

**Review of the Implementation of IOSCO's Principles  
for Financial Benchmarks by WM in respect of the  
WM/Reuters 4.p.m Closing Spot Rate**



**OICU-IOSCO**

**THE BOARD  
OF THE  
INTERNATIONAL ORGANIZATION OF SECURITIES COMMISSIONS**

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## 1. Introduction

This report sets out the findings of the review (**Review**) by the International Organisation of Securities Commissions (**IOSCO**) of the implementation of IOSCO's Principles for Financial Benchmarks (**Principles**) by The World Markets Company PLC (**WM**) as administrator of the WM/Reuters 4 p.m. London closing spot rate (**Closing Spot Rate**).<sup>1</sup>

This report was prepared by a **Review Team** constituted by IOSCO members. The membership of the Review Team is set out below.

### *Background*

At its 24 June 2013 meeting, the Financial Stability Board (**FSB**) Plenary established an Official Sector Steering Group (**OSSG**) of regulators and central banks on interest rate benchmark reform.<sup>2</sup> As part of this work, the OSSG is to recommend global standards for reference rate benchmarks and review them against these standards. It is to also oversee work on exploring additional reference rates and transition strategies to these rates.

At its February 2014 meeting, the FSB Plenary agreed to extend its work on financial benchmarks to cover global foreign exchange benchmarks.

The Foreign Exchange Benchmarks Group (**FXBG**) was created as a new OSSG subgroup to undertake a review of major foreign exchange benchmarks, including their definitions, construction and governance, as well as an analysis of market characteristics around benchmark fixings. The FXBG will report to the FSB Plenary.

After an initial stocktaking exercise, the FXBG agreed to undertake a formal review of the Closing Spot Rate against the Principles.

In April 2014, the co-chairs of the FXBG formally requested, and the IOSCO Board agreed, for IOSCO to conduct a formal review of the Closing Spot Rate and provide the results to the FXBG by 1 July 2014.

Following IOSCO Board approval, a Review Team comprised of members from the IOSCO Task Force on Financial Benchmarks and the IOSCO Assessment Committee was constituted for the purpose of completing the Review.

### *Purpose of the Review*

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<sup>1</sup> IOSCO, *Principles for Financial Benchmarks, Final Report* (July 2013). Available at: <http://www.iosco.org/library/pubdocs/pdf/IOSCOPD415.pdf>.

<sup>2</sup> See Financial Stability Board, *Progress report on the oversight and governance framework for financial benchmark reform: Report to G20 Finance Ministers and Central Bank Governors* (29 August 2013) for more detail on the OSSG and its work program. Available at: [http://www.financialstabilityboard.org/publications/r\\_130829f.pdf](http://www.financialstabilityboard.org/publications/r_130829f.pdf).

Consistent with the FXBG's request, the objective of this Review has been to identify the degree of implementation of the Principles by WM in respect of the Closing Spot Rate.

### *Currency pairs reviewed*

The Review covers the following currency pairs for the Closing Spot Rate:

- USD/CAD (**Trade Pair 1**) and EUR/CHF (**Trade Pair 2**) (together, **Trade Pairs**); and
- USD/IDR (**Quote Pair**).

These three pairs were selected as examples of the major differences in the fixing determination methods that WM employs. Specifically, the Trade Pairs both rely on data concerning concluded transactions but each draws the data from different trading platforms. In contrast, the Quote Pair relies on quotation data that is drawn from a trading platform. The determination techniques for all three currency pairs are set out below.

### *The Principles*

The Principles were published in July 2013. The IOSCO Board intended the Principles to create an overarching framework for benchmarks used in financial markets.

Specifically, they are intended to promote the reliability of benchmark determinations. They addressed benchmark governance, benchmark and methodology quality and accountability mechanisms.

- On **governance**, the Principles are intended to ensure that administrators have appropriate governance arrangements in place to protect the integrity of the benchmark determination process and to address conflicts of interest.
- On **benchmark quality**, the Principles are intended to promote the quality and integrity of benchmark determinations through the application of design factors that result in a benchmark that reflects a credible market for an interest measured by that benchmark. The Principles also clarify that a variety of data may be appropriately used to construct a benchmark, as long as Principle 7 on data sufficiency is met (in particular that the benchmark is based on an active market).
- On **methodology quality**, the Principles are intended to promote the quality and integrity of methodologies by setting out minimum information that should be addressed within a methodology. The Principles require that information be published or made available so that stakeholders may understand and make their own judgments concerning the overall credibility of a benchmark. They also require that the methodology should address the need for procedures that when material changes are planned, alert stakeholders of changes that might affect their positions, financial instruments or contracts.
  - The Principles also establish that administrators should have credible policies

in case a benchmark ceases to exist or stakeholders need to transition to another benchmark. These policies are intended to encourage administrators and stakeholders to plan prospectively for the possible cessation of a benchmark.

- These Principles also addressed vulnerabilities in the submission process (e.g., conflicts of interest, improper communication between submitters and administrators, selective submission of data) by outlining the responsibilities that should be undertaken by submitters.
- On **accountability**, the Principles required that administrators establish complaints processes, documentation standards and audit reviews intended to provide evidence of compliance by the administrator with its quality standards, as defined by these Principles and its own policies. The Principles also addressed making the foregoing information available to relevant market authorities

The Principles are to be understood as a set of recommended practices that should be implemented by benchmark administrators and submitters.

### ***Content of this report***

This report sets out:

- The Methodology used to conduct the Review (**Annex 1**);
- A discussion of the implementation of each of the Principles by WM (with distinctions drawn between the currency pairs where relevant); and
- Where a Principle is yet to be fully implemented:
  - The key reasons why this is the case;
  - A description of WM's plans (if any) to fully implement the Principle (including the timetable for those plans); and
  - Recommended actions for WM to follow in order to fully implement the Principle.

### ***Review Team***

The Review Team is constituted by staff from the Financial Conduct Authority (United Kingdom) (Co-Chair), the Australian Securities and Investments Commission (Co-Chair), the Federal Financial Supervisory Authority (Germany), the Financial Services Agency of Japan and the Financial Services Board (South Africa).

The authorities of the Review Team are members of IOSCO's Assessment Committee or Task Force on Financial Market Benchmarks (**Task Force**). The Assessment Committee conducts assessments of IOSCO's members against IOSCO principles and standards. The Task Force

developed the Principles.

Members of the IOSCO Secretariat provided administrative support to the Review Team.

### ***Methodology***

The Review was undertaken as a desk-based exercise, using responses provided by WM to the Methodology designed and developed by the Review Team.

The Methodology was developed to facilitate the self-assessment of the degree of implementation by WM of the Principles.

The Methodology was also designed as a means for identifying any potential gaps, inconsistencies, weaknesses and areas for action by WM that may be necessary.

The Methodology includes a self-assessment template (**Self-Assessment Template**) that sets out fields for:

- WM to summarize its relevant policies and practices;
- The Key Indicia of the implementation of each relevant Principle;
- The analysis of whether WM's policies and practices meet each specific Key Indicia (i.e. whether the relevant Principle has been implemented);
- WM to conclude what rating (as set out in the Methodology) should apply to each Principle; and
- WM to describe any plans for further policies and practices that are relevant to the implementation of the Principles.

The Methodology was sent to WM on 16 April 2014 with the completed Self-Assessment Template returned to the Review Team on 2 May 2014.

### ***Assessment process***

The Review Team considered the completed Self-Assessment Template and used this to assess whether WM had implemented each of the Principles.

The veracity of WM's responses was not checked other than against the policy and working documents that WM supplied voluntarily and at the Review Team's request. Accordingly, the Review Team has not observed directly the practices which WM asserts that it follows in the determination process.

While WM applied a rating to each of the 19 Principles, the Review Team used these ratings as a guide only to the development of its assessment. This Report does not contain any ratings of WM. This is because of the limited time which was available to the Review Team to prepare this report.

WM was given the opportunity to check the accuracy of the descriptions of their policies, practices and plans prepared by the Review Team.

### ***Approach to planned policies and procedures***

A key part of this report is the description of the status of any plans for WM to fully implement (or to ensure a greater degree of implementation of) the Principles. The report does not assess these plans; it simply describes them.

### ***Approach to assessment or interpretation of the Principles***

The Review Team concluded that the Principles (or elements thereof) that concern submissions (chiefly Principle 14) are not applicable to WM.

This is because the determination of the Closing Spot Rate for the currency pairs reviewed relies on data being fed automatically through from specified trading platforms. The data is not submitted by market participants (as is the case, for example, with the determination process for various interbank offered rates that measure funding costs).

## **2. Review**

### **2.1 Introduction**

WM is the administrator of the WM/Reuters foreign exchange benchmark rates. As administrator, it has primary responsibility for all aspects of the benchmark determination process.

While WM does not outsource any activities relating to the benchmark administration process, it does source trade, order, and quote data from certain third party platform operators, such as Reuters Limited (**Reuters**) and EBS, pursuant to licensing agreements.

WM also relies on Reuters to distribute benchmarks to certain clients.

The WM/Reuters Closing Spot Rate Service was launched in 1994.

WM/Reuters Spot Rates are published 24 hours a day from Monday 6am (Sydney time) until Friday 10pm (UK time). The WM/Reuters forward and non-deliverable forward rates are published daily from 6am – 9pm (UK time); with additional fixes at 10.00am & 4.00pm Sydney time, 2.00pm New Zealand time, 11.00am Singapore time and 5:00pm New York time.

WM is a wholly owned subsidiary of State Street Corporation (**State Street**). WM is headquartered in Edinburgh, Scotland.

WM is not currently subject to regulatory oversight.

### **2.2 Overview of assessment and recommended actions**

## *Overall assessment*

The Principles were released in July 2013 and all benchmark administrators covered by the Principles were asked to publically disclose the extent of their compliance with them within 12 months (i.e. July 2014).

The Review Team assessed WM's policies and practices as of 2 May 2014. As of this date, WM has demonstrated implementation of some Principles but still needed, as at the May date, to do substantial work to implement many of them.

As noted below, however, WM has started to work on reforms to its current policies and practices with a view to better implementing the Principles. The Review Team is aware that in July 2014 WM issued a statement outlining how it was further working towards implementing the Principles.

The Review Team has also identified recommended actions that WM could take to improve its implementation of the Principles. The Review Team notes that many of the recommended actions are already covered by reforms in the process of being implemented by WM. Furthermore, the Review Team has taken into account the work being performed by the FXBG, and in particular the recommendations for Principle 6 were considered jointly with the FXBG.

The Review Team also notes that the Review was conducted under a tight schedule that limited the opportunity for the Review Team and WM to exchange views on its policies and practices. In particular, the Review Team was not able to take up WM's proposition of a site visit for this Review. The Review Team acknowledges that further communications could have led to the provision of additional documents and explanations by WM to support its response.

Therefore, as recommended below, a subsequent review would be an opportunity to consider the implementation of the Principles in a more in-depth and up to date fashion.

On governance and transparency, WM's oversight and control structure with respect to the determination process for the Closing Spot Rate is informal and insufficiently tailored to its benchmark determination business.

To implement the Principles on governance, WM should put in place an oversight function that has the purpose of ensuring the integrity of the Closing Spot Rate. The nature, operation and structure of the current oversight function needs to be clear and specifically tailored to meet the governance requirements of the Principles.

WM should also adopt a conflicts of interest policy that addresses the risks of the determination process for the Closing Spot Rate. WM relies on the policy of its corporate parent, State Street, which is not sufficiently specific to the WM's determination of the Closing Spot Rate.



WM has not published the information and many of the policies that the Principles recommend be made public. This includes formalising and publishing the policies (or elements thereof) that the Principles suggest should be made available to stakeholders together with the information required by Principle 9. WM should address these matters as a matter of urgency. To assist WM in complying with Principle 9, the Review Team would draw WM’s attention to Annex C of IOSCO’s *Final Report Principles for Financial Benchmarks*.<sup>3</sup> This Annex details how administrators can comply with the requirements of Principle 9.

On benchmark quality, WM demonstrates some compliance with Principle 7 in that its benchmark is sourced from observable transactions. Additionally, WM largely complies with Principle 8 in providing a clear hierarchy of data inputs to the benchmark.

WM has provided some evidence that it is considering how its benchmark design results in an accurate and reliable representation of the interest it seeks to measure. However the Review Team encourages WM to continue analysing the benchmark design and in particular whether the chosen sampling period, number and identity of platform sources and rate design are appropriate on an ongoing basis. The Review Team acknowledges that the FXBG have considered the same recommendations in this regard.

WM has evidenced that it conducts some due diligence on the controls and market surveillance of the platforms it uses to source data. Its own validation processes and controls also help to maintain the robustness of the data. However, WM should continue working with data providers to ensure that the transactions used to determine the Closing Spot Rate are ‘bona-fide’ (i.e. executed at arm’s length). It should also adopt a definition of ‘active market’ that meets the expectations of the Principles.

On benchmark methodology, WM has a clear methodology that is publicly available. Some of its terms should be clarified and expanded upon in order to be fully compliant with the Principles. WM should also amend its procedures to change the methodology and ensure that it has robust contingency and transition plans.

On accountability, WM has largely implemented the Principles by having an internal audit conducted of its operations, retaining records as required and cooperating with regulators when requested.

***Summary table of assessments***

No	Principle	Summary of assessment and recommended actions
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<sup>3</sup> IOSCO, above n 1.

No	Principle	Summary of assessment and recommended actions
<b>Governance</b>		
1.	Overall responsibility of the administrator	<p>Further work needed to fully implement the Principle</p> <p>While WM has overall responsibility for the Closing Spot Rate, it lacks a formal oversight function that is accountable for the development, issuance and operation of the Closing Spot Rate.</p> <p>WM should put in place a formal oversight function with an identifiable structure and appropriate membership.</p>
2.	Oversight of third parties	<p>Further work needed to fully implement the Principle</p> <p>WM evidences some implementation of Principle 2 but it lacks all required policies with respect to the oversight and monitoring of third parties involved in the benchmark determination process.</p> <p>These policies should be adopted.</p>
3.	Conflicts of interest for administrators	<p>Further work needed to fully implement the Principle</p> <p>WM relies on State Street's conflicts of interest policy. This is not tailored to WM's benchmark determination process.</p> <p>WM should ensure that its conflicts of interest policy is specific to its business, has identified potential risks and conflicts, is appropriately detailed and contains the relevant information. The policy should be updated periodically.</p> <p>WM should also ensure that its conflicts of interest framework otherwise complies fully with the requirements of Principle 3.</p> <p>WM should address the requirements of Principle 3 as a matter of priority.</p>
4.	Control framework for administrators	<p>Further work needed to fully implement the Principle</p> <p>WM lacks a formal oversight function which means it falls below the expectations of this Principle.</p> <p>WM should adopt and publish a control framework that is adapted to its processes.</p>
5.	Internal oversight	<p>Further work needed to fully implement the Principle</p> <p>WM lacks a formal oversight function which means it falls below the</p>

No	Principle	Summary of assessment and recommended actions
		<p>expectations of this Principle.</p> <p>While WM's informal Oversight Working Group has started to look at the methodology and related issues such as research and governance, the appropriateness and composition of the group's membership is not clear.</p> <p>Further, its independence could be called into question as one member of staff has sole discretion over the appointment of members to the group. This could affect the robustness of the governance and challenge process.</p> <p>WM should put in place a formal internal oversight function.</p>
<b>Quality of the benchmark</b>		
6.	Benchmark design	<p>Further work needed to fully implement the Principle</p> <p>WM has shown some evidence that it uses liquid platforms for its rate determination process and that it adapts and changes its data sources in reaction to market developments.</p> <p>WM has also shown evidence that it is considering enhancements to its methodology to make the benchmark design more robust and more representative.</p> <p>WM should consider the benchmark design process, including the choice of trading platform, sampling period and calculation method, to satisfy itself that the Closing Spot Rate results in an accurate and reliable representation of the interest it seeks to represent. WM should also consider using data from a wider range of sources.</p>
7.	Data sufficiency	<p>Further work needed to fully implement the Principle</p> <p>WM relies on data drawn from observable transactions sourced from platforms which show a high level of liquidity. However WM should satisfy itself that its definition of an 'active market' takes into account the factors set out in Principle 7.</p> <p>In order to control for the bona-fide nature of the input data WM relies on the controls, surveillance and governance framework of the platforms it used. In order to do so, it performs regular due diligence on these controls. However WM needs to formalise its draft due diligence policies.</p> <p>The Review Team notes that WM has been reviewing further enhancements.</p> <p>WM should consider further steps it could take to better ensure that the transactions on which it relies for the determination of the Closing Spot Rate are 'bona fide'. This could be, for example, by seeking undertakings from the</p>

No	Principle	Summary of assessment and recommended actions
		providers of the pricing.
8.	Hierarchy of data inputs	<p>Principle broadly implemented, but some actions recommended</p> <p>WM has a policy on the hierarchy of data used in the determination process.</p> <p>WM, however, should clearly provide for a hierarchy of alternative data for the Quote Pair.</p>
9.	Transparency of benchmark determinations	<p>Further work needed to fully implement the Principle</p> <p>WM discloses inputs to the benchmark through its methodology or an email alert if inputs change.</p> <p>The disclosure of change inputs, however, appears to be conducted on an ad hoc basis and there is no policy giving comfort that WM will always be this transparent. Further, it does not disclose a summary of the data inputs used in each determination of the Closing Spot Rate.</p> <p>Because of this, WM should adopt procedures to ensure the disclosures required by Principle 9 concerning inputs are made on a consistent basis.</p>
10.	Periodic review	Principle implemented
<b>Quality of the methodology</b>		
11.	Content of the methodology	<p>Further work needed to fully implement the Principle</p> <p>The methodology used by WM for the Closing Spot Rate does not cover a number of topics outlined in Principle 11. In particular, it fails to address what would happen in times of market stress, including if the platforms relied upon do not evidence any trading at all.</p> <p>WM should revise its methodology to address these deficiencies.</p>
12.	Changes to the methodology	<p>Further work needed to fully implement the Principle</p> <p>While WM has a policy concerning changes to its Closing Spot Rate methodology, it is not clear how any proposed changes are overseen within WM or how such changes are consulted upon.</p> <p>WM should adopt a policy on changes to its methodology in line with Principle 12.</p>
13.	Transition	<p>Further work needed to fully implement the Principle</p> <p>WM has not taken steps to encourage users of the Closing Spot Rate to have</p>

No	Principle	Summary of assessment and recommended actions
		<p>fallback provisions nor has it sufficiently provided for the engagement with those users in its cessation procedures.</p> <p>WM should adopt more specific cessation procedures and encourage its users to have fallback contingencies if the Closing Spot Rate is not published.</p>
14.	Submitter code of conduct	Not applicable
15.	Internal controls over data collection	<p>Further work needed to fully implement the Principle</p> <p>WM has a detailed process to select data sources, including a due diligence check on their controls and procedures. It lacks, however, contractual arrangements with Currenex and should adopt these.</p>
<b>Accountability</b>		
16.	Complaints procedures	<p>Further work needed to fully implement the Principle</p> <p>WM's complaints policy is not publicly available.</p> <p>WM should make the policy publicly available.</p>
17.	Audits	<p>Principle implemented, but some actions recommended</p> <p>WM has undertaken appropriate internal audit.</p> <p>WM should assess the need for an external audit.</p>
18.	Audit trail	<p>Principle implemented, but some actions recommended</p> <p>WM has a practice of generally retaining records for five years.</p> <p>WM should consider adopting a policy concerning record retention.</p>
19.	Cooperation with regulatory authorities	<p>Principle implemented</p> <p>WM cooperates with regulatory authorities.</p>

### ***Commentary on implementation plans***

WM has indicated that it is in the process of making changes to its policies and procedures to better implement the Principles, and such changes, if implemented as indicated by WM, should address some (but not all) of the identified shortcomings.

Furthermore, WM has identified the need to put in place a formal oversight function that meets the Principles. The Review Team understands that WM is working on developing this

oversight function.

The Review Team notes these plans favourably but is not yet in a position to comment on whether they will be effective in bringing WM's policies and practices into line with the Principles.

### **2.3 Recommendation to FXBG**

**As WM has further work to do to implement a number of Principles, the Review Team recommends that a further review of WM in respect of the Closing Spot Rate be carried out in mid-2015 by IOSCO.**

## 2.4 Principle-by-principle analysis

### A. Principles relating to governance

#### Principle 1 – Overall responsibility of the Administrator

##### Description of implemented policies and practices

WM is the administrator of the Closing Spot Rate. The Closing Spot Rate includes the Trade Pairs and the Quote Pair.

As the administrator of the Closing Spot Rate, WM is responsible for all aspects of the determination and administration processes applicable to the Closing Spot Rate.

This includes the development, determination, and distribution of the Closing Spot Rate and establishing credible and transparent governance, oversight, business continuity, and accountability procedures.

WM has a publicly available methodology (**Methodology**). This provides that WM, under the agreement with Reuters, owns the Methodology and is responsible for the development, determination, operation and governance of the Closing Spot Rate.

WM has an informal Oversight Working Group (**OWG**) which performs an oversight function over the determination process. WM states that the OWG is comprised of members and advisers with risk, audit, legal and index-specific experience.

WM's board of directors exercises high-level oversight over the determination and publication of the Closing Spot Rate.

WM has internal controls that seek to support the quality of the Closing Spot Rate determination and distribution processes.

WM is also subject to the State Street's corporate risk framework and subject to onsite audits by State Street's corporate audit team.

WM states that it does not outsource any activities relating to the Closing Spot Rate determination and administration processes.

It does, however, source trade, order, and quote data from Reuters and EBS pursuant to licensing agreements with Reuters and EBS and, in certain limited circumstances, Currenex, Inc. (**Currenex**). There is no licence agreement with Currenex.

WM also relies on Thomson Reuters to distribute the Closing Spot Rate to certain subscribers.

##### Assessment of implementation of Principle

WM's practices demonstrate some responsibility (as defined by Principle 1) for the determination process

for the Closing Spot Rate. This responsibility is seen in WM's control of the Methodology and internal procedures to ensure the quality of the Closing Spot Rate.

Despite this, WM lacks an identifiable, documented and coherent oversight function that is accountable for the development, issuance and operation of the Closing Spot Rate.

The OWG is presently informal and lacks clear accountability for the development and issuance and operation of the Closing Spot Rate. Specifically, its remit, precise scope and governance arrangements are not yet finalized.

The Review Team has seen evidence that the OWG has started to look at methodology and related issues such as research and governance. The appropriateness and composition of the group's membership is not clear as the designations of most of the membership are not given and the group's independence could be called into question as one member of staff has sole discretion over the appointment of members to the group. This could affect the robustness of the governance and challenge process.

These points mean that WM has further work to do to implement Principle 1.

#### **Description of planned policies and practices (including timelines)**

WM is in the process of amending its Methodology to more explicitly describe how it complies with the Principles. A draft has been prepared and is now subject to internal review and approval.

WM also states that it is introducing more rigour into the OWG as part of the governance enhancements. The formal scoping documentation for the OWG is subject to further refinement. WM states that this refinement would cover the remit, precise scope and governance arrangements of the oversight function. WM envisage the process being complete by July 2014.

WM states that it is considering the appropriate overall structure and governance arrangements of its benchmarks determination process, including whether it might be more appropriate to retain the OWG as a technical review group and instead to enhance its board composition and governance in order for the WM board to perform the "oversight function" required by the Principles.

#### **Recommended action**

WM should:

- Put in place and document an identifiable and formalised oversight function to ensure transparency in governance (e.g. terms of reference, membership remit, and minutes of meetings).
- Consider documenting, and publishing where appropriate, the decision making process and the parameters of discretion affecting the compilation and determination of the Closing Spot Rate.



## **Principle 2 – Oversight of third parties**

### **Description of implemented policies and practices**

WM performs most of the activities involved in the Closing Spot Rate determination process. It does not outsource any determination functions or employ external calculation agents.

WM does, however, source trade, order and quote data from third party platform operators pursuant to licensing agreements with Reuters and EBS. In certain circumstances, WM relies on the technology and infrastructure of these third party platform operators to source the relevant data.

WM also relies on the Reuters' RMDS system to distribute the Closing Spot Rate rates to certain subscribers.

WM maintains some oversight over the platform operators. WM has contractual agreements with Reuters and EBS which clearly define their roles and obligations. WM monitors compliance with these arrangements through, among other things, legal reviews of the agreements and diligence discussions. WM maintains a diligence response matrix on Thomson Reuters and EBS. The Review Team has seen evidence of the due diligence response matrixes.

WM's internal operational procedures provide for data input monitoring and verification based on pre-defined system tolerances. It does not, however, have written policies concerning the oversight of third parties, other than the licensing agreements.

The publicly available Methodology specifies the role that the relevant platform operators have in the calculation of the Closing Spot Rate.

### **Assessment of implementation of Principle**

WM evidences some implementation of Principle 2 but has further work to do to evidence full implementation of the Principle. This is because although it has contractual arrangements with Reuters and EBS and has made the role of third parties clear in the published Methodology, WM does not have a contractual arrangement with Currenex.

While the matrixes provide evidence of third party monitoring, WM does not have a formal monitoring policy that sets out how and when it monitors third party contracts and agreements.

### **Description of planned policies and practices (including timelines)**

WM is in the process of putting in place a formal contract with Currenex.

WM intends to complete a due diligence report on Currenex by July 2014.

### **Recommended action**

WM should:

- Adopt and follow a policy to systematically oversee the performance of third parties and their compliance with the contracted standards.

## **Principle 3 – Conflict of interest for Administrators**

### **Description of implemented policies and practices**

WM's employees are subject to State Street's **Standard of Conduct**.

This sets out State Street's minimum requirements on the identification, disclosure, management, mitigation and avoidance of conflicts of interest.

It covers, among other things, limitations on non-work activities that may create conflicts of interest and procedures for requesting approval to participate in certain activities (such as serving on the board of directors of any organization). WM's employees are also required to complete annual training with respect to the Standard of Conduct and business conflicts policy. These policies and procedures are reviewed and updated by the State Street Group annually.

WM has 17 employees each with defined roles and reporting lines and subject to a defined escalation process. Personnel with approval responsibilities are specifically identified and segregated from determination duties (e.g. operations manager).

WM states that it has not disclosed any material conflicts of interests to its users and any relevant regulatory authority because it has not had any material conflicts of interest but will disclose to subscribers as appropriate.

WM states that it follows certain practices that are relevant to Principle 3:

- There are internal procedures and oversight functions in place to manage existing and potential conflicts of interest in the Closing Spot Rate determination process.
- Personal interests and connections or business connections are monitored to not compromise WM's functions.
- There is physical segregation of WM's personnel from State Street's Global Markets Division and other front office staff, procedures to manage employee communications with third parties, procedures to ensure WM and employees have no vested interest in the outcome of the Closing Spot Rate (or other WM/Reuters benchmark rates), and employee declarations of personal

financial holdings.

- WM is organizationally segregated from State Street's front office functions including the State Street FX principal trading business. This trading business is in the State Street Global Markets division, established in a separate location and is treated by WM in the same manner as any other subscriber.
- WM's employment contracts do not mention that the value or levels of the Benchmark Rates are not taken into account when determining remuneration.

The Review Team has not seen evidence to substantiate many of these points.

Conversely, the Review Team has been able to evidence that there is clear supervision and sign-off processes prior to releasing Benchmark Rate determinations. The Review Team evidenced that there are sign off processes in place in WM's forms and procedural documents in relation to benchmark determinations.

Finally, WM is subject to routine internal audits by State Street's corporate audit team which monitors and reviews any potential and actual conflicts of interest.

### **Assessment of implementation of Principle**

WM is currently following practices of its corporate parent, State Street, that address many of the expectations of Principle 3.

The Review Team did not evidence a number of the requirements of Principle 3 and WM should address these as a matter of priority.

Also, the initial draft conflicts of interest policy seen by the Review Team would benefit from some clarification. For example:

- The definition of conflicts in the document is not specific to WM's business or to the benchmarks determination process.
- The policy does not give examples of actual or potential conflicts of interest.
- The policy does not make reference to the conflicts of interest procedures document that WM intends to develop.
- The policy documents do not make reference to the use of expert judgement and how conflicts in this regard should be managed.
- The document does not include an approval or revision date to signal that the document is current.

