

BVI¹'s position on the Targeted consultation on the regime applicable to the use of benchmarks administered in a third country

Questions specific to benchmark administrators

Question 1.1 To what extent do you, in your provision of benchmarks in the EU, experience competition from benchmarks administered outside the EU?

- 1 - No competition
- 2 - Some competition
- 3 - Moderate competition
- 4 - Strong competition
- 5 - Very strong competition
- Don't know / no opinion / not applicable

Please explain your answer to question 1, ideally including the list of benchmarks or family of benchmarks that overlap and, if possible, providing an estimation of your benchmark offering which overlaps with benchmarks administered outside the EU:

2000 character(s) maximum

Question 1.1 Is your organisation planning to change its status under BMR in light of the entry into application of the rules for third country benchmarks as they currently stand?

- Yes
- No
- Don't know / no opinion / not applicable

Please explain your answer to question 1.1:

2000 character(s) maximum

Question 1.2 How significant is the provision of benchmarks in the EU, as a proportion of your revenue derived from the provision of benchmarks worldwide?

- 0-20%
- 21-40%

¹ BVI represents the interests of the German fund industry at national and international level. The association promotes sensible regulation of the fund business as well as fair competition vis-à-vis policy makers and regulators. Asset Managers act as trustees in the sole interest of the investor and are subject to strict regulation. Funds match funding investors and the capital demands of companies and governments, thus fulfilling an important macro-economic function. BVI's 116 members manage assets of some EUR 4 trillion for retail investors, insurance companies, pension and retirement schemes, banks, churches and foundations. With a share of 28%, Germany represents the largest fund market in the EU. BVI's ID number in the EU Transparency Register is 96816064173-47. For more information, please visit www.bvi.de/en.



- 41-60%
- 61-80%
- 81-100%
- Prefer not to say
- Don't know / no opinion / not applicable

Please explain your answer to question 1.2:

2000 character(s) maximum

Question 1.3 To the extent possible, provide the aggregate notional amounts /values (unit: EUR 1,000) (or an estimate thereof) for the use of your organisation’s third country benchmarks in the Union in each of the following settings.

If the breakdown is not available, please provide the total value:

	Foreign exchange	Interest rate	Equity commodity	Other (please specify)	Total
Issuance of a financial instrument which references an index or a combination of indices					
Determination of the amount payable under a financial instrument or a financial contract by referencing an index or a combination of indices					
Being a party to a financial contract which references an index or a combination of indices					
Providing a borrowing rate as defined in					



<p>point (j) of Article 3 of Directive 2008/48/EC calculated as a spread or mark-up over an index or a combination of indices and that is solely used as a reference in a financial contract to which the creditor is a party</p>					
<p>Measuring the performance of an investment fund through an index or a combination of indices for the purpose of tracking the return of such index or combination of indices, of defining the asset allocation of a portfolio, or of computing the performance fees</p>					
<p>Other (please specify)</p>					
<p>Total</p>					



Question 1.4 Please provide a list of all your benchmarks or family of benchmarks for which you are aware that they are used by EU supervised entities.

Alternatively, please provide the number of such benchmarks:

2000 character(s) maximum

Question 1.5 Please provide an estimation of the costs incurred to seek compliance with the BMR’s third country regime, that is to say to become a third country administrator active in the EU under recognition, endorsement or equivalence:

2000 character(s) maximum

Question 1.5 Have overall compliance costs – including additional one-off and ongoing supervisory/registration fees incurred in the EU – acted as a deterrent for you to seek (or not to seek) compliance with the BMR, or slowed down the process towards compliance with the current third country regime?

- No, compliance costs (including supervisory/registration fees) did not influence our decision to seek (or not to seek) compliance with the BMR third country regime
- Yes, compliance costs (including supervisory/registration fees) have slowed down our decision to seek compliance with the BMR third country regime
- Yes, compliance costs (including supervisory/registration fees) have forced us to renounce to our project to seek compliance with the BMR third country regime
- Don't know / no opinion / not applicable

Please explain your answer to question 1.5, distinguishing if relevant operational/organisational costs and financial costs such as supervisory /registration fees:

2000 character(s) maximum

Question 1.6 If you have already started taking measures to seek compliance with the current third country regime, anticipating its application as of 31 December 2023, please provide an estimation of the costs incurred by such measures:

2000 character(s) maximum



Questions specific to supervised entities using benchmarks

Question 1.1 To what extent does your activity rely on benchmark administered by third country entities?

