(g) of the Electricity Act 1989 and Section 7AC(1) of the Gas Act 1986<sup>2</sup> (“the Licence”) to Xoserve Limited (company number 05046877), whose registered office is situated at Lansdowne Gate, 65 New Road, Solihull, B91 3DL (“the Candidate”).
3. The Licence, if awarded, will authorise the Candidate to perform the function of code manager in relation to the Gas Network Code (“GNC”), a qualifying document as defined under Paragraph 1(1) of Schedule 12 to the Energy Act 2023 (“the Act”).<sup>3</sup>
4. Any representations or objections with respect to the proposed grant of the Licence may be made on or before 27 November 2026 and should be addressed to [industrycodes@ofgem.gov.uk](mailto:industrycodes@ofgem.gov.uk).
5. All responses will normally be published on Ofgem’s website. However, if respondents do not wish their response to be made public then they should clearly mark their response as not for publication. Ofgem prefers to receive responses in an electronic form so they can be placed easily on the Ofgem website.

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<sup>1</sup> References to the “Authority”, “Ofgem”, “we”, “us” and “our” are used interchangeably in this document. The Authority refers to GEMA, the Gas and Electricity Markets Authority. The Office of Gas and Electricity Markets (Ofgem) supports GEMA in its day-to-day work. This determination is made by or on behalf of GEMA.

<sup>2</sup> See [Electricity Act 1989](#) and [Gas Act 1986](#)

<sup>3</sup> [Energy Act 2023](#)

## Reasons why the Authority proposes to grant the Licence

1. On 1 June 2026 we published a determination under section 187(1) of the Act and in accordance with Regulation 3 of the Regulations to proceed with the selection of a code manager for the GNC on a non-competitive basis.<sup>4</sup> Subsequent to that determination, we invited the Candidate to submit a completed licensing assessment form, as attached to Appendix 2 of our code manager selection guidance (“the Guidance”).<sup>5</sup>
2. On 24 August 2026 the Authority received an assessment form for the Licence, submitted by the Candidate, confirming that it is willing to be selected and to have a code manager licence granted to it. On 28 August 2026, we wrote to the Candidate to acknowledge receipt of the form. On 25 September 2026, we wrote to the Candidate requesting additional information, which was received on 6 October 2026.
3. We have assessed the information provided to us by the Candidate and are satisfied that the selection criteria, as set out in the Guidance on code manager selection at paragraphs 4.7-4.54, are met. We therefore propose to grant the Candidate a code manager licence.

## Conflict of Interest Assessment

1. The Regulations state that the Authority may not select a candidate as code manager unless we are satisfied that the candidate has no financial or other interests that might prejudice the discharge by that candidate of the functions of the code manager of that code (a “potential conflict of interest”). We may, in our discretion, decide to select a

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<sup>4</sup> [Determination of the basis of code manager selection](#)

<sup>5</sup> [Guidance on code manager selection](#)

candidate that has a potential conflict of interest if we are satisfied that the potential conflict of interest is manageable.<sup>6</sup>

2. As part of our assessment of the Candidate for a code manager licence, we have considered the code manager standard licence conditions that address conflicts of interest, and the ability of the Candidate to comply with those conditions.
3. Our assessment of conflict of interest is based on the code manager standard licence conditions which were determined by the Secretary of State for the purposes of Sections 33(1) and 81(2) of the Utilities Act 2000 on 14 May 2026.
4. We will publish where relevant any proposal to grant modifications, decision to grant exceptions to the standard conditions of the code manager licence, or proposal to introduce special conditions, at a later date.
5. In our assessment we identified potential conflicts of interest in relation to the following proposed SLCs:

*Standard Licence Condition 16 – Sufficiently Independent Directors*

6. The Regulations state that 50% of a candidate's directors must be independent or propose mitigations against any conflict of interest. In its licensing assessment form, the Candidate stated that it currently does not meet the 50% requirement as 4 out of 9 of its directors meet the independence requirement in the SLCs. The Candidate has stated that it is committed to establishing, prior to the grant of any code manager licence, a board of which at least 50% of members are independent.
7. The Authority has considered this proposal, and we are satisfied that any potential conflict of interest with SLC 16 will be remedied.

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<sup>6</sup> [The Code Manager Selection Regulations 2024](#) Regulation 4(2)

*Standard Licence Condition 17 – Restriction on Activity and Investments*

8. In its licensing assessment form, the Candidate provided details of all of the activities it is involved in. These activities are:
- a. Delivering the Central Data Service Provider (CDSP)
  - b. Energy balancing function
  - c. Provision of transportation invoicing
  - d. Management of the Gemini system
  - e. Data reporting to non-code parties.
9. The Authority has considered these additional activities, and we are satisfied that any potential conflict of interest risk is manageable with the appropriate governance arrangements being put in place.
10. We will determine as we finalise the code manager licence which of these activities may fall within the scope of the definition of Code Manager Business, or whether we will consent to additional activities being classed as Permitted Business under the licence.



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**Carmel Golden**

**Duly authorised on behalf of the Authority**

**Date: 27 October 2026**