### **Description of planned policies and practices (including timelines)**

WM is in the process of drafting a conflicts of interest policy and disclosure document. Both of these will apply specifically to WM as a benchmark administrator. Drafts have been prepared but are still subject to internal review and approval. WM aims to finalise and implement them by July 2014.

Once this policy is finalized, WM intends to develop internal conflicts of interest procedures to provide guidance on the policy. WM also requires its employees to participate in periodic conflicts training and certification.

WM also currently plans to complete an external audit in the year 2014.

### **Recommended action**

WM should:

- Ensure that its conflicts of interest policy is specific to its business, has identified potential risks and conflicts, is appropriately detailed and contains the relevant information.
- Ensure that the policy is updated periodically.
- Otherwise, ensure that its conflicts of interest framework complies fully with the requirements of Principle 3.

## **Principle 4 – Control framework for Administrators**

### **Description of implemented policies and practices**

WM's control framework appears constituted by the practices described in connection with Principle 1 and its risk framework.

The oversight of the risks inherent in the WM business is governed by the State Street Corporate Risk Framework. This uses a 'three lines of defence' model. The three lines are:

- 1) Business controls: The business owns and is responsible for managing risks within its business;

- 2) Corporate functions oversight: Control partners (risk, compliance, legal) provide independent oversight delivered through corporate, business aligned and regional personnel; and
- 3) Corporate audit: Corporate audit provides independent assessment of the effectiveness of the first and second lines of defense in carrying out their responsibilities.

#### *First Line of Defence – Business Management*

WM periodically reviews the potential and actual risks associated with the determination and distribution of the benchmark rates and tailors its control framework to address material concerns.

The main document is the WM Controls Matrix, which summarises the controls performed on each fix and on a daily, weekly, monthly and ad hoc basis.

WM performs periodic due diligence over Closing Spot Rate inputs and third party platform operators.

The Review Team was provided with a training program for staff of a certain grade. However, WM has not supplied evidence of a training program encompassing all staff grades to the Review Team although some materials supplied evidence supervision of the development of staff competencies. This program includes close supervision of staff until they achieve pre-determined competence levels. In order to support ongoing standards, this training program is augmented by periodic coaching and professional development.

WM has put in place management reporting to monitor, escalate and manage risks, including training of new staff.

WM's states that its personnel are included in State Street corporate training. To supplement this formal training, WM's practice is to provide more targeted training and an operational internal procedures document to personnel, which is reviewed annually (at a minimum).

#### *Second Line of Defence – Risk, Compliance, Legal*

WM's control framework includes the State Street Corporate Risk Framework, the current Methodology, the Standard of Conduct (including the appropriate conflicts sections) and a corporate whistleblowing policy to facilitate early awareness of potential misconduct. State Street's Enterprise Risk Management function provides risk oversight, support and coordination to ensure consistent identification, measurement and management of the risks in providing products and services to WM's subscribers.

WM states that oversight is achieved through three key components:

- Governance structures ensure there is discussion and review at the appropriate level and set the tone for escalation and transparency;
- Risk policies are in place to clearly set out risk limits, standards and expectations of behaviour and;
- Tools and programs are employed to identify, manage and report risk.

As part of this risk management, WM reports key risks on a weekly and monthly basis and also maintains

a monthly operational risk report.

WM personnel are included in State Street Corporate training programs, including AML, Ethics and BCP.

*Third Line of Defence (Internal Audit)*

State Street's corporate audit team provides periodical independent oversight over all units in State Street, including WM, based on an audit methodology that drives the frequency of the audit work and the process to be employed. WM audits are currently performed regularly. The most recent audit (an integrated business and technology scoped audit) report of WM was finalized in February 2014.

Also, WM's controls matrix lists the controls performed on each fix and on a daily, weekly, monthly and ad hoc basis.

**Assessment of implementation of Principle**

WM appears to have a control framework in practice, particularly with respect to the verification of individual Closing Spot Rate determinations.

However, WM has further work to do to implement Principle 4 as it lacks a formal oversight function (as described in connection with Principle 1) and its conflicts of interest policy is not yet adequate (as described in connection with Principle 3).

Furthermore, a summary of WM's current control framework is not published or made available to stakeholders.

Lastly, WM has not supplied evidence that would allow the Review Team to understand how well the controls that WM does have in place are working.

**Description of planned policies and practices (including timelines)**

As noted above, WM is amending its Methodology and is in the process of drafting a conflicts of interest policy and a conflicts of interest disclosure document, both of which will apply specifically to WM and be tailored to its role as a benchmark administrator. Drafts have been prepared but both of these documents are still subject to internal review and approval. WM aims to finalise and implement them by July 2014.

**Recommended action**

WM should:

- Adopt and publish (or make available) a control framework (both policies and practices – in summary form if applicable) that is specific to WM's benchmark determination process.

- Follow any recommended actions for Principles 6, 7, 9, 11, 13 and 15.

## **Principle 5 – Internal oversight**

### **Description of implemented policies and practices**

As noted in connection with Principle 1, WM has an informal OWG comprised of members and advisors with risk, audit, legal and index-specific experience that reviews and provides challenges on all aspects of the benchmark determination process. While the OWG has been established, there is ongoing work to refine its scope, remit and governance arrangements. The Review Team has seen evidence that the informal OWG has started to look at methodology and related issues such as research and governance. However, the appropriateness and composition of the group's membership is not clear and the group's independence could be called into question as one member of staff has sole discretion over the appointment of members to the group. This could affect the robustness of the governance and challenge process.

WM state that under the interim Oversight Working Group Scoping Document, the OWG is comprised of members and advisors with risk, audit, legal and index-specific experience and offers advice, recommendations, feedback and challenge to all aspects of the WM determination process. The group is also provides periodic oversight of the integrity of determination and the design processes and considers and approves changes and alterations to existing benchmark products and services and the development of new benchmark products against reviewing underlying market and other changes.

The interim document sets out the roles, responsibilities, expectations and composition of the group as well as meeting criteria and frequency.

WM states that the OWG may submit findings and recommendations to WM's board of directors. The OWG may also engage outside advisors to provide expertise and recommendations as appropriate. One example of the OWG's recent activities included reviewing whether to cease offering the Argentinian Spot Week Forward rate in light of concerns around the liquidity and number of contributors for the relevant currency pair.

WM's board of directors exercises high-level oversight over the Benchmark Rates determination business.

Details of WM's oversight functions are not made available to subscribers to the service or to the public.

### **Assessment of implementation of Principle**

Similar to the assessment of the implementation of Principle 1, while WM has some internal oversight arrangements, these appear to be informal, undocumented or in documents that are interim and

unpublished at this stage. Moreover, WM has not yet determined what the appropriate oversight function and governance arrangements for its benchmarks determination process should be.

Accordingly, WM has further work to do to implement Principle 5.

### **Description of planned policies and practices (including timelines)**

As noted above, WM is finalising the scope, remit and governance arrangements for its OWG, including finalising and implementing a formal charter, which WM aims to finalise and implement by July 2014. WM is also in the process of determining what its overall oversight and governance arrangements should be for its benchmark determination process.

### **Recommended action**

WM should:

- Adopt a formal internal oversight function in line with Principle 5.
- Document, and publish where appropriate, terms of reference, minutes of meetings and decisions of oversight functions for transparency.

## ***B. Principles relating to quality of the Benchmark***

### **Principle 6 – Benchmark design**

WM states that the data sourced and the Methodology used for the Closing Spot Rate aim to:

- (i) Calculate benchmark rates that are reflective of the market at a specific point in time; and
- (ii) Provide an accurate and reliable representation of the economic realities of each trade and non-trade currency.

#### *Trade Pairs*

The Trade Pairs are determined using actual rates captured each second over a one minute fix period, beginning 30 seconds before to 30 seconds after the fix time, for a total of up to 61 captures or “snaps”. The rate captured at each second is the rate of a single executed trade. The trade rates are captured anonymously.



For Trade Pairs, order data (i.e., best bid and offer) from the same order matching system is captured at the same time as actual rate data to provide an alternate methodology for calculating the benchmark fix rate when there is insufficient actual trade data.

Trade Pair 1 is determined using data sourced from Reuters Dealing 3000. This is one of the two largest global trading platforms and is the dominant platform for USD/CAD. Market participants trading on this platform are anonymous.

Trade Pair 2 is determined using data sourced from EBS. This is one of the two largest global trading platforms and is the dominant platform for EUR/CHF. Currenex data is captured for this currency pair as a dual validation source.

#### *Quote Pair*

The Quote Pair uses indicative quoted rates from multiple financial institutions sourced from the Thomson Reuters indicative quote platform. They are set on the hour from Monday 6:00 a.m. Hong Kong time to Friday 10:00 p.m. United Kingdom time. Rates are set over a two minute fix period, with snapshots of “quoted” rates – meaning the bid and offer rate at that time – taken every 15 seconds, from one minute before the fix time to one minute after the fix time, for a total of up to nine captures or “snaps”.

The Quote Pair is currently sourced from 20 different market participants. The participants are not anonymous.

The Quote Pair can also be subject to additional restrictions affecting liquidity such as when being limited to when markets are open and trading.

In addition to the captures made around the fix times, WM captures spot rates every 15 seconds. This approach is intended to help the WM’s operations specialists identify currency issues and outliers in advance of the fix calculation period.

#### *Generally*

All captured rates and fix rates are subject to a number of tolerance checks to help ensure that WM publishes accurate and valid rates. WM performs tolerance checks at the time the data is sourced and again after the calculation of the benchmark is complete. This may result in some captured data (i.e., actual trade data or order rates) being excluded from the fix calculation.

WM states that the Methodology takes into account the following:

- The adequacy of the sample used to represent the interest for all types of data;
- The size and liquidity of the relevant market for global trading platforms for the currency pair when determining which data source to use in the rate determination process;
- A validation process which requires a minimum number of unique executed trades captured before they will be used as the data in the calculation of benchmarks. If there is an insufficient number of trades, the calculation will automatically select to use the captured order rates; and

- Monitoring of market news/conditions/economics, market effects on the validation processes results and annual currency reviews.

WM has provided the Review Team with some metrics that demonstrate that the trading on the platforms from which it sources data is liquid. WM has also shown that it adapts and changes its data sources in reaction to market developments.

In order to satisfy itself of the robustness of its input data, WM has undertaken discussions with each of its data providers to understand the controls, processes and procedures they have in place to try to address market conduct issues.

Additionally WM's validation processes and methodology (which, in brief, captures data every 1 second, checks for off market rates; calculates a two-sided trade price, applies a standardised spread mechanism and applies validation checks) reduce opportunities for parties to unduly influence the benchmark level.

Finally, WM provided internal procedure documents which detail the benchmark determination process and related verification processes and oversight risk reports summarising assessments of the benchmarks against market metrics.

### **Assessment of implementation of Principle**

While WM has evidenced a benchmark design and validation process that considers the liquidity of the platforms, it has not evidenced to the Review Team why the particular benchmark design that it is currently using is optimal.

For example, WM has not articulated why a certain window is the most appropriate space of time for computing the Closing Spot Rate or why data from a wider set of platforms cannot be considered in the benchmark design.

Also, there do not seem to be any liquidity thresholds for the platforms WM selects; nor are there periodic reviews into the platforms activities to ensure they are still representative.

Overall, WM has not articulated how its determination processes seeks to achieve and result in an accurate and reliable representation of the interest it seeks to represent.

Because of these points, WM has not yet fully implemented Principle 6.

In noting this, however, the Review Team does not offer an opinion on the quality or effectiveness of the current benchmark design.

### **Description of planned policies and practices (including timelines)**

WM is considering enhancements to its methodology to make it more robust and result in a more representative benchmark. WM is also looking to formalise its due diligence policies for the selection of data sources.

## **Recommended action**

WM should:

- Review the design of the Methodology, including the choice of trading platform, sampling period and calculation method, to satisfy itself that the Closing Spot Rate results in an accurate and reliable representation of the interest it seeks to represent.
- As part of this review, collect and analyse quantitative data to allow verification that the Closing Spot Rate determination process accurately reflects the underlying FX market that it seeks to represent
- Consider using sourcing data from a wider range of sources.

## **Principle 7 – Data sufficiency**

### **Description of implemented policies and practices**

#### *Trade Pairs*

The trading platforms used for the Trade Pairs involve parties entering into observable transactions on an arm's length basis. WM does not rely on a solicitation process, and the parties using these platforms do not provide the data to WM specifically for the purpose of benchmark determination. Instead, they use these platforms in their ordinary course of business.

Furthermore, Reuters and EBS from which WM accesses data do not trade in the foreign exchange markets and their role is limited to providing the necessary technology infrastructure.

WM selects its data sources based on a number of criteria, including, but not limited to the overall liquidity of any currency pair on a given platform as well as reputation of the platform operator.

For the Trade Pairs, WM validation process requires a minimum number of unique executed trades to be captured before they will be used as the data in the calculation of the WM benchmark rates. If there is an insufficient number of trades captured the WMX application will automatically select to use the captured order rates.

The primary source of data for the Trade Pairs is “executed” trades which have been executed in the competitive FX trading market. The secondary source of data is the “executable” orders which have been offered in the competitive FX trading market.

#### *Quote Pair*

For the Quote Pair, there is insufficient liquidity on the trading platforms for such platforms to be considered as a data source. Instead, quotes are assessed as they are received from identifiable market participants. WM has an internal monitoring process which monitors and reviews the quantity and quality of such quotes being captured and the WM system includes parameters for data sufficiency prior to calculation of the Quote Pair.

#### *Active market definition*

WM defines an “active market” as follows:

*WM recognises that to enable the publication of a meaningful benchmark a market in each currency pair represented by the benchmark must genuinely exist, and that market must be active. However, the economic realities of each applicable currency market will dictate the relative meaning of what ‘active’ means, as market liquidity can vary greatly from a liquid major currency, to an extremely illiquid exotic currency for example, and at particular times of the day. In certain cases, the WM Company defines an active market as having only a ‘single source’.*

WM plans to publish this definition in an updated version of its Methodology.

#### *Controls on input data*

WM performs due diligence checks on the platforms it uses to sources data. In particular it examines their policies in relation to conflicts of interest, surveillance and market conduct. This due diligence is not framed by a formal policy, although the Review Team notes that WM is formalising such a policy.

WM has conducted studies on potential changes to its design to better ensure that the transactions relied upon are bona fide.

### **Assessment of implementation of Principle**

WM relies on data drawn from observable transactions sourced from platforms which show a high level of liquidity. In order to control for the bona-fide nature of the input data, WM relies on the controls, surveillance and governance framework of the platforms it uses and conducts due diligence on these frameworks. These factors evidence some implementation of Principle 7.

WM has not, however, provided a definition of an ‘active market’ that takes into account the factors that should be considered (see footnote 21 of the Final Report setting out the Principles<sup>4</sup>). Without this definition, it is difficult to conclude that the Closing Spot Rates are anchored in an ‘active market’ (as

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<sup>4</sup> IOSCO, above n 1.

required by Principle 7).

Further, WM relies heavily on the platform providers' assurances and systems concerning the bona fide nature of the transactions that occur on those platforms. This may not be sufficient to meet Principle 7's standard that the Closing Spot Rate should function as a credible indicator of prices (particularly in light of allegations concerning misconduct in the market for spot foreign exchange).

Because of these points, WM has not yet fully implemented Principle 7.

### **Description of planned policies and practices (including timelines)**

Internal review and approval for external distribution is ongoing for the revised Methodology, and this will clarify explicitly what an 'active market' is. The current publicly available Methodology document implies a definition, but does not use the terminology present in this Principle.

*Review of Methodology.*

WM is reviewing methods and enhancements to its Methodology.

### **Recommended action**

WM should:

- Consider what further steps it could take to better ensure that the transactions on which it relies for the determination of the Closing Spot Rate are 'bona-fide' so that the Closing Spot Rate functions as a credible indicate of prices.
- WM should satisfy itself that its definition of an 'active market' takes into account the factors set out in Principle 7.

## **Principle 8 – Hierarchy of data inputs**

### **Description of implemented policies and practices**

WM has guidelines regarding the hierarchy of data inputs and the exercise of expert judgment used during the calculation of the Closing Spot Rate. The hierarchy of data and use of expert judgment is generally disclosed in the publically available Methodology. The aim of these guidelines is to help ensure the quality, integrity, continuity, and reliability of the Closing Spot Rate determination process.

In general, these guidelines stipulate that WM's primary source of data for trade currency fixes such as the Trade Pairs is executed trade rates. If the number of trades for a given currency pair during the fix period does not satisfy the minimum number of trades required by WM's validation guidelines, then WM uses

executable order rates. Finally, WM may use indicative quote rates for validation checks and as a back-up data source for the Closing Spot Rate determination process.

WM uses its proprietary technology to systematically calculate the Benchmark Rates. As the data is captured through the fix window, the application runs automatic tolerance checks on the data for each currency pair. WM's operations specialists apply their judgment during the validation processes if a particular trade or order breaches a pre-determined tolerance. All tolerances are pre-determined by WM's Currency Review Group and a WM operator's application of tolerances and other judgment is governed by standardized, internal guidelines.

Internal operational procedure documents for the Quote Pair also allow operations specialists discretion to exclude data from benchmark determinations. These procedure documents provide examples of alternative market data providers and for determining which quotes to exclude but does not specify the order of hierarchy.

WM's internal policies require that all exceptions be validated and the judgement for these decisions must be documented in the system, including contingency measures in the event of absence of or insufficient inputs, market stress or use of secondary source data. For segregation of duties purposes, when expert judgement is used, WM applies internal guidelines and quality control procedures intended to provide consistency and oversight to this process. Output data is automatically produced and distributed from the WM proprietary application so that the same data file is distributed to all recipients at the same time. Policies and procedures are in place over the Benchmark determination and dissemination process.

Expert judgment is also used by the Currency Review Group, when its members review and establish the tolerances referenced above, such as minimum number of trades and average standard spreads.

### **Assessment of implementation of Principle**

WM has broadly implemented Principle 8.

### **Description of planned policies and practices (including timelines)**

Internal review and approval for external distribution is in progress for the revised Methodology and this will clarify explicitly WM's definition of what an 'active market' is and provide further information on the use of expert judgement. The current publicly available Methodology implies a definition of an active market and identifies that validation checks are performed, but does not use the terminology present in this Principle.

### **Recommended action**

WM should:

- Clearly provide an order of hierarchy for alternative data sources in its internal operational

procedures for Quote Pairs.

## **Principle 9 – Transparency of benchmark determinations**

### **Description of implemented policies and practices**

WM's methodology explains how the different data types may be used as inputs in case of the unavailability of one data type. It does not however disclose a summary of the data inputs used in each determination of the Closing Spot Rate.

Nonetheless, WM discloses changes to usual inputs types (ie quotes or orders or executed trades) via an email alert. WM has not provided a policy which details how this information should be disclosed on an ongoing basis.

### **Assessment of implementation of Principle**

WM discloses inputs to the benchmark through its methodology or an email alert if inputs change.

The disclosure of change inputs, however, appears to be conducted on an ad hoc basis and there is no policy giving comfort that WM will always be this transparent.

Further, WM does not disclose a summary of the data inputs used in each determination of the Closing Spot Rate.

Because of this, WM has further work to do to implement Principle 9.

### **Description of planned policies and practices (including timelines)**

Internal review and approval for external distribution is ongoing for the revised Methodology to provide further information on active markets, economic realities, data type (e.g. transactional) and the application of expert judgement.

### **Recommended action**

WM should:

- Adopt procedures to ensure the disclosures required by Principle 9 concerning inputs are made on a consistent basis.

## **Principle 10 – Periodic review**

### **Description of implemented policies and practices**

WM states that it reviews the applicable market factors (including market conditions and structural changes) relating to the Closing Spot Rate on a regular and on-going basis to determine whether changes to the design of the Methodology are possible.

This includes establishing whether the consideration of certain underlying conditions in the formulation of the Closing Spot Rate remains appropriate, and may lead to the cessation of a fix in certain circumstances.

All changes are documented and retained and all material changes and supporting rationale are published to subscribers in advance (together with applicable supporting documentation).

WM's Currency Review Group monitors and reviews the conditions in the underlying currencies that the Closing Spot Rate measures to determine whether they have undergone any structural changes that might require changes to the design of the Methodology.

The terms and processes for the Currency Review Group are defined in the 2014 Currency Review Process document, which provides for:

- Annual review for all tolerances for all currencies;
- Regular reviews of the data validation process and the outcomes of this process;
- Transparency, with all reviews stored on a database along with proposals, findings, analysis and outcomes; and
- A tiered approval process before any changes are incorporated into production.

While the Currency Review Group does not have standalone terms of reference, the purpose, structure and process of the group are defined in the 2014 Currency Review process document. The annual review of tolerances is controlled through the Currency Review Tracker (provided to the Review Team), and the process and subsequent decisions are controlled through the Currency forms, database and approval process, including MIS statistics (again provided to the Review Team).

Any diminished or non-functioning conditions are identified in the process described and WM business management determines potential candidates for cessation.

Where changes are made to currencies and deemed by the WM business management to be material – such changes to methodology, source, and currency levels – these are communicated to subscribers with



the relevant supporting information.

#### **Assessment of implementation of Principle**

WM has fully implemented Principle 10.

#### **Description of planned policies and practices (including timelines)**

WM is drafting an external Cessation Policy to provide to subscribers, which is subject to internal review and approval. WM aims to finalise and implement this policy by July 2014.

#### **Recommended action**

- None

### *C. Principles relating to the quality of the methodology*

#### **Principle 11 – Content of the methodology**

##### **Description of implemented policies and practices**

WM's current Methodology is documented and publicly available and describes the currency pair fixes determined, the sources that may be used in the determination process and the calculation method.

The Methodology contains some rationale for its design but does not explain why particular platforms are used. The Methodology also does not contain guidelines on expert judgment or procedures to govern the determination process in times of market stress or disruption (i.e. if the platforms fail to evidence any trading – the Methodology does, however, provide for fallbacks in cases where national holidays mean trading does not occur; in this case, rates from previous fixings are used). Furthermore, it does not contain any identification of the limitations of the Closing Spot Rate.

WM employs internal proprietary procedures that govern the determination process. These provide more detail on the process (including dealing with error reports and other quality control measures) but they are not publicly available to protect the integrity of the Closing Spot Rate.

##### **Assessment of implementation of Principle**

While WM has a publicly available Methodology, it has further work to do to implement Principle 11.

This is because key requirements of Principle 11 (namely the use of expert judgement, procedures that apply in times of market stress, rationales for the use of particular source trading platforms and limitations

of the Closing Spot Rate) are not made clear in the Methodology. The Methodology also lacks sufficient information on when and how stakeholder consultation will occur.

### **Description of planned policies and practices (including timelines)**

WM is in the process of drafting an external Cessation Policy and Republication of Rates Policy to provide to subscribers, which are both subject to internal review and approval. WM aims to finalise and implement these documents by July 2014.

The enhanced Methodology document is still under development and will include a glossary of key terms and detail a sufficient level of information enabling subscribers to understand the on-going development of the Closing Spot Rate including the quantitative and qualitative factors in the determination process, and any applicable limitations in accordance with the Principles.

This will include information about necessary and sufficient criteria for deriving the Closing Spot Rate and covers the kinds of events that may influence a decision to use expert judgment and/or modelling. Review processes and procedures for addressing errors and affecting revisions will also be covered together with an explanation of when and how subscribers can expect communications.

### **Recommended action**

WM should revise the Methodology to ensure it covers (among the other requirements of Principle 11):

- The rationale for all aspects of the Methodology.
- The limitations of the Closing Spot Rate.
- Procedures that will apply in times of market stress, including when the platforms relied upon do not evidence any trading.
- The use and application of expert judgment.
- Procedures for stakeholder consultation.
- Information on the reviews of the Methodology.

## **Principle 12 – Changes to the methodology**

### **Description of implemented policies and practices**

WM has a short, internal and documented policy concerning changes to the Methodology and service. This defines a ‘material methodology change’ as one that alters the process by which a benchmark rate is calculated. It also covers how users will be notified and consulted in relation to changes to the Methodology.

As a matter of practice, WM notifies subscribers of material changes to its Methodology prior to making them. As evidence of this, WM provided correspondence that it had sent to users concerning the change in time at which it would start to publish currency pair fixings each week. This correspondence explained the reason for the change.

Procedures covering the development of the Methodology are also covered in an internal development procedure document including the consultation and commenting process. These indicate that the OWG needs to approve proposed changes (while the OWG’s record of actions shows discussion of methodology changes, it is not clear from same how the OWG performs such reviews).

### **Assessment of implementation of Principle**

While WM has an internal policy that sets out procedures for making material changes to the Methodology, these procedures are at a very high level and lack elaboration on key points.

Specifically, it is not clear how the OWG scrutinises proposed material changes to the Methodology. Furthermore, it is not clear how the consultation process works in practice and the process does not appear to provide for the summarising of stakeholder comments and the provision of that summary back to all stakeholders (as required by Principle 12).

These points mean that WM has further work to do to implement Principle 12.

### **Description of planned policies and practices (including timelines)**

### **Recommended action**

WM should:

- Formalise and document internal revision practices so that it is clear how WM’s oversight function scrutinises proposed changes to the Methodology.
- Develop and publish procedures for stakeholder consultation and communication in the event of

changes to the Methodology.

## **Principle 13 – Transition**

### **Description of implemented policies and practices**

WM maintains internal written policies and procedures covering circumstances where it may be necessary to affect a cessation of a benchmark rate.

Where circumstances arise which may result in the cessation of a rate, WM has internal procedures to investigate such circumstances and consider viable alternative solutions, including, when a cessation happens, taking certain steps to ensure an orderly transition for subscribers.

The policy allows for (but does not require) that consultation with stakeholders will occur prior the cessation. WM's policy provides that they will seek to provide 90 days' notice of any cessation, although it is possible that less notice will be given.

WM states that it currently informally encourages subscribers to the Benchmarks in the Methodology to maintain robust contingency plans in circumstances where cessation of a Benchmark may result.

When practicable, upon client request, WM states that it will consider the provision of a parallel benchmark to accommodate an orderly transition.

### **Assessment of implementation of Principle**

While WM has a cessation policy, it does not yet fully meet the requirements of Principle 13.

Specifically, the policy is not available to stakeholders and does not provide that WM will always take stakeholder views into account when deciding whether to cease publication of a currency fix (there is a carve-out from consultation for expediency purposes).

Furthermore, WM has not taken any action or adopted any policies to encourage users of the Closing Spot Rate to have robust fallback provisions in the event of changes to or cessation of the Closing Spot Rate.

WM has indicated it does not believe that this would be reasonable or appropriate that its written policies address Key Indicia 13.5(a) due to the diversity of subscribers and their use of the data.

**Description of planned policies and practices (including timelines)**

Internal review and approval for external distribution is in progress for the revised Methodology.

WM expects that the benchmark cessation procedures will be referenced and published in the enhanced Methodology document which has yet to be approved. WM’s OWG Scoping document should also cover the implementation of any decisions arising from stakeholder consultation.

The enhancements referred to above will include a recommendation that contracts and other financial instruments that reference a benchmark have robust contingency provisions in the event of material changes to, or cessation of, the referenced benchmark.

WM is in the process of preparing an external version of its Cessation Policy which is still subject to internal review and approval.

**Recommended action**

WM should:

- Develop and publish procedures that govern the transition or cessation of the Closing Spot Rate.
- Encourage users to plan for possible changes or cessation of the Closing Spot Rate.

**Principle 14 – Submitter Code of Conduct**

**Description of implemented policies and practices**

WM does not have any submitters in respect of the Closing Spot Rate.

**Assessment of implementation of Principle**

Principle 14 is not applicable to WM in respect of the Closing Spot Rate.

**Description of planned policies and practices (including timelines)**

None specifically contemplated at this point.

**Recommended action**

None

## **Principle 15 – Internal controls over data collection**

### **Description of implemented policies and practices**

WM sources trade, order, and quote data from the third party platform operators Reuters and EBS pursuant to licensing agreements with Reuters and EBS. In certain circumstances, it also sources data from Currenex.

WM states that it has technology-based internal controls over its data collection and transmission processes which address the process for selecting the source, collecting the data and protecting the integrity and confidentiality of the data. The Review Team has not seen evidence of these controls however.

As mentioned above, WM performs due diligence on the controls and surveillance mechanisms of the third party platform operators.