- 1 - Not at all
 2 - Some reliance
 3 - Moderate reliance
 4 - Strong reliance
 5 - Exclusive reliance
 Don't know / no opinion / not applicable

Question 1.1.1 If available, please provide notional amounts/values (unit: EUR 1,000) (or an estimate thereof) for your organisation's use of third country benchmarks in each of the following settings.

If the breakdown is not available, please provide the total value:

	Foreign exchange	Interest rate	Equity commodity	Other (please specify)	Total
Issuance of a financial instrument which references an index or a combination of indices		X	X (equity, not commodity)	-	n.a.
Determination of the amount payable under a financial instrument or a financial contract by referencing an index or a combination of indices	-	x	-	-	n.a.
Being a party to a financial contract which references an index or a combination of indices	X	X	X (equity) X (commodity)	-	n.a.
Providing a borrowing rate as defined in	-	-	-	-	n.a.



point (j) of Article 3 of Directive 2008/48/EC calculated as a spread or mark-up over an index or a combination of indices and that is solely used as a reference in a financial contract to which the creditor is a party					
Measuring the performance of an investment fund through an index or a combination of indices for the purpose of tracking the return of such index or combination of indices, of defining the asset allocation of a portfolio, or of computing the performance fees	X	X	X (equity) X (commodity)	-	n.a.
Other (please specify)					
Total	n.a.	n.a.	n.a.	n.a.	n.a.



Question 1.2 What is/are your organisation's reasons for using non-EU benchmarks?

- No particular reason
 Established practice / established business relationship with benchmark administrator
 No equivalent EU benchmark available
 Equivalent EU benchmark available, but not cost free or more expensive
 Other
 Don't know / no opinion / not applicable

Please specify to what other reason(s) you refer in your answer to question 1.2:

2000 character(s) maximum

For example, the BVI members often use FTSE, MSCI, S&P, STOXX which are the largest brand name equity index families in the world, all of which have their head offices outside the EU. Similar in the Fixed Income space where for example Bloomberg Barclays is a leading non-EEA player.

Question 1.3 Please provide a full list of all third country benchmarks your organisation uses as well as their administrators.

2000 character(s) maximum

Please see attached list of benchmarks in active use with the BVI members.

Question 1.4 Do you anticipate that all third country benchmarks that you might wish to use in offering financial services and products in the future (i.e., post 31 December 2023) will be either deemed equivalent, recognised or endorsed for use in the Union under the current BMR third country framework?

- Yes
 No
 Don't know / no opinion / not applicable

Please explain your answer to question 1.4:

2000 character(s) maximum

Funds are only allowed under BMR to use benchmarks if the benchmark is provided by an administrator that is listed in the ESMA register. The time and effort to search, identify and monitor in the ESMA register the thousands of indices is huge. Asset managers need a wide range of Non-EEA benchmarks as evidenced by the huge number of benchmarks on the attached BVI members benchmarks list. Access to the products offered predominately by smaller non-EU index providers especially in the rates and foreign exchange areas will be curtailed post 31 December 2023, as a number of non-EU providers will not assume the costly and onerous BMR responsibilities, and EU users will be significantly disrupted in certain business areas. In emerging markets asset classes, the relevant indices will not be replaced by EU BMR administrators as they lack the relevant input data. To the extent that such indices will be replaced by providers, this will likely concentrate the market power in the few dominant - usually non-EEA - index providers which are able to support such a diversified index business. The situation inevitably will lead to higher user costs as index providers will implement their licencing and fee schemes. Preventing EU users from using reputable, robust and cost-effective TC market indices only operates to the detriment of European investors, savers, pensioners and the real economy. Therefore, third country benchmarks, which are based on interest rates, foreign exchanges



and derivatives which are often used without commercial restrictions will not ask for BMR authorisation. Furthermore, the BMR user rules should be abolished and the scope of BMR should be limited to the duties applicable to BMR administrators like it is the case in other areas of financial services regulation where the provider of the service (e. g. bank, insurance company, fund management company) is regulated and the client of such financial services has no additional obligations when using such services.