WM further states that it sources corroborating data from alternative sources covering information in respect of trades, orders, and quotes and selects data sources based on liquidity of the currency on the available platforms and the integrity and reputation of such sources.

WM has access controls to limit access to the WM applications and all captured data to authorised personnel only.

WM does not receive data directly from any front office function.

### **Assessment of implementation of Principle**

Whilst WM appears to have controls around the data received from the Thomson Reuters and EBS platforms, it lacks contractual arrangements with Currenex to govern the sourcing of data from that platform provider.

This latter point means that WM has further work to do to implement Principle 15.

### **Description of planned policies and practices (including timelines)**

None specifically contemplated at this point.

## Recommended action

WM should:

- Put in place a contractual arrangement with Currenex.

## D. Principles related to accountability

### Principle 16 – Complaints procedures

#### Description of implemented policies and practices

WM has an internal price challenge and complaints policy. This sets out the internal process for complaints handling and price challenges and/or questions to be e-mailed and addressed at an appropriate level.

This policy provides that complaints will be investigated by an operations specialist who was not involved in the original determination. This involves following a price challenge checklist.

If the complainant is not satisfied with the proposed resolution of the complaint, the policy provides that the complaint is to be escalated to WM management.

WM states that it relies on the *State Street Complaints and Reportable Events Guidelines and Procedure* for processes for escalating complaints.

Price challenges and complaints are submitted to WM via email. The challenges and complaints are to be retained for a minimum period of five years.

Subsequent changes to benchmarks are published in accordance with internal Republication Policy. This provides that a ‘republication checklist’ will be followed and that subscribers will receive an advisory email on the republication process. However, no benchmark rate will be amended after the publication of the following weekday’s rate. All evidence around republication must be retained for a minimum of five years.

#### Assessment of implementation of Principle

While WM has an internal complaints policy that meets some of the requirements of Principle 16, WM has further work to do to implement Principle 16. Specifically, its complaints policy is not publicly available.

It is also notable that the effectiveness of the complaints policy is limited by WM’s policy that republication of a corrected rate will not occur after the publication of the following weekday’s rate. This means that complaints can only result in republication if made within 24 hours of the initial publication of

the rate (with the exception of those rates published on Fridays).

**Description of planned policies and practices (including timelines)**

Work is ongoing to produce an external *Price Challenge and Complaints Policy* in order to make the existing WM complaints handling framework more transparent to subscribers. This policy is subject to internal review and approval.

**Recommended action**

WM should:

- Publish and communicate to external stakeholders the *Price Challenge and Complaints Policy*.

**Principle 17 – Audits**

**Description of implemented policies and practices**

WM relies on the State Street corporate audit program which involves onsite audits of WM every two years. This involves an audit by State Street’s independent corporate audit team.

Internal audits are currently conducted every two years (which WM sees as appropriate).

The last internal audit was completed in 2014 resulting in a ‘satisfactory’ rating.

WM states that due to the low level of existing or potential conflicts of interest, it does not consider that an external auditor is required (the level of conflicts of interest being the trigger under Principle 17 for an external audit).

**Assessment of implementation of Principle**

WM has implemented Principle 17.

However, having said this, WM does not have a formal policy addressing conflicts of interest (see the discussion in connection with Principle 3). Due to this, the Review Team cannot concur with WM’s assessment concerning the need for an external auditor.

**Description of planned policies and practices (including timelines)**



WM has engaged Ernst & Young to conduct an external audit of its operational controls in 2014.

### **Recommended action**

WM should:

- Consider the need to have a full external audit once WM has adopted and followed a conflicts of interest policy that conforms to Principle 3.

## **Principle 18 – Audit trail**

### **Description of implemented policies and practices**

WM states that it generally retains written records for five years including records in connection with:

- Information material to benchmark calculations (including the exercise of expert judgment);
- Changes in or deviations from standard procedures and Methodologies;
- Identities of persons involved in producing a benchmark determination; and
- Queries, communications, complaints and responses around benchmarks.

Most records are stored as part of the fix pack documentation and all client communications detailing periods of market stress or disruption are retained for five years.

Since August 2013, WM states that it has implemented a practice of retaining market data collected from platform operators and used in the calculation of the spot fix rates. Prior to June 2013 this market data can be sourced from platform operators if necessary.

### **Assessment of implementation of Principle**

WM appears to have practices that evidence implementation of Principle 18. It is, however, noted that WM only ‘generally’ retains written records for five years.

In light of this, the Review Team draws attention to the lack of demonstrable policies governing record retention. Although such policies are not specifically covered by Principle 18, their absence may be a driver of the standard of WM’s current record retention practices.

### **Description of planned policies and practices (including timelines)**

None specifically contemplated at this point.

**Recommended action**

WM should:

- Adopt and follow a policy that provides for the retention of relevant records for a minimum of five years.

**Principle 19 – Cooperation with regulatory authorities****Description of implemented policies and practices**

WM states that it complies with requests from regulators to provide documents and information.

WM is currently not subject to regulatory oversight in respect of the determination of the Benchmark Rates.

The Review Team notes that WM complied with the requests associated with this review.

**Assessment of implementation of Principle**

WM has implemented Principle 19.

**Description of planned policies and practices (including timelines)**

None identified

**Recommended action**

None

## **Annex 1 – Assessment Methodology**

### **Assessment Methodology**

#### **IOSCO Principles for Financial Benchmarks**

#### **Foreign Exchange Benchmarks Review**



**OICU-IOSCO**

**International Organization of Securities Commissions**

**April 2014**

**Instructions**

This assessment methodology supports the review by International Organisation of Securities Commissions (**IOSCO**) of the implementation of the *IOSCO Principles for Financial Benchmarks (Principles)* by WM Reuters in respect of its 4 p.m. London fixing (**WMR London Fix**) concerning the currency pairs specified below.

We ask you to read this methodology and complete and return the self-assessment template in section III in accordance with the instructions by **2 May 2014**.

Your response should be sent to [[Martin.Joy@asic.gov.au and Stephane.Amoyel@fca.org.uk ]in MSWord format. You should also send any documentation and data which supports your response to this email address. Data should be submitted in either MSWord or MSEXcel format.

## I. INTRODUCTION

### A. Background

At its 24 June 2013 meeting, the Financial Stability Board (**FSB**) Plenary established an Official Sector Steering Group (**OSSG**) of regulators and central banks on interest rate Benchmark reform.<sup>5</sup> As part of this work, the OSSG is to recommend global standards for reference rate Benchmarks and review them against these standards. It is to also oversee work on exploring additional reference rates and transition strategies to these rates.

At its February 2014 meeting, the FSB Plenary agreed to extend its work on financial Benchmarks to cover global foreign exchange Benchmarks.

The Foreign Exchange Benchmarks Group (**FXBG**) was created as a new OSSG subgroup to undertake a review of major foreign exchange Benchmarks, including their definitions, construction and governance, as well as an analysis of market characteristics around Benchmark fixings. The FXBG will report to the OSSG, who in turn will report to the FSB Board.

After an initial stocktaking exercise, the FXBG has agreed to undertake a formal review of the WMR London Fix against the Principles.

In April 2014, the chairs of the FXBG formally requested, and the IOSCO Board agreed, for IOSCO to conduct a formal review of the WMR London Fix (**Review**) and provide the results to the FXBG by 1 July 2014.

Following IOSCO Board approval, a Review Team comprised of members from the IOSCO Task Force on Financial Benchmarks and the IOSCO Assessment Committee was constituted for the purpose of completing the Review.<sup>6</sup>

### B. Objectives of the Review

Consistent with the FXBG Chairs' request, the objective of this Review is to identify the degree of implementation of the Principles by WM Reuters in respect of the WMR London Fix.

#### *Currency pairs reviewed*

The Review will cover the following currencies pairs:

- USD/CAD (**Trade Pair 1**) USD/CHF (**Trade Pair 2**) (together, **Trade Pairs**) ; and
- USD/IDR (**Order Pair**).

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<sup>5</sup> See Financial Stability Board, *Progress report on the oversight and governance framework for financial benchmark reform: Report to G20 Finance Ministers and Central Bank Governors* (29 August 2013) for more detail on the OSSG and its work program. Available at: [http://www.financialstabilityboard.org/publications/r\\_130829f.pdf](http://www.financialstabilityboard.org/publications/r_130829f.pdf).

<sup>6</sup> The Review Team is constituted by staff from the Financial Conduct Authority (United Kingdom) (**FCA**) (Co-Chair), the Australian Securities and Investments Commission (Co-Chair), the Federal Financial Supervisory Authority (Germany), the Financial Services Agency of Japan (**JFSA**) and the Financial Services Board (South Africa) (**SAFSB**). Members of the IOSCO Secretariat are providing administrative support to the Review Team.

### C. Deliverable of the Review

The Review will deliver a report to be approved by the IOSCO Board and submitted to the FXBG (**Review Report**) setting out:

- This assessment methodology (**Assessment Methodology**);
- A qualitative discussion on the implementation of the Principles by WM Reuters taking into account their current policies and practices; and
- Where a Principle is yet to be implemented in full:
  - The key reasons why this is the case; and
  - A description of the WM Reuters' plans (if any) to fully implement the Principle (including the time table for those plans); and
  - Recommended remediation actions that should be taken by WM Reuters to fully implement the Principles.

## II. THE ASSESSMENT METHODOLOGY

### A. Introduction

This Assessment Methodology has been developed to facilitate the self-assessment of the degree of implementation by WM Reuters of the Principles.

The Methodology also has been designed as a means for identifying any potential gaps, inconsistencies, weaknesses and areas for remediation by WM Reuters that may be necessary.

The Assessment Methodology sets out the instructions for responding to the questionnaire. It also includes a self-assessment template in section III (**Self-Assessment Template**). This Self-Assessment Template sets out fields for:

- WM Reuters to summarize its relevant policies and practices;
- The Key Indicia of the implementation of each relevant Principle;
- The analysis of whether WM Reuters' policies and practices meet each specific Key Indicia (i.e. whether the relevant Principle has been implemented);
- WM Reuters to conclude what rating should apply to each Principle; and
- WM Reuters to describe any plans for further policies and practices that are relevant to the implementation of the Principles.

### B. Key Indicia

The Key Indicia for each Principle are the minimum policies, procedures and practices that the Review Team would expect to see if WM Reuters had implemented that Principle.

They express discrete, identifiable elements of a Principle that can be used to assess the degree of implementation of a Principle by WM Reuters.

For clarity, they do not add to, or alter, the Principles: They are intended to distil the key requirements of each Principle.

### **C. Self-Assessment Template – How to Respond**

The Self-Assessment Template has been developed to elicit a self assessment from WM Reuters on whether each of the Key Indicia for each Principle is evident in WM Reuters’ policies and practices in respect of the WMR London Fix for the currency pairs identified above.

WM Reuters should complete the Self-Assessment Template once, where possible, for all currency pairs. However, for Principles 6- 9 (inclusive), WM Reuters should complete the template for each currency pair individually.

WM Reuters should respond to Principle 14 and those parts of other Principles that concern submission-based benchmarks if and where it believes such standards are applicable to it, bearing in mind the intent of the Principles overall and the specific definitions used in the Principles.

If WM Reuters believes the standards concerning submissions-based benchmarks are not applicable to it, this belief and a detail rationale for it should be provided together with the Self-Assessment Template. WM Reuters should be aware that the Review Team may take a different view as to the applicability of these standards to one or more currency pairs.

For all other Principles, WM Reuters should indicate in its self-assessment where the policies, practices and ratings differ across the currency pairs. The differences should be explained clearly, with a rationale offered as to why those differences exist.

#### ***Evidence***

In addition to its self assessment responses, WM Reuters should provide sufficient evidence to allow the Review Team to verify those responses. Accordingly:

- With respect to policies and procedures, supporting documentation, as well as internet linkages to such documents, should be provided wherever possible.
  - Where documentation is provided, WM Reuters is requested to indicate in their response the relevant part of the documentation that they are relying on to evidence implementation of the Principle.
- WM Reuters should provide data, examples or other evidence to substantiate the implementation practice that they follow.

The Review Team notes that it may seek access to other relevant information and stakeholders when conducting an assessment.

### **D. Approach to Assessing Implemented Policies and Practices**

The Review assessment will be based on WM Reuters’ implemented policies and practices as of 2 May 2014.

The Review Team will form a qualitative opinion as the implementation of each Principle by WM Reuters. It will substantiate its opinions with reasoning in the Review Report. While WM Reuters’ self-assessment will provide ratings for each Principle, the Review Report will not contain any formal ratings.

The assessment should note instances where implementation of a particular Principle could not be adequately assessed and explain why. For example, certain information may not have been provided or the data that is used to assess the degree of implementation may be inconclusive. Unsatisfied requests for information should be documented in writing.

## **E. Approach to Planned Policies and Practices**

A key part of the Review Report will include describing the status of any plans for WM Reuters to fully implement (or to ensure a greater degree of implementation of) the Principles. The Review Report will not formally assess these plans; it will simply describe them.

To assist the Review Team to describe reform plans, the Self-Assessment Template asks whether WM Reuters anticipates the arrangements that they have described in their responses connected to each Principle changing in the future.

*In responding to these questions, WM Reuters should ensure that it:*

- 1. Describes in detail the nature of any anticipated changes, including the extent to which they have engaged in planning or designing new policies or practices and providing any available drafts or outlines of these new policies;*
- 2. Provides a timeline over which the arrangements will change;*
- 3. Identifies whether regulatory or legislative change is driving the anticipated changes; and*
- 4. Explain how it believes the new arrangements will help it implement the relevant Principle. To the extent concrete proposals have been published, responses should explicitly highlight how the relevant policies and practices would align with the specific requirements of each Principle.*

## **F. Confidentiality**

The Review Team appreciates that responses to the Self-Assessment Template may elicit market or commercially sensitive information.

To address this issue:

- WM Reuters is requested to indicate what information is market or commercially sensitive in its response.
- WM Reuters will be afforded the opportunity to review the Review Report prior to its submission to the FXBG and OSSG by the Review Team.

## **G. Key Dates**

The key dates for this Review are:

- **16 April 2014** – Assessment Methodology sent to the Administrator for completion
- **2 May 2014** – **Responses from WM Reuters due back to Review Team**
- **May 2014** – Review Team analyses responses and drafts Review Report
- **Early June** – Review Team to share relevant parts of draft of Review Report with WM Reuters for their comment
- **Mid-June 2014** – Review Report submitted to IOSCO Board for approval
- **1 July 2014** – Review Report submitted to OSSG



### III. SELF-ASSESSMENT TEMPLATE

#### Instructions

The self-assessment asks you to perform four steps:

- **Step 1**

Summarise your implemented policies and practices. The template gives you a guide as to what policies and practices would be relevant to each Principle.

- **Step 2**

Identify whether you have **not** implemented any Key Indicia through those summarised policies and practices (planned policies and practices should not be taken into account at this stage) and assess whether any such non-implementation affects you achieving the intended outcome of the Principle.

The intended outcome of the Principle is to be ascertained by considering both the specific Key Indicia and the text of the Principle (including any commentary in the Final Report that sets out the Principles).

- **Step 3**

Based on this identification and assessment, assign one of the following ratings to the Principle.

- **Step 4**

Summarise any planned policies and practices.

#### Rating Scale

<b>Fully Implemented</b>	A Principle will be considered to be Fully Implemented when all Key Indicia have been implemented without any significant deficiencies.
<b>Broadly Implemented</b>	A Principle will be considered to be Broadly Implemented when the assessment demonstrates shortcomings in implementation of the Key Indicia by the Administrator and those shortcomings do not, in the judgment of the assessor, substantially affect the Administrator achieving the intended outcome of the Principle.
<b>Partly Implemented</b>	A Principle will be considered to be Partly Implemented when the assessment demonstrates shortcomings in implementation of the Key Indicia by the Administrator and those shortcomings, in the judgment of the assessor, substantially affect the Administrator achieving the intended outcome of the Principle.
<b>Not Implemented</b>	A Principle will be considered to be Not Implemented when the assessment demonstrates no implementation of any of the Key Indicia by the Administrator or where there is some implementation, the implementation is manifestly ineffective in achieving the intended outcome of the Principle.

## Principle 1 – Overall responsibility of the Administrator

### Step 1 – Summarise your currently implemented policies and practices that are relevant to this Principle

*Instructions [delete once complete]*

*To assess the implementation of these Key Indicia, please explain if you have primary responsibility for the Benchmark determination process.*

*Please consider that the Benchmark determination process covers at least:*

- a) *The development of the Benchmark;*
- b) *The determination and dissemination of the Benchmark;*
- c) *The operation of the Benchmark process (including contingency measures for breakdowns in the process); and*
- d) *The governance surrounding the Benchmark determination process.*

*Please identify all other parties who have responsibility for some element of the Benchmark determination process and explain what that responsibility is.*

### Step 2 – Identify whether each of the following Key Indicia have been implemented through your current policies and practices

Key Indicia	Have you implemented the Key Indicia through the summarised policies and practices?  Please provide reasoning	If applicable, does absence of Key Indicia affect you achieving the intended outcome of the Principle?  Please provide reasoning
1.1 Administrator has primary responsibility for all aspects of Benchmark determination process include (at a minimum): a) Development: definition of Benchmark and methodology;	[Yes/No]	[Yes/No/N/A]
b) Determination and dissemination: accurate and timely compilation, publication and distribution;	[Yes/No]	[Yes/No/N/A]
c) Operation: appropriate transparency over significant decisions affecting the compilation and determination; and	[Yes/No]	[Yes/No/N/A]
d) Governance: credible and transparent governance, oversight and accountability for the Benchmark determination process, including an identifiable oversight function accountable for the development and issuance and operation of the	[Yes/No]	[Yes/No/N/A]

Benchmark.		
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**Step 3 – Assign one of the four ratings to the Principle based on the standards established for each rating and the analysis conducted in Step 2.**

**Please explain how you arrived at this rating by considering whether the non-implementation of one or more Key Indicia affects you achieving the intended outcome of the relevant Principle**

**[Fully Implemented/Broadly Implemented/Partly Implemented/Not Implemented]**

*[Reasoning for rating]*

**Step 4 – Describe any planned policies and practices (including timelines) that could bring you towards fully implementing this Principle**

*[Description]*

### **Principle 2 – Oversight of third parties**

**Step 1 – Summarise your currently implemented policies and practices that are relevant to this Principle**

*Instructions [delete once complete]*

*Please describe any aspect of the Benchmark determination process that is outsourced to a third party.*

*Please describe any policies, procedures and practices that you have which govern or otherwise provide oversight over these arrangements. If these policies, procedures and practices are documented, please provide a copy of the documentation.*

*If you lack any applicable policies, procedures and practices for oversight, or if these policies, procedures and practices do not cover all topics listed in the Key Indicia, please explain why.*

**Step 2 – Identify whether each of the following Key Indicia have been implemented through your current policies and practices**

<b>Key Indicia</b>	<b>Have you implemented the Key Indicia through the summarised policies and practices? Please provide reasoning</b>	<b>If applicable, does absence of Key Indicia affect you achieving the intended outcome of the Principle? Please provide reasoning</b>
2.1 Where activities relating to the Benchmark determination process are undertaken by third parties, the Administrator maintains appropriate oversight of such third parties.	[Yes/No]	[Yes/No/N/A]
2.2 The Administrator's policies: a) Clearly define and substantiate through appropriate written	[Yes/No]	[Yes/No/N/A]

arrangements the roles and obligations of third parties and the standards the Administrator expects them to meet;		
b) Monitor third parties' compliance with the standards;	[Yes/No]	[Yes/No/N/A]
c) Make Available to Stakeholders and any relevant Regulatory Authority the identity and roles of such third parties; and	[Yes/No]	[Yes/No/N/A]

**Step 3 – Assign one of the four ratings to the Principle based on the standards established for each rating and the analysis conducted in Step 2.**

**Please explain how you arrived at this rating by considering whether the non-implementation of one or more Key Indicia affects you achieving the intended outcome of the relevant Principle**

**[Fully Implemented/Broadly Implemented/Partly Implemented/Not Implemented]**

*[Reasoning for rating]*

**Step 4 – Describe any planned policies and practices (including timelines) that could bring you towards fully implementing this Principle**

*[Description]*

### **Principle 3 – Conflict of interest for Administrators**

**Step 1 – Summarise your currently implemented policies and practices that are relevant to this Principle**

*Instructions [delete once complete]*

*Please describe all identified existing and potential conflicts of interest within the Administrator's business, including all affiliates.*

*Have any of these conflicts been disclosed to your users or regulatory authority?*

*Please describe in detail any framework you have for the identification, disclosure, management, mitigation or avoidance of conflicts of interest and how that framework is tailored to relevant conflicts and has been implemented. Please include in your description detail of the identification and mitigation processes you use, giving an example if possible of actual employment of the processes.*

*Please describe any process you have for the review and updating of these policies and procedures.*

*If you lack any such framework, or your framework does not cover one of the topics identified in the Key Indicia, please explain why.*

**Step 2 – Identify whether each of the following Key Indicia have been implemented through**

## your current policies and practices

Key Indicia	Have you implemented the Key Indicia through the summarised policies and practices?  Please provide reasoning	If applicable, does absence of Key Indicia affect you achieving the intended outcome of the Principle?  Please provide reasoning
3.1 Administrators: a) Document, implement and enforce policies and procedures for the identification, disclosure, management, mitigation or avoidance of conflicts of interest.	[Yes/No]	[Yes/No/N/A]
b) Review and update their policies and procedures as appropriate.	[Yes/No]	[Yes/No/N/A]
c) Disclose any material conflicts of interest to their users and any relevant Regulatory Authority.	[Yes/No]	[Yes/No/N/A]
3.2 The framework is tailored to the level of existing or potential conflicts of interest and risks posed by the Benchmark and seeks to a) Ensure that: i. Existing or potential conflicts of interest do not inappropriately influence Benchmark determinations;	[Yes/No]	[Yes/No/N/A]
ii. Personal interests and connections or business connections do not compromise the Administrator's performance of its functions;	[Yes/No]	[Yes/No/N/A]
iii. Segregation of reporting lines within the Administrator, where appropriate, to clearly define responsibilities and prevent unnecessary or undisclosed conflicts of interest or the perception of such conflicts;	[Yes/No]	[Yes/No/N/A]
iv. Adequate supervision and sign-off by authorised or qualified employees prior to releasing Benchmark determinations;	[Yes/No]	[Yes/No/N/A]
v. The confidentiality of data, information and other inputs submitted to, received by or produced by the Administrator, subject	[Yes/No]	[Yes/No/N/A]

	to the disclosure obligations of the Administrator;		
vi.	Effective procedures to control the exchange of information between staff engaged in activities involving a risk of conflicts of interest or between staff and third parties, where that information may reasonably affect any Benchmark determinations; and	[Yes/No]	[Yes/No/N/A]
vii.	Adequate remuneration policies that ensure all staff who participate in the Benchmark determination are not directly or indirectly rewarded or incentivised by the levels of the Benchmark.	[Yes/No]	[Yes/No/N/A]
b)	Mitigate existing or potential conflicts created by the Administrator's ownership structure or control, or due to other interests of its staff or wider group and to this end:	[Yes/No]	[Yes/No/N/A]
i.	Includes measures to avoid, mitigate or disclose conflicts of interest that may exist between its Benchmark determination business, including staff who perform or otherwise participate in Benchmark production responsibilities, and other business of the Administrator or an affiliate;	[Yes/No]	[Yes/No/N/A]
ii.	Provides that an Administrator discloses conflicts of interest arising from the ownership structure or the control of the Administrator to its Stakeholders and any relevant Regulatory Authority in a timely manner.	[Yes/No]	[Yes/No/N/A]

**Step 3 – Assign one of the four ratings to the Principle based on the standards established for each rating and the analysis conducted in Step 2.**

**Please explain how you arrived at this rating by considering whether the non-implementation of one or more Key Indicia affects you achieving the intended outcome of the relevant Principle**

[Fully Implemented/Broadly Implemented/Partly Implemented/Not Implemented]

[Reasoning for rating]

**Step 4 – Describe any planned policies and practices (including timelines) that could bring you towards fully implementing this Principle**

[Description]

**Principle 4 – Control framework for Administrators**

**Step 1 – Summarise your currently implemented policies and practices that are relevant to this Principle**

*Instructions [delete once complete]*

*Please describe in detail any control framework that you have implemented that concerns the process of determining and distributing the Benchmark.*

*Please explain how this control framework (or frameworks) is tailored to the materiality of the potential or existing conflicts of interest identified, the extent of the use of discretion in the Benchmark setting process and to the nature of Benchmark inputs and outputs.*

*Please describe any process you have for the review and updating of these policies and procedures.*

*If you lack any control framework, or if the control framework does not address the areas identified in the Key Indicia, please explain why.*

*Please indicate whether and how a summary of this control framework (or frameworks) is Published or Made Available to Stakeholders. If it has, please provide evidence (e.g. a hyperlink). If it not Published or Made Available, please explain why.*

*Please describe in detail the composition of, selection criteria for and all arrangements with submitters to the Benchmark. Please include in this any submitter code of conduct that you employ.*

*Please describe the processes in place for monitoring submitters’ compliance with the arrangements.*

*Please describe any ex-ante and ex-post monitoring of submissions conducted, including any procedures covering such monitoring.*

*Please explain how, if applicable, your submitters comprise an appropriately representative group of participants taking into consideration the underlying interest measured by the Benchmark.*

**Step 2 – Identify whether each of the following Key Indicia have been implemented through your current policies and practices**

Key Indicia	Have you implemented the Key Indicia through the summarised policies and practices? Please provide reasoning	If applicable, does absence of Key Indicia affect you achieving the intended outcome of the Principle? Please provide reasoning
4.1 Administrators have an appropriate control framework in place	[Yes/No]	[Yes/No/N/A]

for the process of determining and distributing the Benchmark. At a minimum it is:		
a) Appropriately tailored to the materiality of the identified conflicts of interest, the extent of the use of discretion in the Benchmark setting process and to the nature of Benchmark inputs and outputs.		
b) Documented and available to relevant Regulatory Authorities. A summary of its main features should be Published or Made Available to Stakeholders.	[Yes/No]	[Yes/No/N/A]
c) Reviewed periodically and updated as appropriate and address the following areas:	[Yes/No]	[Yes/No/N/A]
i. Conflicts of interest in line with Principle 3		
ii. Arrangements to ensure that the quality and integrity of Benchmarks is maintained, in line with principles 6 to 15	[Yes/No]	[Yes/No/N/A]
iii. Arrangements to promote the integrity of Benchmark inputs, including adequate due diligence on input sources	[Yes/No]	[Yes/No/N/A]
iv. Arrangements to ensure accountability and complaints mechanisms are effective, in line with principles 16 to 19	[Yes/No]	[Yes/No/N/A]
v. Provides robust infrastructure, policies and procedures for the management of risk, including operational risk	[Yes/No]	[Yes/No/N/A]
vi. Establishes an effective whistle blowing mechanism, to facilitate early awareness of any potential misconduct or irregularities, which should allow for external reporting where appropriate	[Yes/No]	[Yes/No/N/A]
vii. Ensures Benchmark determinations are made by personnel who possess the relevant levels of expertise, with a process for periodic review of their competence	[Yes/No]	[Yes/No/N/A]
viii. Staff training, including ethics and conflicts of	[Yes/No]	[Yes/No/N/A]



interest training, and continuity and succession planning for personnel		
<b>Benchmarks based on Submissions:</b>	[Yes/No]	[Yes/No/N/A]
4.2 Administrators: a) Have measures in place to ensure as far as possible whereby Submitters comprise an appropriately representative group of participants taking into consideration the underlying Interest measured by the Benchmark;		
b) Employ a system of appropriate measures so that, to the extent possible, Submitters comply with the Submission guidelines, as defined in the Submitter Code of Conduct and the Administrators' applicable quality and integrity standards for Submission; and	[Yes/No]	[Yes/No/N/A]
c) Specify the frequency of Submissions and specifying that inputs or Submissions should be made for every Benchmark determination.	[Yes/No]	[Yes/No/N/A]

**Step 3 – Assign one of the four ratings to the Principle based on the standards established for each rating and the analysis conducted in Step 2.**

**Please explain how you arrived at this rating by considering whether the non-implementation of one or more Key Indicia affects you achieving the intended outcome of the relevant Principle**

**[Fully Implemented/Broadly Implemented/Partly Implemented/Not Implemented]**

*[Reasoning for rating]*

**Step 4 – Describe any planned policies and practices (including timelines) that could bring you towards fully implementing this Principle**

*[Description]*

### **Principle 5 – Internal Oversight**

**Step 1 – Summarise your currently implemented policies and practices that are relevant to this Principle**

*Instructions [delete once complete]*

*Please describe in detail the form, arrangements, responsibilities, operation and other details of any oversight function that you have in place to review and provide challenge to the Benchmark determination process and, if relevant, submissions.*

*Please explain how this oversight function is appropriate to provide effective scrutiny of your activities.*

*Please detail how this oversight function has operated in practice since its establishment, giving examples of its activities.*

*Please describe any procedures that relate to your oversight function.*

*If you lack any such oversight function, or it does not cover the areas listed in the Key Indicia please explain why*

*Please indicate whether and how details of this oversight function are Made Available to Stakeholders. If they have, please provide evidence (e.g. a hyperlink).*

**Step 2 – Identify whether each of the following Key Indicia have been implemented through your current policies and practices**

<b>Key Indicia</b>	<b>Have you implemented the Key Indicia through the summarised policies and practices? Please provide reasoning</b>	<b>If applicable, does absence of Key Indicia affect you achieving the intended outcome of the Principle? Please provide reasoning</b>
5.1 Administrators have an oversight function to review and provide challenge on all aspects of the Benchmark determination process, which should: <ul style="list-style-type: none"> <li>a) Include consideration of the features and intended, expected or known usage of the Benchmark and the materiality of existing or potential conflicts of interest identified.</li> </ul>	[Yes/No]	[Yes/No/N/A]
<ul style="list-style-type: none"> <li>b) Be carried out either by a separate committee, or other appropriate governance arrangements. The oversight function and its composition should be appropriate to provide effective scrutiny of the Administrator. Such oversight function could consider groups of Benchmarks by type or asset class, provided that it otherwise complies with this Principle.</li> </ul>	[Yes/No]	[Yes/No/N/A]
5.2 An Administrator develops and maintains robust procedures regarding its oversight function, which should be documented and available to relevant Regulatory Authorities and its main features Made Available to Stakeholders.	[Yes/No]	[Yes/No/N/A]
5.3 These procedures include terms of reference for the oversight function, selection criteria for membership and summary details of membership of	[Yes/No]	[Yes/No/N/A]

any committee or arrangement of the oversight function (together with declarations of conflicts of interest and processes for election, nomination or removal and replacement of members).		
5.4 Responsibilities of the oversight function include: a) Oversight of the Benchmark design, including: i. Periodic review of the definition of the Benchmark and its Methodology;	[Yes/No]	[Yes/No/N/A]
ii. Taking measures to remain informed about issues and risks to the Benchmark, as well as commissioning external reviews of the Benchmark (as appropriate);	[Yes/No]	[Yes/No/N/A]
iii. Overseeing any changes to the Benchmark Methodology, including assessing whether the Methodology continues to appropriately measure the underlying Interest, reviewing proposed and implemented changes to the Methodology, and authorising or requesting the Administrator to undertake a consultation with Stakeholders where known or its Subscribers on such changes as per Principle 12; and	[Yes/No]	[Yes/No/N/A]
iv. Reviewing and approving procedures for termination of the Benchmark, including guidelines setting out how the Administrator should consult with Stakeholders about such cessation.	[Yes/No]	[Yes/No/N/A]
b) Oversight of the integrity of Benchmark determination and control framework, including: i. Overseeing the management and operation of the Benchmark, including activities related to Benchmark determination undertaken by a third party;	[Yes/No]	[Yes/No/N/A]

ii. Considering the results of internal and external audits, and following up on the implementation of remedial actions highlighted in the results of these audits; and	[Yes/No]	[Yes/No/N/A]
iii. Overseeing any exercise of Expert Judgment by the Administrator and ensuring Published Methodologies have been followed.	[Yes/No]	[Yes/No/N/A]
<b>Where conflicts of interest may arise due to Administrator's ownership structures or controlling interests:</b>  5.5 Administrator has an independent oversight function which includes a balanced representation of a range of Stakeholders where known, Subscribers and Submitters, which is chosen to counterbalance the relevant conflict of interest.	[Yes/No]	[Yes/No/N/A]
<b>Where Benchmark is based on Submissions</b> 5.6 The oversight function provides suitable oversight and challenge of the Submissions by: a) Overseeing and challenging the scrutiny and monitoring of inputs or Submissions by the Administrator, including regular discussions of inputs or Submission patterns, defining parameters against which inputs or Submissions can be analysed, or querying the role of the Administrator in challenging or sampling unusual inputs or Submissions;	[Yes/No]	[Yes/No/N/A]
b) Overseeing the Code of Conduct for Submitters;		
c) Establishing effective arrangements to address breaches of the Code of Conduct for Submitters; and		
d) Establishing measures to detect potential anomalous or suspicious Submissions and in case of suspicious activities, to report them, as well as any misconduct by Submitters of which it becomes aware to any relevant Regulatory Authorities		

**Step 3 – Assign one of the four ratings to the Principle based on the standards established for each rating and the analysis conducted in Step 2.**

**Please explain how you arrived at this rating by considering whether the non-implementation of one or more Key Indicia affects you achieving the intended outcome of the relevant Principle**

**[Fully Implemented/Broadly Implemented/Partly Implemented/Not Implemented]**

*[Reasoning for rating]*

**Step 4 – Describe any planned policies and practices (including timelines) that could bring you towards fully implementing this Principle**

*[Description]*

**Trade Pair 1**

**Principle 6 – Benchmark design**

**Step 1 – Summarise your currently implemented policies and practices that are relevant to this Principle**

*Instructions [delete once complete]*

*Please define and describe the details of the interest that the Benchmark seeks to represent. Please include all related sources which inform the state of the Interest that the Benchmark seeks to represent.*

*Please include all market metrics that you have available concerning:*

- *Size and liquidity of the relevant market (for example whether there is sufficient trading to provide observable, transparent pricing);*
- *Relative size of the underlying market in relation to the volume of trading in the market that references the Benchmark;*
- *The distribution of trading among Market Participants (market concentration); and*
- *Market dynamics*

*Please describe in detail the design of the Benchmark including a detailed description of the factors taken into account in designing the Benchmark. In particular, please cover if and how the design of the Benchmark takes into the details of the Interest it seeks represent and explain how it results in an accurate and reliance representation of the economic realities of the Interest it represents. If it does not, please explain why.*

**Step 2 – Identify whether each of the following Key Indicia have been implemented through your current policies and practices**

<b>Key Indicia</b>	<b>Have you implemented the Key Indicia through the summarised policies and practices? Please provide reasoning</b>	<b>If applicable, does absence of Key Indicia affect you achieving the intended outcome of the Principle? Please provide reasoning</b>
1.1 The design of the Benchmark: a) Seeks to achieve, and result in an accurate and reliable representation of the economic realities of the Interest it seeks to measure, and eliminate factors that might result in a distortion of the price, rate, index or value of the Benchmark	[Yes/No]	[Yes/No/N/A]

b) Takes into account the following generic non-exclusive features, and other factors should be considered, as appropriate to the particular Interest: i. Adequacy of the sample used to represent the Interest;	[Yes/No]	[Yes/No/N/A]
ii. Size and liquidity of the relevant market (for example whether there is sufficient trading to provide observable, transparent pricing);	[Yes/No]	[Yes/No/N/A]
iii. Relative size of the underlying market in relation to the volume of trading in the market that references the Benchmark;	[Yes/No]	[Yes/No/N/A]
iv. The distribution of trading among Market Participants (market concentration);	[Yes/No]	[Yes/No/N/A]
v. Market dynamics (e.g., to ensure that the Benchmark reflects changes to the assets underpinning a Benchmark).		

**Step 3 – Assign one of the four ratings to the Principle based on the standards established for each rating and the analysis conducted in Step 2.**

**Please explain how you arrived at this rating by considering whether the non-implementation of one or more Key Indicia affects you achieving the intended outcome of the relevant Principle**

**[Fully Implemented/Broadly Implemented/Partly Implemented/Not Implemented]**

*[Reasoning for rating]*

**Step 4 – Describe any planned policies and practices (including timelines) that could bring you towards fully implementing this Principle**

*[Description]*

**Trade Pair 1**

**Principle 7 – Data sufficiency**

**Step 1 – Summarise your currently implemented policies and practices that are relevant to this Principle**

*Instructions [delete once complete]*

Please describe how you:

- You define an ‘active market’
- Ensure the accuracy and reliability of the benchmark as a measure of the relevant Interest.

*In particular, please describe how you satisfy yourself that the choice of data sources provides accurate and reliable measures of the relevant Interest. Please include market metrics on relative market shares of the data sources in the underlying Interest.*

- Ensure that the data you use means that the benchmark anchored in the interest that you seek to represent.

To meet this later standard, please describe how you ensure the data you use is:

- Based on prices, rates, indices or values that have been formed by the competitive forces of supply and demand in order to provide confidence that the price discovery system is reliable. This description will need to cover how you verify or gain comfort that the markets from which you draw information are free from manipulation that would distort the market levels; and
- Be anchored by observable transactions entered into at arm’s length between buyers and sellers in the market for the interest the Benchmark measures. .

**Step 2 – Identify whether each of the following Key Indicia have been implemented through your current policies and practices**

Key Indicia	Have you implemented the Key Indicia through the summarised policies and practices? Please provide reasoning	If applicable, does absence of Key Indicia affect you achieving the intended outcome of the Principle? Please provide reasoning
7.1 Administrator has a definition of ‘active market’ for the interest the benchmark seeks to represent and understands what this requires	[Yes/No]	[Yes/No/N/A]
7.2 The data used to construct Benchmark determinations is sufficient to accurately and reliably represent the interest measured by the Benchmark	[Yes/No]	[Yes/No/N/A]
7.3 The data used to construct a Benchmark determination is based on bona-fide, arms length transactions and is anchored in the relevant interest	[Yes/No]	[Yes/No/N/A]

**Step 3 – Assign one of the four ratings to the Principle based on the standards established for each rating and the analysis conducted in Step 2.**

**Please explain how you arrived at this rating by considering whether the non-implementation of**

**one or more Key Indicia affects you achieving the intended outcome of the relevant Principle**

**[Fully Implemented/Broadly Implemented/Partly Implemented/Not Implemented]**

*[Reasoning for rating]*

**Step 4 – Describe any planned policies and practices (including timelines) that could bring you towards fully implementing this Principle**

*[Description]*

**Trade Pair 1**

**Principle 8 – Hierarchy of data inputs**

**Step 1 – Summarise your currently implemented policies and practices that are relevant to this Principle**

*Instructions [delete once complete]*

*Please describe any guidelines that establish hierarchy of data inputs and exercise of expert judgment used for determination of the Benchmark and explain how that hierarchy operates.*

*If you lack any such guidelines, or the guidelines do not cover the points listed in the Key Indicia, please explain why.*

**Step 2 – Identify whether each of the following Key Indicia have been implemented through your current policies and practices**

<b>Key Indicia</b>	<b>Have you implemented the Key Indicia through the summarised policies and practices? Please provide reasoning</b>	<b>If applicable, does absence of Key Indicia affect you achieving the intended outcome of the Principle? Please provide reasoning</b>
8.1 Administrators Publish or Make Available clear guidelines regarding the hierarchy of data inputs and exercise of Expert Judgment used for the determination of Benchmarks.	[Yes/No]	[Yes/No/N/A]
8.2 Generally, hierarchy of data inputs includes: a) For Submission-based Benchmarks, the Submitters' own concluded arms-length transactions in the underlying interest or related markets; b) Reported or observed concluded Arm's-length Transactions in the underlying interest and in related markets; c) Firm (executable) bids and offers; and d) Other market information or Expert Judgments.	[Yes/No]	[Yes/No/N/A]
8.3 Provided that the Data Sufficiency Principle is met (i.e., an active market exists), this Principle is not intended to restrict an Administrator's flexibility to use inputs consistent with the Administrator's approach to ensuring the quality, integrity,	[Yes/No]	[Yes/No/N/A]



continuity and reliability of its Benchmark determinations, as set out in the Administrator’s Methodology.		
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**Step 3 – Assign one of the four ratings to the Principle based on the standards established for each rating and the analysis conducted in Step 2.**

**Please explain how you arrived at this rating by considering whether the non-implementation of one or more Key Indicia affects you achieving the intended outcome of the relevant Principle**

**[Fully Implemented/Broadly Implemented/Partly Implemented/Not Implemented]**

*[Reasoning for rating]*

**Step 4 – Describe any planned policies and practices (including timelines) that could bring you towards fully implementing this Principle**

*[Description]*

**Trade Pair 1**  
**Principle 9 – Transparency of benchmark determinations**  
**Step 1 – Summarise your currently implemented policies and practices that are relevant to this Principle**

*Instructions [delete once complete]*

*Please describe in detail all the information described and published with each Benchmark determination that you believe meets the criteria in Key Indicia 9(a) and (b) below.*

*Step 2 – Identify whether each of the following Key Indicia have been implemented through your current policies and practices*

<i>Key Indicia</i>	<i>Have you implemented the Key Indicia through the summarised policies and practices?  Please provide reasoning</i>	<i>If applicable, does absence of Key Indicia affect you achieving the intended outcome of the Principle?  Please provide reasoning</i>
<p><b>9.1 Administrators describe and publish with each Benchmark determination, to the extent reasonable without delaying the publication deadline, concise explanations:</b></p> <p><b>a) Sufficient to facilitate a Stakeholder’s or Market Authority’s ability to</b></p>	<i>[Yes/No]</i>	<i>[Yes/No/N/A]</i>

<p><i>understand how the determination was developed, including, at a minimum, the size and liquidity of the market being assessed (meaning the number and volume of transactions submitted), the range and average volume and range and average of price, and indicative percentages of each type of market data that have been considered in a Benchmark determination; terms referring to the pricing Methodology should be included (e.g., transaction-based, spread-based or interpolated/extrapolated).</i></p>		
<p><i>b) Of the extent to which and the basis upon which Expert Judgment if any, was used in establishing a Benchmark determination.</i></p>	<p><i>[Yes/No]</i></p>	<p><i>[Yes/No/N/A]</i></p>

*Step 3 – Assign one of the four ratings to the Principle based on the standards established for each rating and the analysis conducted in Step 2.*

*Please explain how you arrived at this rating by considering whether the non-implementation of one or more Key Indicia affects you achieving the intended outcome of the relevant Principle*

*[Fully Implemented/Broadly Implemented/Partly Implemented/Not Implemented]*

*[Reasoning for rating]*

*Step 4 – Describe any planned policies and practices (including timelines) that could bring you towards fully implementing this Principle*

*[Description]*

## **Trade Pair 2**

### **Principle 6 – Benchmark design**

#### **Step 1 – Summarise your currently implemented policies and practices that are relevant to this Principle**

*Instructions [delete once complete]*

*Please define and describe the details of the interest that the Benchmark seeks to represent. Please include all related sources which inform the state of the Interest that the Benchmark seeks to represent.*

*Please include all market metrics that you have available concerning:*

- *Size and liquidity of the relevant market (for example whether there is sufficient trading to provide observable, transparent pricing);*
- *Relative size of the underlying market in relation to the volume of trading in the market that references the Benchmark;*
- *The distribution of trading among Market Participants (market concentration); and*
- *Market dynamics*

*Please describe in detail the design of the Benchmark including a detailed description of the factors taken into account in designing the Benchmark. In particular, please cover if and how the design of the Benchmark takes into the details of the Interest it seeks represent and explain how it results in an accurate and reliance representation of the economic realities of the Interest it represents. If it does not, please explain why.*

**Step 2 – Identify whether each of the following Key Indicia have been implemented through your current policies and practices**

<b>Key Indicia</b>	<b>Have you implemented the Key Indicia through the summarised policies and practices? Please provide reasoning</b>	<b>If applicable, does absence of Key Indicia affect you achieving the intended outcome of the Principle? Please provide reasoning</b>
6.1 The design of the Benchmark: a) Seeks to achieve, and result in an accurate and reliable representation of the economic realities of the Interest it seeks to measure, and eliminate factors that might result in a distortion of the price, rate, index or value of the Benchmark	[Yes/No]	[Yes/No/N/A]
b) Takes into account the following generic non-exclusive features, and other factors should be considered, as appropriate to the particular Interest: vi. Adequacy of the sample used to represent the Interest;	[Yes/No]	[Yes/No/N/A]
vii. Size and liquidity of the relevant market (for example whether there is sufficient trading to provide observable, transparent pricing);	[Yes/No]	[Yes/No/N/A]
viii. Relative size of the underlying market in relation to the volume of	[Yes/No]	[Yes/No/N/A]

	trading in the market that references the Benchmark;		
ix.	The distribution of trading among Market Participants (market concentration);	[Yes/No]	[Yes/No/N/A]
x.	Market dynamics (e.g., to ensure that the Benchmark reflects changes to the assets underpinning a Benchmark).		

**Step 3 – Assign one of the four ratings to the Principle based on the standards established for each rating and the analysis conducted in Step 2.**

**Please explain how you arrived at this rating by considering whether the non-implementation of one or more Key Indicia affects you achieving the intended outcome of the relevant Principle**

**[Fully Implemented/Broadly Implemented/Partly Implemented/Not Implemented]**

*[Reasoning for rating]*

**Step 4 – Describe any planned policies and practices (including timelines) that could bring you towards fully implementing this Principle**

*[Description]*

## **Trade Pair 2**

### **Principle 7 – Data sufficiency**

**Step 1 – Summarise your currently implemented policies and practices that are relevant to this Principle**

*Instructions [delete once complete]*

*Please describe how you:*

- *You define an ‘active market’*
- *Ensure the accuracy and reliability of the benchmark as a measure of the relevant Interest.*

*In particular, please describe how you satisfy yourself that the choice of data sources provides accurate and reliable measures of the relevant Interest. Please include market metrics on relative market shares of the data sources in the underlying Interest.*

- *Ensure that the data you use means that the benchmark anchored in the interest that you seek to represent.*

*To meet this later standard, please describe how you ensure the data you use is:*

- *Based on prices, rates, indices or values that have been formed by the competitive forces of supply and demand in order to provide confidence that the price discovery system is reliable. This description will need to cover how you verify or gain comfort that the markets from which you draw information are free from manipulation that would distort the market levels; and*
- *Be anchored by observable transactions entered into at arm's length between buyers and sellers in the market for the interest the Benchmark measures. .*

**Step 2 – Identify whether each of the following Key Indicia have been implemented through your current policies and practices**

<b>Key Indicia</b>	<b>Have you implemented the Key Indicia through the summarised policies and practices? Please provide reasoning</b>	<b>If applicable, does absence of Key Indicia affect you achieving the intended outcome of the Principle? Please provide reasoning</b>
7.1 Administrator has a definition of 'active market' for the interest the benchmark seeks to represent and understands what this requires	[Yes/No]	[Yes/No/N/A]
7.2 The data used to construct Benchmark determinations is sufficient to accurately and reliably represent the interest measured by the Benchmark	[Yes/No]	[Yes/No/N/A]
7.3 The data used to construct a Benchmark determination is based on bona-fide, arms length transactions and is anchored in the relevant interest	[Yes/No]	[Yes/No/N/A]

**Step 3 – Assign one of the four ratings to the Principle based on the standards established for each rating and the analysis conducted in Step 2.**

**Please explain how you arrived at this rating by considering whether the non-implementation of one or more Key Indicia affects you achieving the intended outcome of the relevant Principle**

**[Fully Implemented/Broadly Implemented/Partly Implemented/Not Implemented]**

*[Reasoning for rating]*

**Step 4 – Describe any planned policies and practices (including timelines) that could bring you towards fully implementing this Principle**

*[Description]*

**Trade Pair 2**

**Principle 8 – Hierarchy of data inputs**

**Step 1 – Summarise your currently implemented policies and practices that are relevant to this**

## Principle

### Instructions [delete once complete]

*Please describe any guidelines that establish hierarchy of data inputs and exercise of expert judgment used for determination of the Benchmark and explain how that hierarchy operates.*

*If you lack any such guidelines, or the guidelines do not cover the points listed in the Key Indicia, please explain why.*

### Step 2 – Identify whether each of the following Key Indicia have been implemented through your current policies and practices

Key Indicia	Have you implemented the Key Indicia through the summarised policies and practices? Please provide reasoning	If applicable, does absence of Key Indicia affect you achieving the intended outcome of the Principle? Please provide reasoning
8.1 Administrators Publish or Make Available clear guidelines regarding the hierarchy of data inputs and exercise of Expert Judgment used for the determination of Benchmarks.	[Yes/No]	[Yes/No/N/A]
8.2 Generally, hierarchy of data inputs includes: a) For Submission-based Benchmarks, the Submitters' own concluded arms-length transactions in the underlying interest or related markets; b) Reported or observed concluded Arm's-length Transactions in the underlying interest and in related markets; c) Firm (executable) bids and offers; and d) Other market information or Expert Judgments.	[Yes/No]	[Yes/No/N/A]
8.3 Provided that the Data Sufficiency Principle is met (i.e., an active market exists), this Principle is not intended to restrict an Administrator's flexibility to use inputs consistent with the Administrator's approach to ensuring the quality, integrity, continuity and reliability of its Benchmark determinations, as set out in the Administrator's Methodology.	[Yes/No]	[Yes/No/N/A]

### Step 3 – Assign one of the four ratings to the Principle based on the standards established for each rating and the analysis conducted in Step 2.

**Please explain how you arrived at this rating by considering whether the non-implementation of one or more Key Indicia affects you achieving the intended outcome of the relevant Principle**

**[Fully Implemented/Broadly Implemented/Partly Implemented/Not Implemented]**

*[Reasoning for rating]*

**Step 4 – Describe any planned policies and practices (including timelines) that could bring you towards fully implementing this Principle**

*[Description]*

**Trade Pair 2**

**Principle 9 – Transparency of benchmark determinations**

**Step 1 – Summarise your currently implemented policies and practices that are relevant to this Principle**

*Instructions [delete once complete]*

*Please describe in detail all the information described and published with each Benchmark determination that you believe meets the criteria in Key Indicia 9(a) and (b) below.*

*Step 2 – Identify whether each of the following Key Indicia have been implemented through your current policies and practices*

<i>Key Indicia</i>	<i>Have you implemented the Key Indicia through the summarised policies and practices?  Please provide reasoning</i>	<i>If applicable, does absence of Key Indicia affect you achieving the intended outcome of the Principle?  Please provide reasoning</i>
<p><i>9.2 Administrators describe and publish with each Benchmark determination, to the extent reasonable without delaying the publication deadline, concise explanations:</i></p> <p><i>c) Sufficient to facilitate a Stakeholder’s or Market Authority’s ability to understand how the determination was developed, including, at a minimum, the size and liquidity of the market being assessed (meaning the number and volume of transactions submitted), the range and average volume and range and average of price, and indicative percentages of each type of market data that have been considered in a</i></p>	<p><i>[Yes/No]</i></p>	<p><i>[Yes/No/N/A]</i></p>

<i>Benchmark determination; terms referring to the pricing Methodology should be included (e.g., transaction-based, spread-based or interpolated/extrapolated).</i>		
<i>d) Of the extent to which and the basis upon which Expert Judgment if any, was used in establishing a Benchmark determination.</i>	<i>[Yes/No]</i>	<i>[Yes/No/N/A]</i>

*Step 3 – Assign one of the four ratings to the Principle based on the standards established for each rating and the analysis conducted in Step 2.*

*Please explain how you arrived at this rating by considering whether the non-implementation of one or more Key Indicia affects you achieving the intended outcome of the relevant Principle*

*[Fully Implemented/Broadly Implemented/Partly Implemented/Not Implemented]*

*[Reasoning for rating]*

*Step 4 – Describe any planned policies and practices (including timelines) that could bring you towards fully implementing this Principle*

*[Description]*

## **Quote Pair**

### **Principle 6 – Benchmark design**

#### **Step 1 – Summarise your currently implemented policies and practices that are relevant to this Principle**

*Instructions [delete once complete]*

*Please define and describe the details of the interest that the Benchmark seeks to represent. Please include all related sources which inform the state of the Interest that the Benchmark seeks to represent.*

*Please include all market metrics that you have available concerning:*

- *Size and liquidity of the relevant market (for example whether there is sufficient trading to provide observable, transparent pricing);*
- *Relative size of the underlying market in relation to the volume of trading in the market that references the Benchmark;*
- *The distribution of trading among Market Participants (market concentration); and*



- *Market dynamics*

*Please describe in detail the design of the Benchmark including a detailed description of the factors taken into account in designing the Benchmark. In particular, please cover if and how the design of the Benchmark takes into the details of the Interest it seeks represent and explain how it results in an accurate and reliance representation of the economic realities of the Interest it represents. If it does not, please explain why.*

**Step 2 – Identify whether each of the following Key Indicia have been implemented through your current policies and practices**

<b>Key Indicia</b>	<b>Have you implemented the Key Indicia through the summarised policies and practices? Please provide reasoning</b>	<b>If applicable, does absence of Key Indicia affect you achieving the intended outcome of the Principle? Please provide reasoning</b>
6.1 The design of the Benchmark: a) Seeks to achieve, and result in an accurate and reliable representation of the economic realities of the Interest it seeks to measure, and eliminate factors that might result in a distortion of the price, rate, index or value of the Benchmark	[Yes/No]	[Yes/No/N/A]
b) Takes into account the following generic non-exclusive features, and other factors should be considered, as appropriate to the particular Interest: i. Adequacy of the sample used to represent the Interest;	[Yes/No]	[Yes/No/N/A]
ii. Size and liquidity of the relevant market (for example whether there is sufficient trading to provide observable, transparent pricing);	[Yes/No]	[Yes/No/N/A]
iii. Relative size of the underlying market in relation to the volume of trading in the market that references the Benchmark;	[Yes/No]	[Yes/No/N/A]
iv. The distribution of trading among Market Participants (market concentration);	[Yes/No]	[Yes/No/N/A]
v. Market dynamics (e.g., to ensure that the Benchmark reflects changes to the assets underpinning a Benchmark).		

**Step 3 – Assign one of the four ratings to the Principle based on the standards established for each rating and the analysis conducted in Step 2.**

**Please explain how you arrived at this rating by considering whether the non-implementation of one or more Key Indicia affects you achieving the intended outcome of the relevant Principle**

**[Fully Implemented/Broadly Implemented/Partly Implemented/Not Implemented]**

*[Reasoning for rating]*

**Step 4 – Describe any planned policies and practices (including timelines) that could bring you towards fully implementing this Principle**

*[Description]*

**Quote Pair**

**Principle 7 – Data sufficiency**

**Step 1 – Summarise your currently implemented policies and practices that are relevant to this Principle**

*Instructions [delete once complete]*

*Please describe how you:*

- *You define an ‘active market’*
- *Ensure the accuracy and reliability of the benchmark as a measure of the relevant Interest.*

*In particular, please describe how you satisfy yourself that the choice of data sources provides accurate and reliable measures of the relevant Interest. Please include market metrics on relative market shares of the data sources in the underlying Interest.*

- *Ensure that the data you use means that the benchmark anchored in the interest that you seek to represent.*

*To meet this later standard, please describe how you ensure the data you use is:*

- *Based on prices, rates, indices or values that have been formed by the competitive forces of supply and demand in order to provide confidence that the price discovery system is reliable. This description will need to cover how you verify or gain comfort that the markets from which you draw information are free from manipulation that would distort the market levels; and*
- *Be anchored by observable transactions entered into at arm’s length between buyers and sellers in the market for the interest the Benchmark measures. .*

**Step 2 – Identify whether each of the following Key Indicia have been implemented through your current policies and practices**

<b>Key Indicia</b>	<b>Have you implemented the Key Indicia through the summarised policies and practices? Please provide reasoning</b>	<b>If applicable, does absence of Key Indicia affect you achieving the intended outcome of the Principle? Please provide reasoning</b>
7.1 Administrator has a definition of ‘active market’ for the interest the benchmark seeks to represent and understands what this requires	[Yes/No]	[Yes/No/N/A]
7.2 The data used to construct Benchmark determinations is sufficient to accurately and reliably represent the interest measured by the Benchmark	[Yes/No]	[Yes/No/N/A]
7.3 The data used to construct a Benchmark determination is based on bona-fide, arms length transactions and is anchored in the relevant interest	[Yes/No]	[Yes/No/N/A]

**Step 3 – Assign one of the four ratings to the Principle based on the standards established for each rating and the analysis conducted in Step 2.**

**Please explain how you arrived at this rating by considering whether the non-implementation of one or more Key Indicia affects you achieving the intended outcome of the relevant Principle**

**[Fully Implemented/Broadly Implemented/Partly Implemented/Not Implemented]**

*[Reasoning for rating]*

**Step 4 – Describe any planned policies and practices (including timelines) that could bring you towards fully implementing this Principle**

*[Description]*

**Quote Pair**

**Principle 8 – Hierarchy of data inputs**

**Step 1 – Summarise your currently implemented policies and practices that are relevant to this Principle**

*Instructions [delete once complete]*

*Please describe any guidelines that establish hierarchy of data inputs and exercise of expert judgment used for determination of the Benchmark and explain how that hierarchy operates.*

*If you lack any such guidelines, or the guidelines do not cover the points listed in the Key Indicia, please explain why.*

**Step 2 – Identify whether each of the following Key Indicia have been implemented through**

**your current policies and practices**

<b>Key Indicia</b>	<b>Have you implemented the Key Indicia through the summarised policies and practices? Please provide reasoning</b>	<b>If applicable, does absence of Key Indicia affect you achieving the intended outcome of the Principle? Please provide reasoning</b>
8.1 Administrators Publish or Make Available clear guidelines regarding the hierarchy of data inputs and exercise of Expert Judgment used for the determination of Benchmarks.	[Yes/No]	[Yes/No/N/A]
8.2 Generally, hierarchy of data inputs includes: a) For Submission-based Benchmarks, the Submitters' own concluded arms-length transactions in the underlying interest or related markets; b) Reported or observed concluded Arm's-length Transactions in the underlying interest and in related markets; c) Firm (executable) bids and offers; and d) Other market information or Expert Judgments.	[Yes/No]	[Yes/No/N/A]
8.3 Provided that the Data Sufficiency Principle is met (i.e., an active market exists), this Principle is not intended to restrict an Administrator's flexibility to use inputs consistent with the Administrator's approach to ensuring the quality, integrity, continuity and reliability of its Benchmark determinations, as set out in the Administrator's Methodology.	[Yes/No]	[Yes/No/N/A]

**Step 3 – Assign one of the four ratings to the Principle based on the standards established for each rating and the analysis conducted in Step 2.**

**Please explain how you arrived at this rating by considering whether the non-implementation of one or more Key Indicia affects you achieving the intended outcome of the relevant Principle**

**[Fully Implemented/Broadly Implemented/Partly Implemented/Not Implemented]**

*[Reasoning for rating]*

**Step 4 – Describe any planned policies and practices (including timelines) that could bring you towards fully implementing this Principle**

*[Description]*

**Quote Pair**

**Principle 9 – Transparency of benchmark determinations**

**Step 1 – Summarise your currently implemented policies and practices that are relevant to this Principle**

*Instructions [delete once complete]*

Please describe in detail all the information described and published with each Benchmark determination that you believe meets the criteria in Key Indicia 9(a) and (b) below.

**Step 2 – Identify whether each of the following Key Indicia have been implemented through your current policies and practices**

Key Indicia	Have you implemented the Key Indicia through the summarised policies and practices? Please provide reasoning	If applicable, does absence of Key Indicia affect you achieving the intended outcome of the Principle? Please provide reasoning
9.3 Administrators describe and publish with each Benchmark determination, to the extent reasonable without delaying the publication deadline, concise explanations:  e) Sufficient to facilitate a Stakeholder’s or Market Authority’s ability to understand how the determination was developed, including, at a minimum, the size and liquidity of the market being assessed (meaning the number and volume of transactions submitted), the range and average volume and range and average of price, and indicative percentages of each type of market data that have been considered in a Benchmark determination; terms referring to the pricing Methodology should be included (e.g., transaction-based, spread-based or interpolated/extrapolated).	[Yes/No]	[Yes/No/N/A]
f) Of the extent to which and the basis upon which Expert Judgment if any, was used in establishing a Benchmark determination.	[Yes/No]	[Yes/No/N/A]

**Step 3 – Assign one of the four ratings to the Principle based on the standards established for each rating and the analysis conducted in Step 2.**

Please explain how you arrived at this rating by considering whether the non-implementation of one or more Key Indicia affects you achieving the intended outcome of the relevant Principle

[Fully Implemented/Broadly Implemented/Partly Implemented/Not Implemented]

[Reasoning for rating]

**Step 4 – Describe any planned policies and practices (including timelines) that could bring you towards fully implementing this Principle**

[Description]

**Principle 10 – Periodic review**

**Step 1 – Summarise your currently implemented policies and practices that are relevant to this**

## Principle

### Instructions [delete once complete]

*Please describe in detail any policies, procedures and practices in place to periodically review the conditions in the underlying Interest that the Benchmark measures.*

*If you do not have any such policies, procedures and practices, or they do not cover the points listed in the Key Indicia, please explain why.*

*Please describe the focus (e.g., structural changes, diminished or nonfunctioning market) and outcomes sought from any such reviews that have been held.*

*Please describe any change in methodology or benchmark tenors or currencies resulting from such reviews.*

*If the process or detail of the reviews is documented, please provide a copy of the documentation.*

*Have or will the reviews or their outcomes be made available to anyone under any circumstances? If they have, please provide evidence (e.g. a hyperlink).*

### **Step 2 – Identify whether each of the following Key Indicia have been implemented through your current policies and practices**

<b>Key Indicia</b>	<b>Have you implemented the Key Indicia through the summarised policies and practices?  Please provide reasoning</b>	<b>If applicable, does absence of Key Indicia affect you achieving the intended outcome of the Principle?  Please provide reasoning</b>
10.1 Administrators periodically review conditions in the underlying Interest that the Benchmark measures to determine whether the Interest has: a) Undergone structural changes that might require changes to the design of the Methodology.	[Yes/No]	[Yes/No/N/A]
b) Diminished or is non-functioning such that it can no longer function as the basis for a credible Benchmark.		
10.2 The Administrator should Publish or Make Available a summary of such reviews where material revisions have been made to a Benchmark, including the rationale for the revisions.		

### **Step 3 – Assign one of the four ratings to the Principle based on the standards established for each rating and the analysis conducted in Step 2.**

**Please explain how you arrived at this rating by considering whether the non-implementation of one or more Key Indicia affects you achieving the intended outcome of the relevant Principle**

[Fully Implemented/Broadly Implemented/Partly Implemented/Not Implemented]

[Reasoning for rating]

**Step 4 – Describe any planned policies and practices (including timelines) that could bring you towards fully implementing this Principle**

[Description]

**Principle 11 – Content of the Methodology**

**Step 1 – Summarise your currently implemented policies and practices that are relevant to this Principle**

*Instructions [delete once complete]*

*Please describe in detail the methodology used to determine the Benchmark, including all the information contained in the methodology.*

*Please identify where the methodology addresses each of the required items in the principle. If the methodology fails to cover all the items listed in the Key Indicia, please explain why.*

*Has the documented methodology, together with a rationale for its adoption, been made available publicly? If so, please provide evidence (e.g. a hyperlink).*

*Where a Benchmark is based on submissions: does the methodology establish criteria for including and excluding submitters?*

*Do you anticipate the existing arrangements to change in the future? If so, please describe how and when. If applicable, please also describe how the changes will assist in your implementation of the Key Indicia of the Principle.*

**Step 2 – Identify whether each of the following Key Indicia have been implemented through your current policies and practices**

Key Indicia	Have you implemented the Key Indicia through the summarised policies and practices?  Please provide reasoning	If applicable, does absence of Key Indicia affect you achieving the intended outcome of the Principle?  Please provide reasoning
11.1 Administrators have: a) Documented and Published or Made Available the Methodology.	[Yes/No]	[Yes/No/N/A]
b) Provided the rationale for adopting a particular Methodology.		
11.2 The Published Methodology provides sufficient detail to allow Stakeholders to understand how the Benchmark is derived and to assess its representativeness, its relevance to particular Stakeholders, and its appropriateness as a reference for financial instruments. The Methodology contains – as a		

minimum:		
a) Definitions of key terms;		
b) All criteria and procedures used to develop the Benchmark including input selection, the mix of inputs used to derive the Benchmark, the guidelines that control the exercise of Expert Judgment by the Administrator, priority given to certain data types, minimum data needed to determine a Benchmark, and any models or extrapolation methods;		
c) Procedures and practices designed to promote consistency in the exercise of Expert Judgment between Benchmark determinations;		
d) Procedures which govern Benchmark determination in periods of market stress or disruption, or periods where data sources may be absent (e.g., theoretical estimation models);		
e) Procedures for dealing with error reports, including when a revision of a Benchmark would be applicable;		
f) Information regarding the frequency of internal reviews and approvals of the Methodology. Where applicable, the Published Methodologies should also include information regarding the procedures and frequency for external review of the Methodology;		
g) The circumstances and procedures under which the Administrator will consult with Stakeholders, as appropriate; and		
h) The identification of potential limitations of a Benchmark, including its operation in illiquid or fragmented markets and the possible concentration of inputs.		
<b>Where Benchmark is based on Submissions</b>		
11.3 The Administrator should clearly establish criteria for including and excluding Submitters, which:		
a) Considers any issues arising from the location of the Submitter, if in a different jurisdiction to the Administrator		
b) Is available to any relevant Regulatory Authorities, and Published or Made Available to Stakeholders. Any provisions related to changes in composition, including notice periods should be made clear.		



**Step 3 – Assign one of the four ratings to the Principle based on the standards established for each rating and the analysis conducted in Step 2.**

**Please explain how you arrived at this rating by considering whether the non-implementation of one or more Key Indicia affects you achieving the intended outcome of the relevant Principle**

**[Fully Implemented/Broadly Implemented/Partly Implemented/Not Implemented]**

*[Reasoning for rating]*

**Step 4 – Describe any planned policies and practices (including timelines) that could bring you towards fully implementing this Principle**

*[Description]*

**Principle 12 – Changes to the Methodology**

**Step 1 – Summarise your currently implemented policies and practices that are relevant to this Principle**

*Instructions [delete once complete]*

*Are the procedures and the rationale for any proposed material change to the methodology available publicly or to benchmark users? Do those procedures define what constitutes a material change? If not, why not?*

*Please describe in detail the procedures followed to make changes to the methodology, including all the factors taken into account in making any changes to the methodology and the definition of what constitutes a material change (if any). Are there different processes depending on the materiality of the change?*

*If the procedures fail to cover all the topics listed in the Key Indicia below, please explain why.*

*Are the procedures documented? If so, please provide a copy.*

*Please describe in detail the processes in place to scrutinize proposed changes to the methodology. Please describe the parties responsible for carrying out this scrutiny. If these processes are documented, please provide a copy.*

*Please describe any procedures in place to consult with stakeholders in relation to any changes to the methodology. If these are documented, please provide a copy. If there are no such procedures, please explain why.*

**Step 2 – Identify whether each of the following Key Indicia have been implemented through your current policies and practices**

Key Indicia	Have you implemented the Key Indicia through the summarised policies and practices?  Please provide reasoning	If applicable, does absence of Key Indicia affect you achieving the intended outcome of the Principle?  Please provide reasoning
12.1 Administrators Publish or Make	[Yes/No]	[Yes/No/N/A]

Available the rationale of any proposed material change in its Methodology, and procedures for making such changes.		
12.2 The [documented] procedures: a) Clearly define what constitutes a material change, and the method and timing for consulting or notifying Subscribers (and other Stakeholders where appropriate, taking into account the breadth and depth of the benchmark's use) of changes		
b) Are consistent with the overriding objective that an Administrator must ensure the continued integrity of its Benchmark determinations.		
12.3 The Administrator: a) Specifies how changes to the Methodology will be scrutinised, by the oversight function.		
b) Develops Stakeholder consultation procedures in relation to changes to the Methodology that are deemed material by the oversight function and that are appropriate and proportionate to the breadth and depth of the benchmark's use and the nature of the Stakeholders.		
12.4 Stakeholder consultation procedures involve: a) Providing advance notice and a clear timeframe that would give Stakeholders sufficient opportunity to analyse and comment on the impact of such proposed material changes, having regard to the Administrator's assessment of the overall circumstances		
b) Providing for Stakeholders' summary comments, and the Administrator's summary response to those comments, to be made accessible to all Stakeholders after any given consultation period, except where the commenter has requested confidentiality		

**Step 3 – Assign one of the four ratings to the Principle based on the standards established for each rating and the analysis conducted in Step 2.**

**Please explain how you arrived at this rating by considering whether the non-implementation of one or more Key Indicia affects you achieving the intended outcome of the relevant Principle**

**[Fully Implemented/Broadly Implemented/Partly Implemented/Not Implemented]**

*[Reasoning for rating]*

**Step 4 – Describe any planned policies and practices (including timelines) that could bring you towards fully implementing this Principle**

*[Description]*

### Principle 13 – Transition

**Step 1 – Summarise your currently implemented policies and practices that are relevant to this Principle**

*Instructions [delete once complete]*

*Please describe in detail the policies and procedures in place to address the possible cessation of the Benchmark and indicate where these policies and procedures specifically address the criteria in principle (a) – (e) above.*

*If there are no such policies or procedures, please explain why.*

*Please describe in detail all the factors taken into account in determining the policies and procedures.*

*Have the policies and procedures been Published or Made Available to Stakeholders? If so, please provide evidence (e.g. a hyperlink).*

*Have you encouraged users of the Benchmark to have fall-back provisions in contracts or financial instruments that reference the Benchmark? If so, please the details of this encouragement.*

**Step 2 – Identify whether each of the following Key Indicia have been implemented through your current policies and practices**

<b>Key Indicia</b>	<b>Have you implemented the Key Indicia through the summarised policies and practices?  Please provide reasoning</b>	<b>If applicable, does absence of Key Indicia affect you achieving the intended outcome of the Principle?  Please provide reasoning</b>
13.1 Administrators have clear documented policies and procedures, to address the need for possible cessation of a Benchmark, due to market structure change, product definition change, or any other condition which makes the Benchmark no longer representative of its intended Interest.	[Yes/No]	[Yes/No/N/A]
13.2 Policies and procedures are proportionate to the estimated breadth and depth of contracts and financial instruments that reference a Benchmark and the economic and financial stability impact that might result from the cessation of the Benchmark.		

<p>13.3 Administrators are required to take into account the views of Stakeholders and any relevant Regulatory and National Authorities in determining appropriate policies and procedures for a particular Benchmark and there is evidence they have done so. These procedures are Published or Made Available to all Stakeholders.</p>		
<p>13.4 Administrators encourage Subscribers and other Stakeholders who have financial instruments that reference a Benchmark to take steps to make sure that:</p> <p>a) Contracts or other financial instruments that reference a Benchmark, have robust fall-back provisions in the event of material changes to, or cessation of, the referenced Benchmark; and</p>		
<p>b) Stakeholders are aware of the possibility that various factors, including external factors beyond the control of the Administrator, might necessitate material changes to a Benchmark.</p>		
<p>13.5 If determined reasonable and appropriate by the Administrator, its written policies and procedures to address the cessation of a Benchmark include the following factors:</p> <p>a) Criteria to guide the selection of a credible, alternative Benchmark such as, but not limited to, criteria that seek to match to the extent practicable the existing Benchmark's characteristics, differentials between Benchmarks, the extent to which an alternative Benchmark meets the asset/liability needs of Stakeholders, whether the revised Benchmark is investable, the availability of transparent transaction data, the impact on Stakeholders and impact of existing legislation;</p>		
<p>b) The practicality of maintaining parallel Benchmarks transition to a new Benchmark;</p>		
<p>c) The procedures that the Administrator would follow in the event that a suitable alternative cannot be identified;</p>		
<p>d) In the case of a Benchmark or a tenor of a Benchmark that will be discontinued completely, the</p>		

policy defining the period of time in which the Benchmark will continue to be produced in order to permit existing contracts to migrate to an alternative Benchmark if necessary; and		
e) The process by which the Administrator will engage Stakeholders and relevant Market and National Authorities, as appropriate, in the process for selecting and moving towards an alternative Benchmark, including the timeframe for any such action commensurate with the tenors of the financial instruments referencing the Benchmarks and the adequacy of notice that will be provided to Stakeholders.		

**Step 3 – Assign one of the four ratings to the Principle based on the standards established for each rating and the analysis conducted in Step 2.**

**Please explain how you arrived at this rating by considering whether the non-implementation of one or more Key Indicia affects you achieving the intended outcome of the relevant Principle**

**[Fully Implemented/Broadly Implemented/Partly Implemented/Not Implemented]**

*[Reasoning for rating]*

**Step 4 – Describe any planned policies and practices (including timelines) that could bring you towards fully implementing this Principle**

*[Description]*

**Submission Pair Only**

**Principle 14 – Submitter code of conduct**

**Step 1 – Summarise your currently implemented policies and practices that are relevant to this Principle**

*Instructions [delete once complete]*

*Please describe in detail any guidelines in place addressing submitters and indicate where those policies address the criteria set out in principle 14 (a) – (g) below.*

*Do these guidelines cover all points in the Key Indicia? If not, please explain why. We are particularly interested in reasons why, if applicable, you may not have a prohibition on receiving data from a Front Office Function (e.g. because you are satisfied that there adequate internal and verification procedures).*

*Do you require Submitters to confirm adherence to the Submitter Code of Conduct annually and whenever a change to the Submitter Code of Conduct has occurred?*

*Have these guidelines been Published or Made Available to Stakeholders? If so, please provide*

evidence (e.g. a hyperlink). If not, why not?

Please describe in detail processes in place and the parties responsible for the review, update and oversight of the guidelines and Submitters' adherence to the guidelines.

Please describe the consequences of non-compliance with the guidelines by Submitters.

**Step 2 – Identify whether each of the following Key Indicia have been implemented through your current policies and practices**

Key Indicia	Have you implemented the Key Indicia through the summarised policies and practices?  Please provide reasoning	If applicable, does absence of Key Indicia affect you achieving the intended outcome of the Principle?  Please provide reasoning
14.1 Administrators have a Submitter Code of conduct in place which is available to any relevant Regulatory Authorities, and Published or Made Available to Stakeholders.	[Yes/No]	[Yes/No/N/A]
14.2 Administrators: a) Only use inputs or Submissions from entities which adhere to the Submitter Code of Conduct		
b) Appropriately monitor and record adherence from Submitters		
c) Require Submitters to confirm adherence to the Submitter Code of Conduct annually and whenever a change to the Submitter Code of Conduct has occurred.		
14.3 Administrator's oversight function is responsible for the continuing review and oversight of the Submitter Code of Conduct.		
14.4 The Submitter Code of Conduct covers the following:		
a) Selection of inputs;		
b) Who may submit data and information to the Administrator;		
c) Quality control procedures to verify the identity of a Submitter and any employee(s) of a Submitter who report(s) data or information and the authorization of such person(s) to report market data on behalf of a Submitter;		
d) Criteria applied to employees of a Submitter who are permitted to submit data or information to an Administrator on behalf of a Submitter;		
e) Policies to discourage the interim withdrawal of Submitters from surveys or Panels;		
f) Policies to encourage Submitters to submit all relevant data; and		
g) The Submitters' internal systems and controls, which includes: i. Procedures for submitting inputs, including Methodologies to		

	determine the type of eligible inputs, in line with the Administrator's Methodologies;		
ii.	Procedures to detect and evaluate suspicious inputs or transactions, including inter-group transactions and to ensure the Bona-Fide Nature of such inputs, where appropriate;		
iii.	Policies guiding and detailing the use of Expert Judgment, including documentation requirements;		
iv.	Record keeping policies;		
v.	Pre-Submission validation of inputs, and procedures for multiple reviews by senior staff to check inputs;		
vi.	Training, including training with respect to any relevant regulation (covering Benchmark regulation or any market abuse regime);		
vii.	Suspicious Submission reporting;		
viii.	Roles and responsibilities of key personnel and accountability lines;		
ix.	Internal sign off procedures by management for submitting inputs;		
x.	Whistle blowing policies (in line with Principle 4); and		
xi.	Conflicts of interest procedures and policies (as defined in Principle 14 g xi).		

**Step 3 – Assign one of the four ratings to the Principle based on the standards established for each rating and the analysis conducted in Step 2.**

**Please explain how you arrived at this rating by considering whether the non-implementation of one or more Key Indicia affects you achieving the intended outcome of the relevant Principle**

**[Fully Implemented/Broadly Implemented/Partly Implemented/Not Implemented]**

*[Reasoning for rating]*

**Step 4 – Describe any planned policies and practices (including timelines) that could bring you towards fully implementing this Principle**

*[Description]*

## Principle 15 – Internal controls over data collection

### Step 1 – Summarise your currently implemented policies and practices that are relevant to this Principle

*Instructions [delete once complete]*

*Please describe in detail the circumstances where data is sought from external sources, including a detailed description of the sources and the data sought.*

*Please describe in detail any internal controls in place over the data collection and transmission processes, including how sources are selected, data is collected and integrity and confidentiality of the data is maintained.*

*If there are no such internal controls, or the internal controls do not cover the topics in the Key Indicia, please explain why.*

*In what circumstances are data collected from a Front Office Function and how is such data treated? Please explain whether and if so, how, the Administrator seeks corroborating data from other sources.*

### Step 2 – Identify whether each of the following Key Indicia have been implemented through your current policies and practices

Key Indicia	Have you implemented the Key Indicia through the summarised policies and practices?  Please provide reasoning	If applicable, does absence of Key Indicia affect you achieving the intended outcome of the Principle?  Please provide reasoning
15.1 When an Administrator collects data from any external source the Administrator ensures there are appropriate internal controls over its data collection and transmission processes, which address processes for : a) Selecting the source	[Yes/No]	[Yes/No/N/A]
b) Collecting the data		
c) Protecting the integrity and confidentiality of the data.		
15.2 If data is received from the Front Office Function, the Administrator seeks corroborating data from other sources		

### Step 3 – Assign one of the four ratings to the Principle based on the standards established for each rating and the analysis conducted in Step 2.

**Please explain how you arrived at this rating by considering whether the non-implementation of one or more Key Indicia affects you achieving the intended outcome of the relevant Principle**

**[Fully Implemented/Broadly Implemented/Partly Implemented/Not Implemented]**



*[Reasoning for rating]*

**Step 4 – Describe any planned policies and practices (including timelines) that could bring you towards fully implementing this Principle**

*[Description]*

**Principle 16 – Complaints procedures**

**Step 1 – Summarise your currently implemented policies and practices that are relevant to this Principle**

*Instructions [delete once complete]*

*Please describe in detail your complaints procedures policy for Stakeholders seeking to make a complaint in relation to a Benchmark determination.*

*If there is no such policy, or it does not cover all of the topics listed in the Key Indicia, please explain why.*

*Has the policy been published or made available to users of the Benchmark? If so, please provide evidence (e.g. a hyperlink)*

*What is the process for resolution of informal disputes?*

*Please describe in detail the process followed if a complaint results in a Benchmark determination being changed. Is this available publicly or to your regulator to anyone?*

**Step 2 – Identify whether each of the following Key Indicia have been implemented through your current policies and practices**

<b>Key Indicia</b>	<b>Have you implemented the Key Indicia through the summarised policies and practices?  Please provide reasoning</b>	<b>If applicable, does absence of Key Indicia affect you achieving the intended outcome of the Principle?  Please provide reasoning</b>
16.1 Administrators establish and Publish or Make Available a written complaints procedures policy, by which Stakeholders may submit complaints including concerning whether a specific Benchmark determination is representative of the underlying Interest it seeks to measure, applications of the Methodology in relation to a specific Benchmark determination(s) and other Administrator's decisions in relation to a benchmark determination.	[Yes/No]	[Yes/No/N/A]
16.2 The complaints procedures policy: a) Permits complaints to be submitted through a user-friendly complaints process such as an electronic Submission process;		

b) Contains procedures for receiving and investigating a complaint made about the Administrator’s Benchmark determination process on a timely and fair basis by personnel who are independent of any personnel who may be or may have been involved in the subject of the complaint, advising the complainant and other relevant parties of the outcome of its investigation within a reasonable period and retaining all records concerning complaints;		
c) Contains a process for escalating complaints, as appropriate, to the Administrator’s governance body; and		
d) Requires all documents relating to a complaint, including those submitted by the complainant as well as the Administrator’s own record, to be retained for a minimum of five years, subject to applicable national legal or regulatory requirements.		
16.3 Disputes that are not formal complaints are resolved by the Administrator by reference to its standard appropriate procedures. If a complaint results in a change in a Benchmark determination, that change is published or made available to Subscribers and published or made available to Stakeholders as soon as possible as set out in the Methodology.		

**Step 3 – Assign one of the four ratings to the Principle based on the standards established for each rating and the analysis conducted in Step 2.**

**Please explain how you arrived at this rating by considering whether the non-implementation of one or more Key Indicia affects you achieving the intended outcome of the relevant Principle**

**[Fully Implemented/Broadly Implemented/Partly Implemented/Not Implemented]**

*[Reasoning for rating]*

**Step 4 – Describe any planned policies and practices (including timelines) that could bring you towards fully implementing this Principle**

*[Description]*

## **Principle 17 – Audits**

**Step 1 – Summarise your currently implemented policies and practices that are relevant to this Principle**

*Instructions [delete once complete]*

*Have you appointed an auditor to conduct an audit of your adherence with your stated policies and methodologies the Principles? If not, why not?*

*If so, please describe the details of this appointment and the anticipated audit process in detail.*

*Have you appointed an auditor to conduct a period audit of your compliance with the Benchmark's methodology? If not, why not?*

*If so, please describe the details of this appointment and the anticipated audit process in detail. Please include in your response a justification of why the anticipated frequency of audits is proportionate to the size and complexity of your Benchmark operations and the breadth and depth of Benchmark use by Stakeholders.*

**Step 2 – Identify whether each of the following Key Indicia have been implemented through your current policies and practices**

<b>Key Indicia</b>	<b>Have you implemented the Key Indicia through the summarised policies and practices? Please provide reasoning</b>	<b>If applicable, does absence of Key Indicia affect you achieving the intended outcome of the Principle? Please provide reasoning</b>
17.1 Administrators appoint an independent internal or external auditor with appropriate experience and capability to periodically review and report on the Administrator's adherence to its stated criteria and with the Principles.	[Yes/No]	[Yes/No/N/A]
17.2 Frequency of audits is proportional to the size and complexity of the Administrator's operations.		
17.3 Where appropriate to the level of existing or potential conflicts of interest identified by the Administrator an Administrator appoints an independent external auditor with appropriate experience and capability to periodically review and report on the Administrator's adherence to its stated Methodology.		
17.4 The frequency of audits is proportionate to the size and complexity of the Administrator's Benchmark operations and the breadth and depth of Benchmark used by Stakeholders.		

**Step 3 – Assign one of the four ratings to the Principle based on the standards established for each rating and the analysis conducted in Step 2.**

**Please explain how you arrived at this rating by considering whether the non-implementation of**

**one or more Key Indicia affects you achieving the intended outcome of the relevant Principle**

**[Fully Implemented/Broadly Implemented/Partly Implemented/Not Implemented]**

*[Reasoning for rating]*

**Step 4 – Describe any planned policies and practices (including timelines) that could bring you towards fully implementing this Principle**

*[Description]*

**Principle 18 – Audit trail**

**Step 1 – Summarise your currently implemented policies and practices that are relevant to this Principle**

*Instructions [delete once complete]*

*Please describe your record keeping policies including detailed descriptions of kinds of data and information retained, manner of retention and time for which data and information is retained.*

*If you do not have such policies, or your policies do not cover the topics listed in the Key Indicia, please explain why.*

*Do you have record sharing arrangements with a relevant regulated market or exchange? If so, please provide details of these arrangements.*

**Step 2 – Identify whether each of the following Key Indicia have been implemented through your current policies and practices**

<p><b>Key Indicia</b></p>	<p><b>Have you implemented the Key Indicia through the summarised policies and practices?</b></p> <p><b>Please provide reasoning</b></p>	<p><b>If applicable, does absence of Key Indicia affect you achieving the intended outcome of the Principle?</b></p> <p><b>Please provide reasoning</b></p>
<p>18.1 Administrators, subject to national legal or regulatory requirements, retain for five years written records on:</p>	<p>[Yes/No]</p>	<p>[Yes/No/N/A]</p>
<p>a) All market data, Submissions and any other data and information sources relied upon for Benchmark determination;</p>		
<p>b) The exercise of Expert Judgment made by the Administrator in reaching a Benchmark determination;</p>		
<p>c) Other changes in or deviations from standard procedures and Methodologies, including those made during periods of market stress or disruption;</p>		
<p>d) The identity of each person involved in producing a Benchmark determination; and</p>		
<p>e) Any queries and responses relating to data inputs.</p>		

18.2 Administrators may rely on these records held by a Regulated Market or Exchange for compliance with this Principle, subject to appropriate written record sharing agreements.		
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**Step 3 – Assign one of the four ratings to the Principle based on the standards established for each rating and the analysis conducted in Step 2.**

**Please explain how you arrived at this rating by considering whether the non-implementation of one or more Key Indicia affects you achieving the intended outcome of the relevant Principle**

**[Fully Implemented/Broadly Implemented/Partly Implemented/Not Implemented]**

*[Reasoning for rating]*

**Step 4 – Describe any planned policies and practices (including timelines) that could bring you towards fully implementing this Principle**

*[Description]*

**Principle 19 – Cooperation with regulatory authorities**

**Step 1 – Summarise your currently implemented policies and practices that are relevant to this Principle**

*Instructions [delete once complete]*

*Please describe in detail your policies and procedures relating to sharing of information with Regulatory Authorities, including the kinds of information and data covered under these arrangements.*

*If you do not make relevant documents, Audit Trails and other documents available to the Regulatory Authorities, please explain why.*

**Step 2 – Identify whether each of the following Key Indicia have been implemented through your current policies and practices**

<b>Key Indicia</b>	<b>Have you implemented the Key Indicia through the summarised policies and practices?  Please provide reasoning</b>	<b>If applicable, does absence of Key Indicia affect you achieving the intended outcome of the Principle?  Please provide reasoning</b>
19.1 Relevant parties make readily available and hand over promptly on request, relevant documents, Audit Trails and other documents subject to the Principles to the relevant Regulatory Authorities in carrying out their regulatory or supervisory duties.	[Yes/No]	[Yes/No/N/A]

**Step 3 – Assign one of the four ratings to the Principle based on the standards established for each rating and the analysis conducted in Step 2.**

**Please explain how you arrived at this rating by considering whether the non-implementation of one or more Key Indicia affects you achieving the intended outcome of the relevant Principle**

**[Fully Implemented/Broadly Implemented/Partly Implemented/Not Implemented]**

*[Reasoning for rating]*

**Step 4 – Describe any planned policies and practices (including timelines) that could bring you towards fully implementing this Principle**

*[Description]*

**Assessment Methodology**  
**IOSCO Principles for Financial Benchmarks**  
**Foreign Exchange Benchmarks Review**



**OICV-IOSCO**

**International Organization of Securities Commissions**

**April 2014**

### **Instructions**

This assessment methodology supports the review by International Organisation of Securities Commissions (**IOSCO**) of the implementation of the IOSCO *Principles for Financial Benchmarks (Principles)* by WM Reuters in respect of its 4 p.m. London fixing (**WMR London Fix**) concerning the currency pairs specified below.

We ask you to read this methodology and complete and return the self-assessment template in section III in accordance with the instructions by **2 May 2014**.

Your response should be sent to [ xx ] in MSWord format. You should also send any documentation and data which supports your response to this email address. Data should be submitted in either MSWord or MSEXcel format.



## IV. INTRODUCTION

### D. Background

At its 24 June 2013 meeting, the Financial Stability Board (**FSB**) Plenary established an Official Sector Steering Group (**OSSG**) of regulators and central banks on interest rate Benchmark reform.<sup>7</sup> As part of this work, the OSSG is to recommend global standards for reference rate Benchmarks and review them against these standards. It is to also oversee work on exploring additional reference rates and transition strategies to these rates.

At its February 2014 meeting, the FSB Plenary agreed to extend its work on financial Benchmarks to cover global foreign exchange Benchmarks.

The Foreign Exchange Benchmarks Group (**FXBG**) was created as a new OSSG subgroup to undertake a review of major foreign exchange Benchmarks, including their definitions, construction and governance, as well as an analysis of market characteristics around Benchmark fixings. The FXBG will report to the OSSG, who in turn will report to the FSB Board.

After an initial stocktaking exercise, the FXBG has agreed to undertake a formal review of the WMR London Fix against the Principles.

In April 2014, the chairs of the FXBG formally requested, and the IOSCO Board agreed, for IOSCO to conduct a formal review of the WMR London Fix (**Review**) and provide the results to the FXBG by 1 July 2014.

Following IOSCO Board approval, a Review Team comprised of members from the IOSCO Task Force on Financial Benchmarks and the IOSCO Assessment Committee was constituted for the purpose of completing the Review.<sup>8</sup>

### E. Objectives of the Review

Consistent with the FXBG Chairs' request, the objective of this Review is to identify the degree of implementation of the Principles by WM Reuters in respect of the WMR London Fix.

#### *Currency pairs reviewed*

The Review will cover the following currencies pairs:

- USD/CAD (**Trade Pair 1**) and EUR/CHF (**Trade Pair 2**) (together, **Trade Pairs**) ; and
- USD/IDR (**Order Pair**).

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<sup>7</sup> See Financial Stability Board, *Progress report on the oversight and governance framework for financial benchmark reform: Report to G20 Finance Ministers and Central Bank Governors* (29 August 2013) for more detail on the OSSG and its work program. Available at: [http://www.financialstabilityboard.org/publications/r\\_130829f.pdf](http://www.financialstabilityboard.org/publications/r_130829f.pdf).

<sup>8</sup> The Review Team is constituted by staff from the Financial Conduct Authority (United Kingdom) (**FCA**) (Co-Chair), the Australian Securities and Investments Commission (Co-Chair), the Federal Financial Supervisory Authority (Germany), the Financial Services Agency of Japan (**JFSA**) and the Financial Services Board (South Africa) (**SAFSB**). Members of the IOSCO Secretariat are providing administrative support to the Review Team.

## F. Deliverable of the Review

The Review will deliver a report to be approved by the IOSCO Board and submitted to the FXBG (**Review Report**) setting out:

- This assessment methodology (**Assessment Methodology**);
- A qualitative discussion on the implementation of the Principles by WM Reuters taking into account their current policies and practices; and
- Where a Principle is yet to be implemented in full:
  - The key reasons why this is the case; and
  - A description of the WM Reuters' plans (if any) to fully implement the Principle (including the time table for those plans); and
  - Recommended remediation actions that should be taken by WM Reuters to fully implement the Principles.

## V. THE ASSESSMENT METHODOLOGY

### H. Introduction

This Assessment Methodology has been developed to facilitate the self-assessment of the degree of implementation by WM Reuters of the Principles.

The Methodology also has been designed as a means for identifying any potential gaps, inconsistencies, weaknesses and areas for remediation by WM Reuters that may be necessary.

The Assessment Methodology sets out the instructions for responding to the questionnaire. It also includes a self-assessment template in section III (**Self-Assessment Template**). This Self-Assessment Template sets out fields for:

- WM Reuters to summarize its relevant policies and practices;
- The Key Indicia of the implementation of each relevant Principle;
- The analysis of whether WM Reuters' policies and practices meet each specific Key Indicia (i.e. whether the relevant Principle has been implemented);
- WM Reuters to conclude what rating should apply to each Principle; and
- WM Reuters to describe any plans for further policies and practices that are relevant to the implementation of the Principles.

### I. Key Indicia

The Key Indicia for each Principle are the minimum policies, procedures and practices that the Review Team would expect to see if WM Reuters had implemented that Principle.

They express discrete, identifiable elements of a Principle that can be used to assess the degree of implementation of a Principle by WM Reuters.

For clarity, they do not add to, or alter, the Principles: They are intended to distil the key requirements of each Principle.

## **J. Self-Assessment Template – How to Respond**

The Self-Assessment Template has been developed to elicit a self assessment from WM Reuters on whether each of the Key Indicia for each Principle is evident in WM Reuters' policies and practices in respect of the WMR London Fix for the currency pairs identified above.

WM Reuters should complete the Self-Assessment Template once, where possible, for all currency pairs. However, for Principles 6- 9 (inclusive), WM Reuters should complete the template for each currency pair individually.

WM Reuters should respond to Principle 14 and those parts of other Principles that concern submission-based benchmarks if and where it believes such standards are applicable to it, bearing in mind the intent of the Principles overall and the specific definitions used in the Principles.

If WM Reuters believes the standards concerning submissions-based benchmarks are not applicable to it, this belief and a detail rationale for it should be provided together with the Self-Assessment Template. WM Reuters should be aware that the Review Team may take a different view as to the applicability of these standards to one or more currency pairs.

For all other Principles, WM Reuters should indicate in its self-assessment where the policies, practices and ratings differ across the currency pairs. The differences should be explained clearly, with a rationale offered as to why those differences exist.

### ***Evidence***

In addition to its self assessment responses, WM Reuters should provide sufficient evidence to allow the Review Team to verify those responses. Accordingly:

- With respect to policies and procedures, supporting documentation, as well as internet linkages to such documents, should be provided wherever possible.
  - Where documentation is provided, WM Reuters is requested to indicate in their response the relevant part of the documentation that they are relying on to evidence implementation of the Principle.
- WM Reuters should provide data, examples or other evidence to substantiate the implementation practice that they follow.

The Review Team notes that it may seek access to other relevant information and stakeholders when conducting an assessment.

## **K. Approach to Assessing Implemented Policies and Practices**

The Review assessment will be based on WM Reuters' implemented policies and practices as of 2 May 2014.

The Review Team will form a qualitative opinion as the implementation of each Principle by WM Reuters. It will substantiate its opinions with reasoning in the Review Report. While WM Reuters' self-assessment will provide ratings for each Principle, the Review Report will not contain any formal ratings.

The assessment should note instances where implementation of a particular Principle could not be adequately assessed and explain why. For example, certain information may not have been provided or the data that is used to assess the degree of implementation may be inconclusive. Unsatisfied requests for information should be documented in writing.

## L. Approach to Planned Policies and Practices

A key part of the Review Report will include describing the status of any plans for WM Reuters to fully implement (or to ensure a greater degree of implementation of) the Principles. The Review Report will not formally assess these plans; it will simply describe them.

To assist the Review Team to describe reform plans, the Self-Assessment Template asks whether WM Reuters anticipates the arrangements that they have described in their responses connected to each Principle changing in the future.

*In responding to these questions, WM Reuters should ensure that it:*

5. *Describes in detail the nature of any anticipated changes, including the extent to which they have engaged in planning or designing new policies or practices and providing any available drafts or outlines of these new policies;*
6. *Provides a timeline over which the arrangements will change;*
7. *Identifies whether regulatory or legislative change is driving the anticipated changes; and*
8. *Explain how it believes the new arrangements will help it implement the relevant Principle. To the extent concrete proposals have been published, responses should explicitly highlight how the relevant policies and practices would align with the specific requirements of each Principle.*

## M. Confidentiality

The Review Team appreciates that responses to the Self-Assessment Template may elicit market or commercially sensitive information.

To address this issue:

- WM Reuters is requested to indicate what information is market or commercially sensitive in its response.
- WM Reuters will be afforded the opportunity to review the Review Report prior to its submission to the FXBG and OSSG by the Review Team.

## N. Key Dates

The key dates for this Review are:

- **16 April 2014** – Assessment Methodology sent to the Administrator for completion
- **2 May 2014** – **Responses from WM Reuters due back to Review Team**
- **May 2014** – Review Team analyses responses and drafts Review Report
- **Early June** – Review Team to share relevant parts of draft of Review Report with WM Reuters for their comment
- **Mid-June 2014** – Review Report submitted to IOSCO Board for approval
- **1 July 2014** – Review Report submitted to OSSG

## VI. SELF-ASSESSMENT TEMPLATE

### Instructions

The self-assessment asks you to perform four steps:

- **Step 1**

Summarise your implemented policies and practices. The template gives you a guide as to what policies and practices would be relevant to each Principle.

- **Step 2**

Identify whether you have **not** implemented any Key Indicia through those summarised policies and practices (planned policies and practices should not be taken into account at this stage) and assess whether any such non-implementation affects you achieving the intended outcome of the Principle.

The intended outcome of the Principle is to be ascertained by considering both the specific Key Indicia and the text of the Principle (including any commentary in the Final Report that sets out the Principles).

- **Step 3**

Based on this identification and assessment, assign one of the following ratings to the Principle.

- **Step 4**

Summarise any planned policies and practices.

### Rating Scale

<b>Fully Implemented</b>	A Principle will be considered to be Fully Implemented when all Key Indicia have been implemented without any significant deficiencies.
<b>Broadly Implemented</b>	A Principle will be considered to be Broadly Implemented when the assessment demonstrates shortcomings in implementation of the Key Indicia by the Administrator and those shortcomings do not, in the judgment of the assessor, substantially affect the Administrator achieving the intended outcome of the Principle.
<b>Partly Implemented</b>	A Principle will be considered to be Partly Implemented when the assessment demonstrates shortcomings in implementation of the Key Indicia by the Administrator and those shortcomings, in the judgment of the assessor, substantially affect the Administrator achieving the intended outcome of the Principle.
<b>Not Implemented</b>	A Principle will be considered to be Not Implemented when the assessment demonstrates no implementation of any of the Key Indicia by the Administrator or where there is some implementation, the implementation is manifestly ineffective in achieving the intended outcome of the Principle.

## Principle 1 – Overall responsibility of the Administrator

### Step 1 – Summarise your currently implemented policies and practices that are relevant to this Principle

*Instructions [delete once complete]*

*To assess the implementation of these Key Indicia, please explain if you have primary responsibility for the Benchmark determination process.*

*Please consider that the Benchmark determination process covers at least:*

- e) The development of the Benchmark;*
- f) The determination and dissemination of the Benchmark;*
- g) The operation of the Benchmark process (including contingency measures for breakdowns in the process); and*
- h) The governance surrounding the Benchmark determination process.*

*Please identify all other parties who have responsibility for some element of the Benchmark determination process and explain what that responsibility is.*

### Step 2 – Identify whether each of the following Key Indicia have been implemented through your current policies and practices

Key Indicia	Have you implemented the Key Indicia through the summarised policies and practices?  Please provide reasoning	If applicable, does absence of Key Indicia affect you achieving the intended outcome of the Principle?  Please provide reasoning
1.1 Administrator has primary responsibility for all aspects of Benchmark determination process include (at a minimum): e) Development: definition of Benchmark and methodology;	[Yes/No]	[Yes/No/N/A]
f) Determination and dissemination: accurate and timely compilation, publication and distribution;	[Yes/No]	[Yes/No/N/A]
g) Operation: appropriate transparency over significant decisions affecting the compilation and determination; and	[Yes/No]	[Yes/No/N/A]
h) Governance: credible and transparent governance, oversight and accountability for the Benchmark determination process, including an identifiable oversight function accountable for the development and issuance and operation of the	[Yes/No]	[Yes/No/N/A]

Benchmark.		
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**Step 3 – Assign one of the four ratings to the Principle based on the standards established for each rating and the analysis conducted in Step 2.**

**Please explain how you arrived at this rating by considering whether the non-implementation of one or more Key Indicia affects you achieving the intended outcome of the relevant Principle**

**[Fully Implemented/Broadly Implemented/Partly Implemented/Not Implemented]**

*[Reasoning for rating]*

**Step 4 – Describe any planned policies and practices (including timelines) that could bring you towards fully implementing this Principle**

*[Description]*

### **Principle 2 – Oversight of third parties**

**Step 1 – Summarise your currently implemented policies and practices that are relevant to this Principle**

*Instructions [delete once complete]*

*Please describe any aspect of the Benchmark determination process that is outsourced to a third party.*

*Please describe any policies, procedures and practices that you have which govern or otherwise provide oversight over these arrangements. If these policies, procedures and practices are documented, please provide a copy of the documentation.*

*If you lack any applicable policies, procedures and practices for oversight, or if these policies, procedures and practices do not cover all topics listed in the Key Indicia, please explain why.*

**Step 2 – Identify whether each of the following Key Indicia have been implemented through your current policies and practices**

<b>Key Indicia</b>	<b>Have you implemented the Key Indicia through the summarised policies and practices? Please provide reasoning</b>	<b>If applicable, does absence of Key Indicia affect you achieving the intended outcome of the Principle? Please provide reasoning</b>
2.3 Where activities relating to the Benchmark determination process are undertaken by third parties, the Administrator maintains appropriate oversight of such third parties.	[Yes/No]	[Yes/No/N/A]
2.4 The Administrator's policies: d) Clearly define and substantiate through appropriate written	[Yes/No]	[Yes/No/N/A]

arrangements the roles and obligations of third parties and the standards the Administrator expects them to meet;		
e) Monitor third parties' compliance with the standards;	[Yes/No]	[Yes/No/N/A]
f) Make Available to Stakeholders and any relevant Regulatory Authority the identity and roles of such third parties; and	[Yes/No]	[Yes/No/N/A]

**Step 3 – Assign one of the four ratings to the Principle based on the standards established for each rating and the analysis conducted in Step 2.**

**Please explain how you arrived at this rating by considering whether the non-implementation of one or more Key Indicia affects you achieving the intended outcome of the relevant Principle**

**[Fully Implemented/Broadly Implemented/Partly Implemented/Not Implemented]**

*[Reasoning for rating]*

**Step 4 – Describe any planned policies and practices (including timelines) that could bring you towards fully implementing this Principle**

*[Description]*

### **Principle 3 – Conflict of interest for Administrators**

**Step 1 – Summarise your currently implemented policies and practices that are relevant to this Principle**

*Instructions [delete once complete]*

*Please describe all identified existing and potential conflicts of interest within the Administrator's business, including all affiliates.*

*Have any of these conflicts been disclosed to your users or regulatory authority?*

*Please describe in detail any framework you have for the identification, disclosure, management, mitigation or avoidance of conflicts of interest and how that framework is tailored to relevant conflicts and has been implemented. Please include in your description detail of the identification and mitigation processes you use, giving an example if possible of actual employment of the processes.*

*Please describe any process you have for the review and updating of these policies and procedures.*

*If you lack any such framework, or your framework does not cover one of the topics identified in the Key Indicia, please explain why.*

**Step 2 – Identify whether each of the following Key Indicia have been implemented through**



## your current policies and practices

Key Indicia	Have you implemented the Key Indicia through the summarised policies and practices?  Please provide reasoning	If applicable, does absence of Key Indicia affect you achieving the intended outcome of the Principle?  Please provide reasoning
3.3 Administrators: d) Document, implement and enforce policies and procedures for the identification, disclosure, management, mitigation or avoidance of conflicts of interest.	[Yes/No]	[Yes/No/N/A]
e) Review and update their policies and procedures as appropriate.	[Yes/No]	[Yes/No/N/A]
f) Disclose any material conflicts of interest to their users and any relevant Regulatory Authority.	[Yes/No]	[Yes/No/N/A]
3.4 The framework is tailored to the level of existing or potential conflicts of interest and risks posed by the Benchmark and seeks to c) Ensure that: viii. Existing or potential conflicts of interest do not inappropriately influence Benchmark determinations;	[Yes/No]	[Yes/No/N/A]
ix. Personal interests and connections or business connections do not compromise the Administrator's performance of its functions;	[Yes/No]	[Yes/No/N/A]
x. Segregation of reporting lines within the Administrator, where appropriate, to clearly define responsibilities and prevent unnecessary or undisclosed conflicts of interest or the perception of such conflicts;	[Yes/No]	[Yes/No/N/A]
xi. Adequate supervision and sign-off by authorised or qualified employees prior to releasing Benchmark determinations;	[Yes/No]	[Yes/No/N/A]
xii. The confidentiality of data, information and other inputs submitted to, received by or produced by the Administrator, subject	[Yes/No]	[Yes/No/N/A]

	to the disclosure obligations of the Administrator;		
xiii.	Effective procedures to control the exchange of information between staff engaged in activities involving a risk of conflicts of interest or between staff and third parties, where that information may reasonably affect any Benchmark determinations; and	[Yes/No]	[Yes/No/N/A]
xiv.	Adequate remuneration policies that ensure all staff who participate in the Benchmark determination are not directly or indirectly rewarded or incentivised by the levels of the Benchmark.	[Yes/No]	[Yes/No/N/A]
d)	Mitigate existing or potential conflicts created by the Administrator's ownership structure or control, or due to other interests of its staff or wider group and to this end:	[Yes/No]	[Yes/No/N/A]
iii.	Includes measures to avoid, mitigate or disclose conflicts of interest that may exist between its Benchmark determination business, including staff who perform or otherwise participate in Benchmark production responsibilities, and other business of the Administrator or an affiliate;	[Yes/No]	[Yes/No/N/A]
iv.	Provides that an Administrator discloses conflicts of interest arising from the ownership structure or the control of the Administrator to its Stakeholders and any relevant Regulatory Authority in a timely manner.	[Yes/No]	[Yes/No/N/A]

**Step 3 – Assign one of the four ratings to the Principle based on the standards established for each rating and the analysis conducted in Step 2.**

**Please explain how you arrived at this rating by considering whether the non-implementation of one or more Key Indicia affects you achieving the intended outcome of the relevant Principle**

[Fully Implemented/Broadly Implemented/Partly Implemented/Not Implemented]

[Reasoning for rating]

**Step 4 – Describe any planned policies and practices (including timelines) that could bring you towards fully implementing this Principle**

[Description]

**Principle 4 – Control framework for Administrators**

**Step 1 – Summarise your currently implemented policies and practices that are relevant to this Principle**

*Instructions [delete once complete]*

*Please describe in detail any control framework that you have implemented that concerns the process of determining and distributing the Benchmark.*

*Please explain how this control framework (or frameworks) is tailored to the materiality of the potential or existing conflicts of interest identified, the extent of the use of discretion in the Benchmark setting process and to the nature of Benchmark inputs and outputs.*

*Please describe any process you have for the review and updating of these policies and procedures.*

*If you lack any control framework, or if the control framework does not address the areas identified in the Key Indicia, please explain why.*

*Please indicate whether and how a summary of this control framework (or frameworks) is Published or Made Available to Stakeholders. If it has, please provide evidence (e.g. a hyperlink). If it not Published or Made Available, please explain why.*

*Please describe in detail the composition of, selection criteria for and all arrangements with submitters to the Benchmark. Please include in this any submitter code of conduct that you employ.*

*Please describe the processes in place for monitoring submitters’ compliance with the arrangements.*

*Please describe any ex-ante and ex-post monitoring of submissions conducted, including any procedures covering such monitoring.*

*Please explain how, if applicable, your submitters comprise an appropriately representative group of participants taking into consideration the underlying interest measured by the Benchmark.*

**Step 2 – Identify whether each of the following Key Indicia have been implemented through your current policies and practices**

Key Indicia	Have you implemented the Key Indicia through the summarised policies and practices? Please provide reasoning	If applicable, does absence of Key Indicia affect you achieving the intended outcome of the Principle? Please provide reasoning
4.1 Administrators have an appropriate control framework in place	[Yes/No]	[Yes/No/N/A]

for the process of determining and distributing the Benchmark. At a minimum it is:		
d) Appropriately tailored to the materiality of the identified conflicts of interest, the extent of the use of discretion in the Benchmark setting process and to the nature of Benchmark inputs and outputs.		
e) Documented and available to relevant Regulatory Authorities. A summary of its main features should be Published or Made Available to Stakeholders.	[Yes/No]	[Yes/No/N/A]
f) Reviewed periodically and updated as appropriate and address the following areas: ix. Conflicts of interest in line with Principle 3	[Yes/No]	[Yes/No/N/A]
x. Arrangements to ensure that the quality and integrity of Benchmarks is maintained, in line with principles 6 to 15	[Yes/No]	[Yes/No/N/A]
xi. Arrangements to promote the integrity of Benchmark inputs, including adequate due diligence on input sources	[Yes/No]	[Yes/No/N/A]
xii. Arrangements to ensure accountability and complaints mechanisms are effective, in line with principles 16 to 19	[Yes/No]	[Yes/No/N/A]
xiii. Provides robust infrastructure, policies and procedures for the management of risk, including operational risk	[Yes/No]	[Yes/No/N/A]
xiv. Establishes an effective whistle blowing mechanism, to facilitate early awareness of any potential misconduct or irregularities, which should allow for external reporting where appropriate	[Yes/No]	[Yes/No/N/A]
xv. Ensures Benchmark determinations are made by personnel who possess the relevant levels of expertise, with a process for periodic review of their competence	[Yes/No]	[Yes/No/N/A]
xvi. Staff training, including ethics and conflicts of	[Yes/No]	[Yes/No/N/A]

interest training, and continuity and succession planning for personnel		
<b>Benchmarks based on Submissions:</b>	[Yes/No]	[Yes/No/N/A]
4.3 Administrators: d) Have measures in place to ensure as far as possible whereby Submitters comprise an appropriately representative group of participants taking into consideration the underlying Interest measured by the Benchmark;		
e) Employ a system of appropriate measures so that, to the extent possible, Submitters comply with the Submission guidelines, as defined in the Submitter Code of Conduct and the Administrators' applicable quality and integrity standards for Submission; and	[Yes/No]	[Yes/No/N/A]
f) Specify the frequency of Submissions and specifying that inputs or Submissions should be made for every Benchmark determination.	[Yes/No]	[Yes/No/N/A]

**Step 3 – Assign one of the four ratings to the Principle based on the standards established for each rating and the analysis conducted in Step 2.**

**Please explain how you arrived at this rating by considering whether the non-implementation of one or more Key Indicia affects you achieving the intended outcome of the relevant Principle**

**[Fully Implemented/Broadly Implemented/Partly Implemented/Not Implemented]**

*[Reasoning for rating]*

**Step 4 – Describe any planned policies and practices (including timelines) that could bring you towards fully implementing this Principle**

*[Description]*

### **Principle 5 – Internal Oversight**

**Step 1 – Summarise your currently implemented policies and practices that are relevant to this Principle**

*Instructions [delete once complete]*

*Please describe in detail the form, arrangements, responsibilities, operation and other details of any oversight function that you have in place to review and provide challenge to the Benchmark determination process and, if relevant, submissions.*

*Please explain how this oversight function is appropriate to provide effective scrutiny of your activities.*

*Please detail how this oversight function has operated in practice since its establishment, giving examples of its activities.*

*Please describe any procedures that relate to your oversight function.*

*If you lack any such oversight function, or it does not cover the areas listed in the Key Indicia please explain why*

*Please indicate whether and how details of this oversight function are Made Available to Stakeholders. If they have, please provide evidence (e.g. a hyperlink).*

**Step 2 – Identify whether each of the following Key Indicia have been implemented through your current policies and practices**

Key Indicia	Have you implemented the Key Indicia through the summarised policies and practices? Please provide reasoning	If applicable, does absence of Key Indicia affect you achieving the intended outcome of the Principle? Please provide reasoning
5.7 Administrators have an oversight function to review and provide challenge on all aspects of the Benchmark determination process, which should:  c) Include consideration of the features and intended, expected or known usage of the Benchmark and the materiality of existing or potential conflicts of interest identified.	[Yes/No]	[Yes/No/N/A]
d) Be carried out either by a separate committee, or other appropriate governance arrangements. The oversight function and its composition should be appropriate to provide effective scrutiny of the Administrator. Such oversight function could consider groups of Benchmarks by type or asset class, provided that it otherwise complies with this Principle.	[Yes/No]	[Yes/No/N/A]
5.8 An Administrator develops and maintains robust procedures regarding its oversight function, which should be documented and available to relevant Regulatory Authorities and its main features Made Available to Stakeholders.	[Yes/No]	[Yes/No/N/A]
5.9 These procedures include terms of reference for the oversight function, selection criteria for membership and summary details of membership of	[Yes/No]	[Yes/No/N/A]

any committee or arrangement of the oversight function (together with declarations of conflicts of interest and processes for election, nomination or removal and replacement of members).		
5.10 Responsibilities of the oversight function include:  c) Oversight of the Benchmark design, including: v. Periodic review of the definition of the Benchmark and its Methodology;	[Yes/No]	[Yes/No/N/A]
vi. Taking measures to remain informed about issues and risks to the Benchmark, as well as commissioning external reviews of the Benchmark (as appropriate);	[Yes/No]	[Yes/No/N/A]
vii. Overseeing any changes to the Benchmark Methodology, including assessing whether the Methodology continues to appropriately measure the underlying Interest, reviewing proposed and implemented changes to the Methodology, and authorising or requesting the Administrator to undertake a consultation with Stakeholders where known or its Subscribers on such changes as per Principle 12; and	[Yes/No]	[Yes/No/N/A]
viii. Reviewing and approving procedures for termination of the Benchmark, including guidelines setting out how the Administrator should consult with Stakeholders about such cessation.	[Yes/No]	[Yes/No/N/A]
d) Oversight of the integrity of Benchmark determination and control framework, including: iv. Overseeing the management and operation of the Benchmark, including activities related to Benchmark determination undertaken by a third party;	[Yes/No]	[Yes/No/N/A]

v. Considering the results of internal and external audits, and following up on the implementation of remedial actions highlighted in the results of these audits; and	[Yes/No]	[Yes/No/N/A]
vi. Overseeing any exercise of Expert Judgment by the Administrator and ensuring Published Methodologies have been followed.	[Yes/No]	[Yes/No/N/A]
<b>Where conflicts of interest may arise due to Administrator's ownership structures or controlling interests:</b> 5.11 Administrator has an independent oversight function which includes a balanced representation of a range of Stakeholders where known, Subscribers and Submitters, which is chosen to counterbalance the relevant conflict of interest.	[Yes/No]	[Yes/No/N/A]
<b>Where Benchmark is based on Submissions</b> 5.12 The oversight function provides suitable oversight and challenge of the Submissions by: e) Overseeing and challenging the scrutiny and monitoring of inputs or Submissions by the Administrator, including regular discussions of inputs or Submission patterns, defining parameters against which inputs or Submissions can be analysed, or querying the role of the Administrator in challenging or sampling unusual inputs or Submissions;	[Yes/No]	[Yes/No/N/A]
f) Overseeing the Code of Conduct for Submitters;		
g) Establishing effective arrangements to address breaches of the Code of Conduct for Submitters; and		
h) Establishing measures to detect potential anomalous or suspicious Submissions and in case of suspicious activities, to report them, as well as any misconduct by Submitters of which it becomes aware to any relevant Regulatory Authorities		

**Step 3 – Assign one of the four ratings to the Principle based on the standards established for each rating and the analysis conducted in Step 2.**

**Please explain how you arrived at this rating by considering whether the non-implementation of one or more Key Indicia affects you achieving the intended outcome of the relevant Principle**

**[Fully Implemented/Broadly Implemented/Partly Implemented/Not Implemented]**



*[Reasoning for rating]*

**Step 4 – Describe any planned policies and practices (including timelines) that could bring you towards fully implementing this Principle**

*[Description]*

**Trade Pair 1**

**Principle 6 – Benchmark design**

**Step 1 – Summarise your currently implemented policies and practices that are relevant to this Principle**

*Instructions [delete once complete]*

*Please define and describe the details of the interest that the Benchmark seeks to represent. Please include all related sources which inform the state of the Interest that the Benchmark seeks to represent.*

*Please include all market metrics that you have available concerning:*

- *Size and liquidity of the relevant market (for example whether there is sufficient trading to provide observable, transparent pricing);*
- *Relative size of the underlying market in relation to the volume of trading in the market that references the Benchmark;*
- *The distribution of trading among Market Participants (market concentration); and*
- *Market dynamics*

*Please describe in detail the design of the Benchmark including a detailed description of the factors taken into account in designing the Benchmark. In particular, please cover if and how the design of the Benchmark takes into the details of the Interest it seeks represent and explain how it results in an accurate and reliance representation of the economic realities of the Interest it represents. If it does not, please explain why.*

**Step 2 – Identify whether each of the following Key Indicia have been implemented through your current policies and practices**

<b>Key Indicia</b>	<b>Have you implemented the Key Indicia through the summarised policies and practices? Please provide reasoning</b>	<b>If applicable, does absence of Key Indicia affect you achieving the intended outcome of the Principle? Please provide reasoning</b>
2.1 The design of the Benchmark: c) Seeks to achieve, and result in an accurate and reliable representation of the economic realities of the Interest it seeks to measure, and eliminate factors that might result in a distortion of the price, rate, index or value of the Benchmark	[Yes/No]	[Yes/No/N/A]

d) Takes into account the following generic non-exclusive features, and other factors should be considered, as appropriate to the particular Interest: xi. Adequacy of the sample used to represent the Interest;	[Yes/No]	[Yes/No/N/A]
xii. Size and liquidity of the relevant market (for example whether there is sufficient trading to provide observable, transparent pricing);	[Yes/No]	[Yes/No/N/A]
xiii. Relative size of the underlying market in relation to the volume of trading in the market that references the Benchmark;	[Yes/No]	[Yes/No/N/A]
xiv. The distribution of trading among Market Participants (market concentration);	[Yes/No]	[Yes/No/N/A]
xv. Market dynamics (e.g., to ensure that the Benchmark reflects changes to the assets underpinning a Benchmark).		

**Step 3 – Assign one of the four ratings to the Principle based on the standards established for each rating and the analysis conducted in Step 2.**

**Please explain how you arrived at this rating by considering whether the non-implementation of one or more Key Indicia affects you achieving the intended outcome of the relevant Principle**

**[Fully Implemented/Broadly Implemented/Partly Implemented/Not Implemented]**

*[Reasoning for rating]*

**Step 4 – Describe any planned policies and practices (including timelines) that could bring you towards fully implementing this Principle**

*[Description]*

**Trade Pair 1**

**Principle 7 – Data sufficiency**

**Step 1 – Summarise your currently implemented policies and practices that are relevant to this Principle**

*Instructions [delete once complete]*

Please describe how you:

- You define an ‘active market’
- Ensure the accuracy and reliability of the benchmark as a measure of the relevant Interest.

*In particular, please describe how you satisfy yourself that the choice of data sources provides accurate and reliable measures of the relevant Interest. Please include market metrics on relative market shares of the data sources in the underlying Interest.*

- Ensure that the data you use means that the benchmark anchored in the interest that you seek to represent.

To meet this later standard, please describe how you ensure the data you use is:

- Based on prices, rates, indices or values that have been formed by the competitive forces of supply and demand in order to provide confidence that the price discovery system is reliable. This description will need to cover how you verify or gain comfort that the markets from which you draw information are free from manipulation that would distort the market levels; and
- Be anchored by observable transactions entered into at arm’s length between buyers and sellers in the market for the interest the Benchmark measures. .

**Step 2 – Identify whether each of the following Key Indicia have been implemented through your current policies and practices**

Key Indicia	Have you implemented the Key Indicia through the summarised policies and practices? Please provide reasoning	If applicable, does absence of Key Indicia affect you achieving the intended outcome of the Principle? Please provide reasoning
8.1 Administrator has a definition of ‘active market’ for the interest the benchmark seeks to represent and understands what this requires	[Yes/No]	[Yes/No/N/A]
7.4 The data used to construct Benchmark determinations is sufficient to accurately and reliably represent the interest measured by the Benchmark	[Yes/No]	[Yes/No/N/A]
7.5 The data used to construct a Benchmark determination is based on bona-fide, arms length transactions and is anchored in the relevant interest	[Yes/No]	[Yes/No/N/A]

**Step 3 – Assign one of the four ratings to the Principle based on the standards established for each rating and the analysis conducted in Step 2.**

**Please explain how you arrived at this rating by considering whether the non-implementation of**

**one or more Key Indicia affects you achieving the intended outcome of the relevant Principle**

**[Fully Implemented/Broadly Implemented/Partly Implemented/Not Implemented]**

*[Reasoning for rating]*

**Step 4 – Describe any planned policies and practices (including timelines) that could bring you towards fully implementing this Principle**

*[Description]*

**Trade Pair 1**

**Principle 8 – Hierarchy of data inputs**

**Step 1 – Summarise your currently implemented policies and practices that are relevant to this Principle**

*Instructions [delete once complete]*

*Please describe any guidelines that establish hierarchy of data inputs and exercise of expert judgment used for determination of the Benchmark and explain how that hierarchy operates.*

*If you lack any such guidelines, or the guidelines do not cover the points listed in the Key Indicia, please explain why.*

**Step 2 – Identify whether each of the following Key Indicia have been implemented through your current policies and practices**

<b>Key Indicia</b>	<b>Have you implemented the Key Indicia through the summarised policies and practices? Please provide reasoning</b>	<b>If applicable, does absence of Key Indicia affect you achieving the intended outcome of the Principle? Please provide reasoning</b>
8.4 Administrators Publish or Make Available clear guidelines regarding the hierarchy of data inputs and exercise of Expert Judgment used for the determination of Benchmarks.	[Yes/No]	[Yes/No/N/A]
8.5 Generally, hierarchy of data inputs includes: e) For Submission-based Benchmarks, the Submitters' own concluded arms-length transactions in the underlying interest or related markets; f) Reported or observed concluded Arm's-length Transactions in the underlying interest and in related markets; g) Firm (executable) bids and offers; and h) Other market information or Expert Judgments.	[Yes/No]	[Yes/No/N/A]
8.6 Provided that the Data Sufficiency Principle is met (i.e., an active market exists), this Principle is not intended to restrict an Administrator's flexibility to use inputs consistent with the Administrator's approach to ensuring the quality, integrity,	[Yes/No]	[Yes/No/N/A]

continuity and reliability of its Benchmark determinations, as set out in the Administrator’s Methodology.		
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**Step 3 – Assign one of the four ratings to the Principle based on the standards established for each rating and the analysis conducted in Step 2.**

**Please explain how you arrived at this rating by considering whether the non-implementation of one or more Key Indicia affects you achieving the intended outcome of the relevant Principle**

**[Fully Implemented/Broadly Implemented/Partly Implemented/Not Implemented]**

*[Reasoning for rating]*

**Step 4 – Describe any planned policies and practices (including timelines) that could bring you towards fully implementing this Principle**

*[Description]*

**Trade Pair 1**

**Principle 9 – Transparency of benchmark determinations**

**Step 1 – Summarise your currently implemented policies and practices that are relevant to this Principle**

*Instructions [delete once complete]*

*Please describe in detail all the information described and published with each Benchmark determination that you believe meets the criteria in Key Indicia 9(a) and (b) below.*

*Step 2 – Identify whether each of the following Key Indicia have been implemented through your current policies and practices*

<i>Key Indicia</i>	<i>Have you implemented the Key Indicia through the summarised policies and practices?  Please provide reasoning</i>	<i>If applicable, does absence of Key Indicia affect you achieving the intended outcome of the Principle?  Please provide reasoning</i>
<i>9.4 Administrators describe and publish with each Benchmark determination, to the extent reasonable without delaying the publication deadline, concise explanations:  g) Sufficient to facilitate a Stakeholder’s or Market Authority’s ability to</i>	<i>[Yes/No]</i>	<i>[Yes/No/N/A]</i>

<p><i>understand how the determination was developed, including, at a minimum, the size and liquidity of the market being assessed (meaning the number and volume of transactions submitted), the range and average volume and range and average of price, and indicative percentages of each type of market data that have been considered in a Benchmark determination; terms referring to the pricing Methodology should be included (e.g., transaction-based, spread-based or interpolated/extrapolated).</i></p>		
<p><i>h) Of the extent to which and the basis upon which Expert Judgment if any, was used in establishing a Benchmark determination.</i></p>	<p><i>[Yes/No]</i></p>	<p><i>[Yes/No/N/A]</i></p>

*Step 3 – Assign one of the four ratings to the Principle based on the standards established for each rating and the analysis conducted in Step 2.*

*Please explain how you arrived at this rating by considering whether the non-implementation of one or more Key Indicia affects you achieving the intended outcome of the relevant Principle*

*[Fully Implemented/Broadly Implemented/Partly Implemented/Not Implemented]*

*[Reasoning for rating]*

*Step 4 – Describe any planned policies and practices (including timelines) that could bring you towards fully implementing this Principle*

*[Description]*

## **Trade Pair 2**

### **Principle 6 – Benchmark design**

#### **Step 1 – Summarise your currently implemented policies and practices that are relevant to this Principle**

*Instructions [delete once complete]*

*Please define and describe the details of the interest that the Benchmark seeks to represent. Please include all related sources which inform the state of the Interest that the Benchmark seeks to represent.*

*Please include all market metrics that you have available concerning:*

- *Size and liquidity of the relevant market (for example whether there is sufficient trading to provide observable, transparent pricing);*
- *Relative size of the underlying market in relation to the volume of trading in the market that references the Benchmark;*
- *The distribution of trading among Market Participants (market concentration); and*
- *Market dynamics*

*Please describe in detail the design of the Benchmark including a detailed description of the factors taken into account in designing the Benchmark. In particular, please cover if and how the design of the Benchmark takes into the details of the Interest it seeks represent and explain how it results in an accurate and reliance representation of the economic realities of the Interest it represents. If it does not, please explain why.*

**Step 2 – Identify whether each of the following Key Indicia have been implemented through your current policies and practices**

Key Indicia	Have you implemented the Key Indicia through the summarised policies and practices? Please provide reasoning	If applicable, does absence of Key Indicia affect you achieving the intended outcome of the Principle? Please provide reasoning
6.1 The design of the Benchmark: c) Seeks to achieve, and result in an accurate and reliable representation of the economic realities of the Interest it seeks to measure, and eliminate factors that might result in a distortion of the price, rate, index or value of the Benchmark	[Yes/No]	[Yes/No/N/A]
d) Takes into account the following generic non-exclusive features, and other factors should be considered, as appropriate to the particular Interest: xvi. Adequacy of the sample used to represent the Interest;	[Yes/No]	[Yes/No/N/A]
xvii. Size and liquidity of the relevant market (for example whether there is sufficient trading to provide observable, transparent pricing);	[Yes/No]	[Yes/No/N/A]
xviii. Relative size of the underlying market in relation to the volume of	[Yes/No]	[Yes/No/N/A]

	trading in the market that references the Benchmark;		
xix.	The distribution of trading among Market Participants (market concentration);	[Yes/No]	[Yes/No/N/A]
xx.	Market dynamics (e.g., to ensure that the Benchmark reflects changes to the assets underpinning a Benchmark).		

**Step 3 – Assign one of the four ratings to the Principle based on the standards established for each rating and the analysis conducted in Step 2.**

**Please explain how you arrived at this rating by considering whether the non-implementation of one or more Key Indicia affects you achieving the intended outcome of the relevant Principle**

**[Fully Implemented/Broadly Implemented/Partly Implemented/Not Implemented]**

*[Reasoning for rating]*

**Step 4 – Describe any planned policies and practices (including timelines) that could bring you towards fully implementing this Principle**

*[Description]*

## **Trade Pair 2**

### **Principle 7 – Data sufficiency**

**Step 1 – Summarise your currently implemented policies and practices that are relevant to this Principle**

*Instructions [delete once complete]*

*Please describe how you:*

- *You define an ‘active market’*
- *Ensure the accuracy and reliability of the benchmark as a measure of the relevant Interest.*

*In particular, please describe how you satisfy yourself that the choice of data sources provides accurate and reliable measures of the relevant Interest. Please include market metrics on relative market shares of the data sources in the underlying Interest.*

- *Ensure that the data you use means that the benchmark anchored in the interest that you seek to represent.*

*To meet this later standard, please describe how you ensure the data you use is:*



- *Based on prices, rates, indices or values that have been formed by the competitive forces of supply and demand in order to provide confidence that the price discovery system is reliable. This description will need to cover how you verify or gain comfort that the markets from which you draw information are free from manipulation that would distort the market levels; and*
- *Be anchored by observable transactions entered into at arm's length between buyers and sellers in the market for the interest the Benchmark measures. .*

**Step 2 – Identify whether each of the following Key Indicia have been implemented through your current policies and practices**

<b>Key Indicia</b>	<b>Have you implemented the Key Indicia through the summarised policies and practices? Please provide reasoning</b>	<b>If applicable, does absence of Key Indicia affect you achieving the intended outcome of the Principle? Please provide reasoning</b>
8.1 Administrator has a definition of 'active market' for the interest the benchmark seeks to represent and understands what this requires	[Yes/No]	[Yes/No/N/A]
7.4 The data used to construct Benchmark determinations is sufficient to accurately and reliably represent the interest measured by the Benchmark	[Yes/No]	[Yes/No/N/A]
7.5 The data used to construct a Benchmark determination is based on bona-fide, arms length transactions and is anchored in the relevant interest	[Yes/No]	[Yes/No/N/A]

**Step 3 – Assign one of the four ratings to the Principle based on the standards established for each rating and the analysis conducted in Step 2.**

**Please explain how you arrived at this rating by considering whether the non-implementation of one or more Key Indicia affects you achieving the intended outcome of the relevant Principle**

**[Fully Implemented/Broadly Implemented/Partly Implemented/Not Implemented]**

*[Reasoning for rating]*

**Step 4 – Describe any planned policies and practices (including timelines) that could bring you towards fully implementing this Principle**

*[Description]*

**Trade Pair 2**

**Principle 8 – Hierarchy of data inputs**

**Step 1 – Summarise your currently implemented policies and practices that are relevant to this**

## Principle

### Instructions [delete once complete]

*Please describe any guidelines that establish hierarchy of data inputs and exercise of expert judgment used for determination of the Benchmark and explain how that hierarchy operates.*

*If you lack any such guidelines, or the guidelines do not cover the points listed in the Key Indicia, please explain why.*

### Step 2 – Identify whether each of the following Key Indicia have been implemented through your current policies and practices

Key Indicia	Have you implemented the Key Indicia through the summarised policies and practices? Please provide reasoning	If applicable, does absence of Key Indicia affect you achieving the intended outcome of the Principle? Please provide reasoning
8.4 Administrators Publish or Make Available clear guidelines regarding the hierarchy of data inputs and exercise of Expert Judgment used for the determination of Benchmarks.	[Yes/No]	[Yes/No/N/A]
8.5 Generally, hierarchy of data inputs includes: e) For Submission-based Benchmarks, the Submitters' own concluded arms-length transactions in the underlying interest or related markets; f) Reported or observed concluded Arm's-length Transactions in the underlying interest and in related markets; g) Firm (executable) bids and offers; and h) Other market information or Expert Judgments.	[Yes/No]	[Yes/No/N/A]
8.6 Provided that the Data Sufficiency Principle is met (i.e., an active market exists), this Principle is not intended to restrict an Administrator's flexibility to use inputs consistent with the Administrator's approach to ensuring the quality, integrity, continuity and reliability of its Benchmark determinations, as set out in the Administrator's Methodology.	[Yes/No]	[Yes/No/N/A]

### Step 3 – Assign one of the four ratings to the Principle based on the standards established for each rating and the analysis conducted in Step 2.

**Please explain how you arrived at this rating by considering whether the non-implementation of one or more Key Indicia affects you achieving the intended outcome of the relevant Principle**

**[Fully Implemented/Broadly Implemented/Partly Implemented/Not Implemented]**

*[Reasoning for rating]*

**Step 4 – Describe any planned policies and practices (including timelines) that could bring you towards fully implementing this Principle**

*[Description]*

**Trade Pair 2**

**Principle 9 – Transparency of benchmark determinations**

**Step 1 – Summarise your currently implemented policies and practices that are relevant to this Principle**

*Instructions [delete once complete]*

*Please describe in detail all the information described and published with each Benchmark determination that you believe meets the criteria in Key Indicia 9(a) and (b) below.*

*Step 2 – Identify whether each of the following Key Indicia have been implemented through your current policies and practices*

<i>Key Indicia</i>	<i>Have you implemented the Key Indicia through the summarised policies and practices?  Please provide reasoning</i>	<i>If applicable, does absence of Key Indicia affect you achieving the intended outcome of the Principle?  Please provide reasoning</i>
<p><i>9.5 Administrators describe and publish with each Benchmark determination, to the extent reasonable without delaying the publication deadline, concise explanations:</i></p> <p><i>i) Sufficient to facilitate a Stakeholder’s or Market Authority’s ability to understand how the determination was developed, including, at a minimum, the size and liquidity of the market being assessed (meaning the number and volume of transactions submitted), the range and average volume and range and average of price, and indicative percentages of each type of market data that have been considered in a</i></p>	<p><i>[Yes/No]</i></p>	<p><i>[Yes/No/N/A]</i></p>

<i>Benchmark determination; terms referring to the pricing Methodology should be included (e.g., transaction-based, spread-based or interpolated/extrapolated).</i>		
<i>j) Of the extent to which and the basis upon which Expert Judgment if any, was used in establishing a Benchmark determination.</i>	<i>[Yes/No]</i>	<i>[Yes/No/N/A]</i>

*Step 3 – Assign one of the four ratings to the Principle based on the standards established for each rating and the analysis conducted in Step 2.*

*Please explain how you arrived at this rating by considering whether the non-implementation of one or more Key Indicia affects you achieving the intended outcome of the relevant Principle*

*[Fully Implemented/Broadly Implemented/Partly Implemented/Not Implemented]*

*[Reasoning for rating]*

*Step 4 – Describe any planned policies and practices (including timelines) that could bring you towards fully implementing this Principle*

*[Description]*

## **Quote Pair**

### **Principle 6 – Benchmark design**

#### **Step 1 – Summarise your currently implemented policies and practices that are relevant to this Principle**

*Instructions [delete once complete]*

*Please define and describe the details of the interest that the Benchmark seeks to represent. Please include all related sources which inform the state of the Interest that the Benchmark seeks to represent.*

*Please include all market metrics that you have available concerning:*

- *Size and liquidity of the relevant market (for example whether there is sufficient trading to provide observable, transparent pricing);*
- *Relative size of the underlying market in relation to the volume of trading in the market that references the Benchmark;*
- *The distribution of trading among Market Participants (market concentration); and*

- *Market dynamics*

*Please describe in detail the design of the Benchmark including a detailed description of the factors taken into account in designing the Benchmark. In particular, please cover if and how the design of the Benchmark takes into the details of the Interest it seeks represent and explain how it results in an accurate and reliance representation of the economic realities of the Interest it represents. If it does not, please explain why.*

**Step 2 – Identify whether each of the following Key Indicia have been implemented through your current policies and practices**

<b>Key Indicia</b>	<b>Have you implemented the Key Indicia through the summarised policies and practices? Please provide reasoning</b>	<b>If applicable, does absence of Key Indicia affect you achieving the intended outcome of the Principle? Please provide reasoning</b>
6.2 The design of the Benchmark: c) Seeks to achieve, and result in an accurate and reliable representation of the economic realities of the Interest it seeks to measure, and eliminate factors that might result in a distortion of the price, rate, index or value of the Benchmark	[Yes/No]	[Yes/No/N/A]
d) Takes into account the following generic non-exclusive features, and other factors should be considered, as appropriate to the particular Interest: vi. Adequacy of the sample used to represent the Interest;	[Yes/No]	[Yes/No/N/A]
vii. Size and liquidity of the relevant market (for example whether there is sufficient trading to provide observable, transparent pricing);	[Yes/No]	[Yes/No/N/A]
viii. Relative size of the underlying market in relation to the volume of trading in the market that references the Benchmark;	[Yes/No]	[Yes/No/N/A]
ix. The distribution of trading among Market Participants (market concentration);	[Yes/No]	[Yes/No/N/A]
x. Market dynamics (e.g., to ensure that the Benchmark reflects changes to the assets underpinning a Benchmark).		

**Step 3 – Assign one of the four ratings to the Principle based on the standards established for each rating and the analysis conducted in Step 2.**

**Please explain how you arrived at this rating by considering whether the non-implementation of one or more Key Indicia affects you achieving the intended outcome of the relevant Principle**

**[Fully Implemented/Broadly Implemented/Partly Implemented/Not Implemented]**

*[Reasoning for rating]*

**Step 4 – Describe any planned policies and practices (including timelines) that could bring you towards fully implementing this Principle**

*[Description]*

**Quote Pair**

**Principle 7 – Data sufficiency**

**Step 1 – Summarise your currently implemented policies and practices that are relevant to this Principle**

*Instructions [delete once complete]*

*Please describe how you:*

- *You define an ‘active market’*
- *Ensure the accuracy and reliability of the benchmark as a measure of the relevant Interest.*

*In particular, please describe how you satisfy yourself that the choice of data sources provides accurate and reliable measures of the relevant Interest. Please include market metrics on relative market shares of the data sources in the underlying Interest.*

- *Ensure that the data you use means that the benchmark anchored in the interest that you seek to represent.*

*To meet this later standard, please describe how you ensure the data you use is:*

- *Based on prices, rates, indices or values that have been formed by the competitive forces of supply and demand in order to provide confidence that the price discovery system is reliable. This description will need to cover how you verify or gain comfort that the markets from which you draw information are free from manipulation that would distort the market levels; and*
- *Be anchored by observable transactions entered into at arm’s length between buyers and sellers in the market for the interest the Benchmark measures. .*

**Step 2 – Identify whether each of the following Key Indicia have been implemented through your current policies and practices**

<b>Key Indicia</b>	<b>Have you implemented the Key Indicia through the summarised policies and practices? Please provide reasoning</b>	<b>If applicable, does absence of Key Indicia affect you achieving the intended outcome of the Principle? Please provide reasoning</b>
8.1 Administrator has a definition of 'active market' for the interest the benchmark seeks to represent and understands what this requires	[Yes/No]	[Yes/No/N/A]
7.4 The data used to construct Benchmark determinations is sufficient to accurately and reliably represent the interest measured by the Benchmark	[Yes/No]	[Yes/No/N/A]
7.5 The data used to construct a Benchmark determination is based on bona-fide, arms length transactions and is anchored in the relevant interest	[Yes/No]	[Yes/No/N/A]

**Step 3 – Assign one of the four ratings to the Principle based on the standards established for each rating and the analysis conducted in Step 2.**

**Please explain how you arrived at this rating by considering whether the non-implementation of one or more Key Indicia affects you achieving the intended outcome of the relevant Principle**

**[Fully Implemented/Broadly Implemented/Partly Implemented/Not Implemented]**

*[Reasoning for rating]*

**Step 4 – Describe any planned policies and practices (including timelines) that could bring you towards fully implementing this Principle**

*[Description]*

**Quote Pair**

**Principle 8 – Hierarchy of data inputs**

**Step 1 – Summarise your currently implemented policies and practices that are relevant to this Principle**

*Instructions [delete once complete]*

*Please describe any guidelines that establish hierarchy of data inputs and exercise of expert judgment used for determination of the Benchmark and explain how that hierarchy operates.*

*If you lack any such guidelines, or the guidelines do not cover the points listed in the Key Indicia, please explain why.*

**Step 2 – Identify whether each of the following Key Indicia have been implemented through**

**your current policies and practices**

<b>Key Indicia</b>	<b>Have you implemented the Key Indicia through the summarised policies and practices? Please provide reasoning</b>	<b>If applicable, does absence of Key Indicia affect you achieving the intended outcome of the Principle? Please provide reasoning</b>
8.1 Administrators Publish or Make Available clear guidelines regarding the hierarchy of data inputs and exercise of Expert Judgment used for the determination of Benchmarks.	[Yes/No]	[Yes/No/N/A]
8.2 Generally, hierarchy of data inputs includes: e) For Submission-based Benchmarks, the Submitters' own concluded arms-length transactions in the underlying interest or related markets; f) Reported or observed concluded Arm's-length Transactions in the underlying interest and in related markets; g) Firm (executable) bids and offers; and h) Other market information or Expert Judgments.	[Yes/No]	[Yes/No/N/A]
8.3 Provided that the Data Sufficiency Principle is met (i.e., an active market exists), this Principle is not intended to restrict an Administrator's flexibility to use inputs consistent with the Administrator's approach to ensuring the quality, integrity, continuity and reliability of its Benchmark determinations, as set out in the Administrator's Methodology.	[Yes/No]	[Yes/No/N/A]

**Step 3 – Assign one of the four ratings to the Principle based on the standards established for each rating and the analysis conducted in Step 2.**

**Please explain how you arrived at this rating by considering whether the non-implementation of one or more Key Indicia affects you achieving the intended outcome of the relevant Principle**

**[Fully Implemented/Broadly Implemented/Partly Implemented/Not Implemented]**

*[Reasoning for rating]*

**Step 4 – Describe any planned policies and practices (including timelines) that could bring you towards fully implementing this Principle**

*[Description]*

**Quote Pair**

**Principle 9 – Transparency of benchmark determinations**

**Step 1 – Summarise your currently implemented policies and practices that are relevant to this Principle**



*Instructions [delete once complete]*

Please describe in detail all the information described and published with each Benchmark determination that you believe meets the criteria in Key Indicia 9(a) and (b) below.

**Step 2 – Identify whether each of the following Key Indicia have been implemented through your current policies and practices**

<b>Key Indicia</b>	<b>Have you implemented the Key Indicia through the summarised policies and practices? Please provide reasoning</b>	<b>If applicable, does absence of Key Indicia affect you achieving the intended outcome of the Principle? Please provide reasoning</b>
9.6 Administrators describe and publish with each Benchmark determination, to the extent reasonable without delaying the publication deadline, concise explanations: k) Sufficient to facilitate a Stakeholder's or Market Authority's ability to understand how the determination was developed, including, at a minimum, the size and liquidity of the market being assessed (meaning the number and volume of transactions submitted), the range and average volume and range and average of price, and indicative percentages of each type of market data that have been considered in a Benchmark determination; terms referring to the pricing Methodology should be included (e.g., transaction-based, spread-based or interpolated/extrapolated).	[Yes/No]	[Yes/No/N/A]
l) Of the extent to which and the basis upon which Expert Judgment if any, was used in establishing a Benchmark determination.	[Yes/No]	[Yes/No/N/A]

**Step 3 – Assign one of the four ratings to the Principle based on the standards established for each rating and the analysis conducted in Step 2.**

**Please explain how you arrived at this rating by considering whether the non-implementation of one or more Key Indicia affects you achieving the intended outcome of the relevant Principle**

**[Fully Implemented/Broadly Implemented/Partly Implemented/Not Implemented]**

*[Reasoning for rating]*

**Step 4 – Describe any planned policies and practices (including timelines) that could bring you towards fully implementing this Principle**

*[Description]*

**Principle 10 – Periodic review**

**Step 1 – Summarise your currently implemented policies and practices that are relevant to this**

## Principle

### Instructions [delete once complete]

*Please describe in detail any policies, procedures and practices in place to periodically review the conditions in the underlying Interest that the Benchmark measures.*

*If you do not have any such policies, procedures and practices, or they do not cover the points listed in the Key Indicia, please explain why.*

*Please describe the focus (e.g., structural changes, diminished or nonfunctioning market) and outcomes sought from any such reviews that have been held.*

*Please describe any change in methodology or benchmark tenors or currencies resulting from such reviews.*

*If the process or detail of the reviews is documented, please provide a copy of the documentation.*

*Have or will the reviews or their outcomes be made available to anyone under any circumstances? If they have, please provide evidence (e.g. a hyperlink).*

### **Step 2 – Identify whether each of the following Key Indicia have been implemented through your current policies and practices**

<b>Key Indicia</b>	<b>Have you implemented the Key Indicia through the summarised policies and practices?  Please provide reasoning</b>	<b>If applicable, does absence of Key Indicia affect you achieving the intended outcome of the Principle?  Please provide reasoning</b>
10.3 Administrators periodically review conditions in the underlying Interest that the Benchmark measures to determine whether the Interest has:  c) Undergone structural changes that might require changes to the design of the Methodology.	[Yes/No]	[Yes/No/N/A]
d) Diminished or is non-functioning such that it can no longer function as the basis for a credible Benchmark.		
10.4 The Administrator should Publish or Make Available a summary of such reviews where material revisions have been made to a Benchmark, including the rationale for the revisions.		

### **Step 3 – Assign one of the four ratings to the Principle based on the standards established for each rating and the analysis conducted in Step 2.**

**Please explain how you arrived at this rating by considering whether the non-implementation of one or more Key Indicia affects you achieving the intended outcome of the relevant Principle**

[Fully Implemented/Broadly Implemented/Partly Implemented/Not Implemented]

[Reasoning for rating]

**Step 4 – Describe any planned policies and practices (including timelines) that could bring you towards fully implementing this Principle**

[Description]

**Principle 11 – Content of the Methodology**

**Step 1 – Summarise your currently implemented policies and practices that are relevant to this Principle**

*Instructions [delete once complete]*

*Please describe in detail the methodology used to determine the Benchmark, including all the information contained in the methodology.*

*Please identify where the methodology addresses each of the required items in the principle. If the methodology fails to cover all the items listed in the Key Indicia, please explain why.*

*Has the documented methodology, together with a rationale for its adoption, been made available publicly? If so, please provide evidence (e.g. a hyperlink).*

*Where a Benchmark is based on submissions: does the methodology establish criteria for including and excluding submitters?*

*Do you anticipate the existing arrangements to change in the future? If so, please describe how and when. If applicable, please also describe how the changes will assist in your implementation of the Key Indicia of the Principle.*

**Step 2 – Identify whether each of the following Key Indicia have been implemented through your current policies and practices**

Key Indicia	Have you implemented the Key Indicia through the summarised policies and practices?  Please provide reasoning	If applicable, does absence of Key Indicia affect you achieving the intended outcome of the Principle?  Please provide reasoning
11.4 Administrators have: c) Documented and Published or Made Available the Methodology.	[Yes/No]	[Yes/No/N/A]
d) Provided the rationale for adopting a particular Methodology.		
11.5 The Published Methodology provides sufficient detail to allow Stakeholders to understand how the Benchmark is derived and to assess its representativeness, its relevance to particular Stakeholders, and its appropriateness as a reference for financial instruments. The Methodology contains – as a		

minimum:		
i) Definitions of key terms;		
j) All criteria and procedures used to develop the Benchmark including input selection, the mix of inputs used to derive the Benchmark, the guidelines that control the exercise of Expert Judgment by the Administrator, priority given to certain data types, minimum data needed to determine a Benchmark, and any models or extrapolation methods;		
k) Procedures and practices designed to promote consistency in the exercise of Expert Judgment between Benchmark determinations;		
l) Procedures which govern Benchmark determination in periods of market stress or disruption, or periods where data sources may be absent (e.g., theoretical estimation models);		
m) Procedures for dealing with error reports, including when a revision of a Benchmark would be applicable;		
n) Information regarding the frequency of internal reviews and approvals of the Methodology. Where applicable, the Published Methodologies should also include information regarding the procedures and frequency for external review of the Methodology;		
o) The circumstances and procedures under which the Administrator will consult with Stakeholders, as appropriate; and		
p) The identification of potential limitations of a Benchmark, including its operation in illiquid or fragmented markets and the possible concentration of inputs.		
<b>Where Benchmark is based on Submissions</b> 11.6 The Administrator should clearly establish criteria for including and excluding Submitters, which:		
c) Considers any issues arising from the location of the Submitter, if in a different jurisdiction to the Administrator		
d) Is available to any relevant Regulatory Authorities, and Published or Made Available to Stakeholders. Any provisions related to changes in composition, including notice periods should be made clear.		

**Step 3 – Assign one of the four ratings to the Principle based on the standards established for each rating and the analysis conducted in Step 2.**

**Please explain how you arrived at this rating by considering whether the non-implementation of one or more Key Indicia affects you achieving the intended outcome of the relevant Principle**

**[Fully Implemented/Broadly Implemented/Partly Implemented/Not Implemented]**

*[Reasoning for rating]*

**Step 4 – Describe any planned policies and practices (including timelines) that could bring you towards fully implementing this Principle**

*[Description]*

**Principle 12 – Changes to the Methodology**

**Step 1 – Summarise your currently implemented policies and practices that are relevant to this Principle**

*Instructions [delete once complete]*

*Are the procedures and the rationale for any proposed material change to the methodology available publicly or to benchmark users? Do those procedures define what constitutes a material change? If not, why not?*

*Please describe in detail the procedures followed to make changes to the methodology, including all the factors taken into account in making any changes to the methodology and the definition of what constitutes a material change (if any). Are there different processes depending on the materiality of the change?*

*If the procedures fail to cover all the topics listed in the Key Indicia below, please explain why.*

*Are the procedures documented? If so, please provide a copy.*

*Please describe in detail the processes in place to scrutinize proposed changes to the methodology. Please describe the parties responsible for carrying out this scrutiny. If these processes are documented, please provide a copy.*

*Please describe any procedures in place to consult with stakeholders in relation to any changes to the methodology. If these are documented, please provide a copy. If there are no such procedures, please explain why.*

**Step 2 – Identify whether each of the following Key Indicia have been implemented through your current policies and practices**

Key Indicia	Have you implemented the Key Indicia through the summarised policies and practices?  Please provide reasoning	If applicable, does absence of Key Indicia affect you achieving the intended outcome of the Principle?  Please provide reasoning
12.5 Administrators Publish or Make	[Yes/No]	[Yes/No/N/A]

Available the rationale of any proposed material change in its Methodology, and procedures for making such changes.		
12.6 The [documented] procedures: c) Clearly define what constitutes a material change, and the method and timing for consulting or notifying Subscribers (and other Stakeholders where appropriate, taking into account the breadth and depth of the benchmark's use) of changes		
d) Are consistent with the overriding objective that an Administrator must ensure the continued integrity of its Benchmark determinations.		
12.7 The Administrator: c) Specifies how changes to the Methodology will be scrutinised, by the oversight function.		
d) Develops Stakeholder consultation procedures in relation to changes to the Methodology that are deemed material by the oversight function and that are appropriate and proportionate to the breadth and depth of the benchmark's use and the nature of the Stakeholders.		
12.8 Stakeholder consultation procedures involve: c) Providing advance notice and a clear timeframe that would give Stakeholders sufficient opportunity to analyse and comment on the impact of such proposed material changes, having regard to the Administrator's assessment of the overall circumstances		
d) Providing for Stakeholders' summary comments, and the Administrator's summary response to those comments, to be made accessible to all Stakeholders after any given consultation period, except where the commenter has requested confidentiality		

**Step 3 – Assign one of the four ratings to the Principle based on the standards established for each rating and the analysis conducted in Step 2.**

**Please explain how you arrived at this rating by considering whether the non-implementation of one or more Key Indicia affects you achieving the intended outcome of the relevant Principle**

**[Fully Implemented/Broadly Implemented/Partly Implemented/Not Implemented]**

*[Reasoning for rating]*

**Step 4 – Describe any planned policies and practices (including timelines) that could bring you towards fully implementing this Principle**

*[Description]*

**Principle 13 – Transition**

**Step 1 – Summarise your currently implemented policies and practices that are relevant to this Principle**

*Instructions [delete once complete]*

*Please describe in detail the policies and procedures in place to address the possible cessation of the Benchmark and indicate where these policies and procedures specifically address the criteria in principle (a) – (e) above.*

*If there are no such policies or procedures, please explain why.*

*Please describe in detail all the factors taken into account in determining the policies and procedures.*

*Have the policies and procedures been Published or Made Available to Stakeholders? If so, please provide evidence (e.g. a hyperlink).*

*Have you encouraged users of the Benchmark to have fall-back provisions in contracts or financial instruments that reference the Benchmark? If so, please the details of this encouragement.*

**Step 2 – Identify whether each of the following Key Indicia have been implemented through your current policies and practices**

Key Indicia	Have you implemented the Key Indicia through the summarised policies and practices?  Please provide reasoning	If applicable, does absence of Key Indicia affect you achieving the intended outcome of the Principle?  Please provide reasoning
13.6 Administrators have clear documented policies and procedures, to address the need for possible cessation of a Benchmark, due to market structure change, product definition change, or any other condition which makes the Benchmark no longer representative of its intended Interest.	[Yes/No]	[Yes/No/N/A]
13.7 Policies and procedures are proportionate to the estimated breadth and depth of contracts and financial instruments that reference a Benchmark and the economic and financial stability impact that might result from the cessation of the Benchmark.		

<p>13.8 Administrators are required to take into account the views of Stakeholders and any relevant Regulatory and National Authorities in determining appropriate policies and procedures for a particular Benchmark and there is evidence they have done so. These procedures are Published or Made Available to all Stakeholders.</p>		
<p>13.9 Administrators encourage Subscribers and other Stakeholders who have financial instruments that reference a Benchmark to take steps to make sure that:</p> <p>c) Contracts or other financial instruments that reference a Benchmark, have robust fall-back provisions in the event of material changes to, or cessation of, the referenced Benchmark; and</p>		
<p>d) Stakeholders are aware of the possibility that various factors, including external factors beyond the control of the Administrator, might necessitate material changes to a Benchmark.</p>		
<p>13.10 If determined reasonable and appropriate by the Administrator, its written policies and procedures to address the cessation of a Benchmark include the following factors:</p> <p>f) Criteria to guide the selection of a credible, alternative Benchmark such as, but not limited to, criteria that seek to match to the extent practicable the existing Benchmark's characteristics, differentials between Benchmarks, the extent to which an alternative Benchmark meets the asset/liability needs of Stakeholders, whether the revised Benchmark is investable, the availability of transparent transaction data, the impact on Stakeholders and impact of existing legislation;</p>		
<p>g) The practicality of maintaining parallel Benchmarks transition to a new Benchmark;</p>		
<p>h) The procedures that the Administrator would follow in the event that a suitable alternative cannot be identified;</p>		
<p>i) In the case of a Benchmark or a tenor of a Benchmark that will be discontinued completely, the</p>		



policy defining the period of time in which the Benchmark will continue to be produced in order to permit existing contracts to migrate to an alternative Benchmark if necessary; and		
j) The process by which the Administrator will engage Stakeholders and relevant Market and National Authorities, as appropriate, in the process for selecting and moving towards an alternative Benchmark, including the timeframe for any such action commensurate with the tenors of the financial instruments referencing the Benchmarks and the adequacy of notice that will be provided to Stakeholders.		

**Step 3 – Assign one of the four ratings to the Principle based on the standards established for each rating and the analysis conducted in Step 2.**

**Please explain how you arrived at this rating by considering whether the non-implementation of one or more Key Indicia affects you achieving the intended outcome of the relevant Principle**

**[Fully Implemented/Broadly Implemented/Partly Implemented/Not Implemented]**

*[Reasoning for rating]*

**Step 4 – Describe any planned policies and practices (including timelines) that could bring you towards fully implementing this Principle**

*[Description]*

**Submission Pair Only**

**Principle 14 – Submitter code of conduct**

**Step 1 – Summarise your currently implemented policies and practices that are relevant to this Principle**

*Instructions [delete once complete]*

*Please describe in detail any guidelines in place addressing submitters and indicate where those policies address the criteria set out in principle 14 (a) – (g) below.*

*Do these guidelines cover all points in the Key Indicia? If not, please explain why. We are particularly interested in reasons why, if applicable, you may not have a prohibition on receiving data from a Front Office Function (e.g. because you are satisfied that there adequate internal and verification procedures).*

*Do you require Submitters to confirm adherence to the Submitter Code of Conduct annually and whenever a change to the Submitter Code of Conduct has occurred?*

*Have these guidelines been Published or Made Available to Stakeholders? If so, please provide*

evidence (e.g. a hyperlink). If not, why not?

Please describe in detail processes in place and the parties responsible for the review, update and oversight of the guidelines and Submitters' adherence to the guidelines.

Please describe the consequences of non-compliance with the guidelines by Submitters.

**Step 2 – Identify whether each of the following Key Indicia have been implemented through your current policies and practices**

Key Indicia	Have you implemented the Key Indicia through the summarised policies and practices?  Please provide reasoning	If applicable, does absence of Key Indicia affect you achieving the intended outcome of the Principle?  Please provide reasoning
14.5 Administrators have a Submitter Code of conduct in place which is available to any relevant Regulatory Authorities, and Published or Made Available to Stakeholders.	[Yes/No]	[Yes/No/N/A]
14.6 Administrators: d) Only use inputs or Submissions from entities which adhere to the Submitter Code of Conduct		
e) Appropriately monitor and record adherence from Submitters		
f) Require Submitters to confirm adherence to the Submitter Code of Conduct annually and whenever a change to the Submitter Code of Conduct has occurred.		
14.7 Administrator's oversight function is responsible for the continuing review and oversight of the Submitter Code of Conduct.		
14.8 The Submitter Code of Conduct covers the following: h) Selection of inputs;		
i) Who may submit data and information to the Administrator;		
j) Quality control procedures to verify the identity of a Submitter and any employee(s) of a Submitter who report(s) data or information and the authorization of such person(s) to report market data on behalf of a Submitter;		
k) Criteria applied to employees of a Submitter who are permitted to submit data or information to an Administrator on behalf of a Submitter;		
l) Policies to discourage the interim withdrawal of Submitters from surveys or Panels;		
m) Policies to encourage Submitters to submit all relevant data; and		
n) The Submitters' internal systems and controls, which includes: xii. Procedures for submitting inputs, including Methodologies to		

	determine the type of eligible inputs, in line with the Administrator's Methodologies;		
xiii.	Procedures to detect and evaluate suspicious inputs or transactions, including inter-group transactions and to ensure the Bona-Fide Nature of such inputs, where appropriate;		
xiv.	Policies guiding and detailing the use of Expert Judgment, including documentation requirements;		
xv.	Record keeping policies;		
xvi.	Pre-Submission validation of inputs, and procedures for multiple reviews by senior staff to check inputs;		
xvii.	Training, including training with respect to any relevant regulation (covering Benchmark regulation or any market abuse regime);		
xviii.	Suspicious Submission reporting;		
xix.	Roles and responsibilities of key personnel and accountability lines;		
xx.	Internal sign off procedures by management for submitting inputs;		
xxi.	Whistle blowing policies (in line with Principle 4); and		
xxii.	Conflicts of interest procedures and policies (as defined in Principle 14 g xi).		

**Step 3 – Assign one of the four ratings to the Principle based on the standards established for each rating and the analysis conducted in Step 2.**

**Please explain how you arrived at this rating by considering whether the non-implementation of one or more Key Indicia affects you achieving the intended outcome of the relevant Principle**

**[Fully Implemented/Broadly Implemented/Partly Implemented/Not Implemented]**

*[Reasoning for rating]*

**Step 4 – Describe any planned policies and practices (including timelines) that could bring you towards fully implementing this Principle**

*[Description]*

## Principle 15 – Internal controls over data collection

### Step 1 – Summarise your currently implemented policies and practices that are relevant to this Principle

*Instructions [delete once complete]*

*Please describe in detail the circumstances where data is sought from external sources, including a detailed description of the sources and the data sought.*

*Please describe in detail any internal controls in place over the data collection and transmission processes, including how sources are selected, data is collected and integrity and confidentiality of the data is maintained.*

*If there are no such internal controls, or the internal controls do not cover the topics in the Key Indicia, please explain why.*

*In what circumstances are data collected from a Front Office Function and how is such data treated? Please explain whether and if so, how, the Administrator seeks corroborating data from other sources.*

### Step 2 – Identify whether each of the following Key Indicia have been implemented through your current policies and practices

Key Indicia	Have you implemented the Key Indicia through the summarised policies and practices?  Please provide reasoning	If applicable, does absence of Key Indicia affect you achieving the intended outcome of the Principle?  Please provide reasoning
15.3 When an Administrator collects data from any external source the Administrator ensures there are appropriate internal controls over its data collection and transmission processes, which address processes for : d) Selecting the source	[Yes/No]	[Yes/No/N/A]
e) Collecting the data		
f) Protecting the integrity and confidentiality of the data.		
15.4 If data is received from the Front Office Function, the Administrator seeks corroborating data from other sources		

### Step 3 – Assign one of the four ratings to the Principle based on the standards established for each rating and the analysis conducted in Step 2.

**Please explain how you arrived at this rating by considering whether the non-implementation of one or more Key Indicia affects you achieving the intended outcome of the relevant Principle**

**[Fully Implemented/Broadly Implemented/Partly Implemented/Not Implemented]**

*[Reasoning for rating]*

**Step 4 – Describe any planned policies and practices (including timelines) that could bring you towards fully implementing this Principle**

*[Description]*

**Principle 16 – Complaints procedures**

**Step 1 – Summarise your currently implemented policies and practices that are relevant to this Principle**

*Instructions [delete once complete]*

*Please describe in detail your complaints procedures policy for Stakeholders seeking to make a complaint in relation to a Benchmark determination.*

*If there is no such policy, or it does not cover all of the topics listed in the Key Indicia, please explain why.*

*Has the policy been published or made available to users of the Benchmark? If so, please provide evidence (e.g. a hyperlink)*

*What is the process for resolution of informal disputes?*

*Please describe in detail the process followed if a complaint results in a Benchmark determination being changed. Is this available publicly or to your regulator to anyone?*

**Step 2 – Identify whether each of the following Key Indicia have been implemented through your current policies and practices**

<b>Key Indicia</b>	<b>Have you implemented the Key Indicia through the summarised policies and practices?  Please provide reasoning</b>	<b>If applicable, does absence of Key Indicia affect you achieving the intended outcome of the Principle?  Please provide reasoning</b>
16.4 Administrators establish and Publish or Make Available a written complaints procedures policy, by which Stakeholders may submit complaints including concerning whether a specific Benchmark determination is representative of the underlying Interest it seeks to measure, applications of the Methodology in relation to a specific Benchmark determination(s) and other Administrator's decisions in relation to a benchmark determination.	[Yes/No]	[Yes/No/N/A]
16.5 The complaints procedures policy: e) Permits complaints to be submitted through a user-friendly complaints process such as an electronic Submission process;		

f) Contains procedures for receiving and investigating a complaint made about the Administrator’s Benchmark determination process on a timely and fair basis by personnel who are independent of any personnel who may be or may have been involved in the subject of the complaint, advising the complainant and other relevant parties of the outcome of its investigation within a reasonable period and retaining all records concerning complaints;		
g) Contains a process for escalating complaints, as appropriate, to the Administrator’s governance body; and		
h) Requires all documents relating to a complaint, including those submitted by the complainant as well as the Administrator’s own record, to be retained for a minimum of five years, subject to applicable national legal or regulatory requirements.		
16.6 Disputes that are not formal complaints are resolved by the Administrator by reference to its standard appropriate procedures. If a complaint results in a change in a Benchmark determination, that change is published or made available to Subscribers and published or made available to Stakeholders as soon as possible as set out in the Methodology.		

**Step 3 – Assign one of the four ratings to the Principle based on the standards established for each rating and the analysis conducted in Step 2.**

**Please explain how you arrived at this rating by considering whether the non-implementation of one or more Key Indicia affects you achieving the intended outcome of the relevant Principle**

**[Fully Implemented/Broadly Implemented/Partly Implemented/Not Implemented]**

*[Reasoning for rating]*

**Step 4 – Describe any planned policies and practices (including timelines) that could bring you towards fully implementing this Principle**

*[Description]*

### **Principle 17 – Audits**

**Step 1 – Summarise your currently implemented policies and practices that are relevant to this Principle**

*Instructions [delete once complete]*

*Have you appointed an auditor to conduct an audit of your adherence with your stated policies and methodologies the Principles? If not, why not?*

*If so, please describe the details of this appointment and the anticipated audit process in detail.*

*Have you appointed an auditor to conduct a period audit of your compliance with the Benchmark's methodology? If not, why not?*

*If so, please describe the details of this appointment and the anticipated audit process in detail. Please include in your response a justification of why the anticipated frequency of audits is proportionate to the size and complexity of your Benchmark operations and the breadth and depth of Benchmark use by Stakeholders.*

**Step 2 – Identify whether each of the following Key Indicia have been implemented through your current policies and practices**

<b>Key Indicia</b>	<b>Have you implemented the Key Indicia through the summarised policies and practices? Please provide reasoning</b>	<b>If applicable, does absence of Key Indicia affect you achieving the intended outcome of the Principle? Please provide reasoning</b>
17.5 Administrators appoint an independent internal or external auditor with appropriate experience and capability to periodically review and report on the Administrator's adherence to its stated criteria and with the Principles.	[Yes/No]	[Yes/No/N/A]
17.6 Frequency of audits is proportional to the size and complexity of the Administrator's operations.		
17.7 Where appropriate to the level of existing or potential conflicts of interest identified by the Administrator an Administrator appoints an independent external auditor with appropriate experience and capability to periodically review and report on the Administrator's adherence to its stated Methodology.		
17.8 The frequency of audits is proportionate to the size and complexity of the Administrator's Benchmark operations and the breadth and depth of Benchmark used by Stakeholders.		

**Step 3 – Assign one of the four ratings to the Principle based on the standards established for each rating and the analysis conducted in Step 2.**

**Please explain how you arrived at this rating by considering whether the non-implementation of**

**one or more Key Indicia affects you achieving the intended outcome of the relevant Principle**

**[Fully Implemented/Broadly Implemented/Partly Implemented/Not Implemented]**

*[Reasoning for rating]*

**Step 4 – Describe any planned policies and practices (including timelines) that could bring you towards fully implementing this Principle**

*[Description]*

**Principle 18 – Audit trail**

**Step 1 – Summarise your currently implemented policies and practices that are relevant to this Principle**

*Instructions [delete once complete]*

*Please describe your record keeping policies including detailed descriptions of kinds of data and information retained, manner of retention and time for which data and information is retained.*

*If you do not have such policies, or your policies do not cover the topics listed in the Key Indicia, please explain why.*

*Do you have record sharing arrangements with a relevant regulated market or exchange? If so, please provide details of these arrangements.*

**Step 2 – Identify whether each of the following Key Indicia have been implemented through your current policies and practices**

<p><b>Key Indicia</b></p>	<p><b>Have you implemented the Key Indicia through the summarised policies and practices?</b></p> <p><b>Please provide reasoning</b></p>	<p><b>If applicable, does absence of Key Indicia affect you achieving the intended outcome of the Principle?</b></p> <p><b>Please provide reasoning</b></p>
<p>18.3 Administrators, subject to national legal or regulatory requirements, retain for five years written records on:</p> <p>f) All market data, Submissions and any other data and information sources relied upon for Benchmark determination;</p>	<p>[Yes/No]</p>	<p>[Yes/No/N/A]</p>
<p>g) The exercise of Expert Judgment made by the Administrator in reaching a Benchmark determination;</p>		
<p>h) Other changes in or deviations from standard procedures and Methodologies, including those made during periods of market stress or disruption;</p>		
<p>i) The identity of each person involved in producing a Benchmark determination; and</p>		
<p>j) Any queries and responses relating to data inputs.</p>		



18.4 Administrators may rely on these records held by a Regulated Market or Exchange for compliance with this Principle, subject to appropriate written record sharing agreements.		
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**Step 3 – Assign one of the four ratings to the Principle based on the standards established for each rating and the analysis conducted in Step 2.**

**Please explain how you arrived at this rating by considering whether the non-implementation of one or more Key Indicia affects you achieving the intended outcome of the relevant Principle**

**[Fully Implemented/Broadly Implemented/Partly Implemented/Not Implemented]**

*[Reasoning for rating]*

**Step 4 – Describe any planned policies and practices (including timelines) that could bring you towards fully implementing this Principle**

*[Description]*

### **Principle 19 – Cooperation with regulatory authorities**

**Step 1 – Summarise your currently implemented policies and practices that are relevant to this Principle**

*Instructions [delete once complete]*

*Please describe in detail your policies and procedures relating to sharing of information with Regulatory Authorities, including the kinds of information and data covered under these arrangements.*

*If you do not make relevant documents, Audit Trails and other documents available to the Regulatory Authorities, please explain why.*

**Step 2 – Identify whether each of the following Key Indicia have been implemented through your current policies and practices**

<b>Key Indicia</b>	<b>Have you implemented the Key Indicia through the summarised policies and practices?  Please provide reasoning</b>	<b>If applicable, does absence of Key Indicia affect you achieving the intended outcome of the Principle?  Please provide reasoning</b>
19.1 Relevant parties make readily available and hand over promptly on request, relevant documents, Audit Trails and other documents subject to the Principles to the relevant Regulatory Authorities in carrying out their regulatory or supervisory duties.	[Yes/No]	[Yes/No/N/A]

**Step 3 – Assign one of the four ratings to the Principle based on the standards established for each rating and the analysis conducted in Step 2.**

**Please explain how you arrived at this rating by considering whether the non-implementation of one or more Key Indicia affects you achieving the intended outcome of the relevant Principle**

**[Fully Implemented/Broadly Implemented/Partly Implemented/Not Implemented]**

*[Reasoning for rating]*

**Step 4 – Describe any planned policies and practices (including timelines) that could bring you towards fully implementing this Principle**

*[Description]*