Please indicate the benchmarks that you might wish to reference but that will not be recognised or endorsed for use by supervised entities in the Union:

2000 character(s) maximum

Please see the BVI members benchmark list referenced in question 1.3.

Question 1.5 Do you believe that the current grandfathering provisions in the BMR, Article 51 paragraph 5, suffice to ensure that you have access to all indices that you need for managing your portfolio of financial products and services?

- Yes, they will suffice
- No, our activities will be affected by the entry into application of the BMR third country regime despite the grandfathering provisions
- Don't know / no opinion / not applicable

Please explain your answer to question 1.5:

2000 character(s) maximum

Usage of certain TC indices will not be possible and their use to measure the performance of an investment fund with the purpose of tracking the return of such index or of defining the asset allocation of a portfolio or of computing the performance fees will not be possible going forward.

Question 1.6 To what degree have the benchmark administrators whose third country benchmarks you use already communicated on the conditions for the availability of these benchmarks beyond 31 December 2023, that is to say after the third country provisions start applying?

Among benchmark administrators that have communicated on such availability, how many indicated that their benchmarks will not be available, or are likely to be unavailable, beyond 31 December 2023?

- None
- Some
- Most
- All
- Don't know / no opinion / not applicable



Please explain your answer to question 1.6:

2000 character(s) maximum

No data available

Question 1.7 In light of the answers above, please provide your estimation of the impact of the entry into application of the rules on third country benchmarks in the BMR on your activities (e.g. on revenues or costs)?

- No / negligible impact
- Slight impact
- Medium impact
- Severe impact
- Some / all of our activities would not be sustainable
- Don't know / no opinion / not applicable

Please explain your answer to question 1.7, complementing it, if possible, with a quantitative estimation of the expected impact:

2000 character(s) maximum

Please see our answer to question 1.4. Revenues will be reduced as existing products can't be continued based on their non-EEA administered benchmarks. Regulated investment funds (UCITS/AIF) need to terminate such index related products or they need to switch to new benchmarks.

Question 1.8 Do you anticipate competitive disadvantages vis-à-vis competitors that are not supervised entities within the scope of the BMR if the third country "market access" rules for benchmarks enter into application without changes in 2024 at the latest?

- Yes
- No
- Don't know / no opinion / not applicable

Please explain your answer to question 1.8:

2000 character(s) maximum

They are no unregulated/not supervised entities competing with AIF/UCITS at this stage. This may change for example with the increased acceptance of crypto product indices.

Question 1.9 Do you / does your organisation use benchmarks advertising ESG features that are administered in a third country?

- Yes
- No
- Don't know / no opinion / not applicable



Please explain your answer to question 1.9:

2000 character(s) maximum

All benchmark administrators are expanding their product range to ESG indices either as close to the existing benchmarks or as new indices with specific focus. Given the dominance of non-EEA administrators also in the ESG space their products are in wide use with our member firms.

Question 1.9.1 What is your estimation of the share of those ESG benchmarks you use that are administered in a third country?

2000 character(s) maximum

Most of our 116 member firms use more than one ESG data provider. In most cases these are non-EEA based data providers. The most used firm is MSCI.

Questions specific to end-users of benchmarks

Question 1.1 To what extent does your activity rely on benchmark administered by third country entities?

- 1 - Not at all
- 2 - Some reliance
- 3 - Moderate reliance
- 4 - Strong reliance
- 5 - Exclusive reliance
- Don't know / no opinion / not applicable

Question 1.2 For what purpose do you use (as an end-user) third country benchmarks?

- Investment
- Hedging
- Portfolio management
- Other
- Don't know / no opinion / not applicable

Please specify to what other purpose(s) you refer in your answer to question 1.2:

2000 character(s) maximum



Question 1.2.1 If available, please provide notional amounts/values (unit: EUR 1,000) for your organisation's end-use of third country benchmarks in each of the following settings:

	Foreign exchange	Interest rate	Equity commodity	Other (please specify)	Total
Investment					
Hedging					
Portfolio management					
Other (please specify)					
Total					

Question 1.3 What is/are the reasons for using non-EU benchmarks?

- No particular reason
 Habit / established business relationship with benchmark administrator
 No equivalent EU benchmark available
 Equivalent EU benchmark available, but not cost free or more expensive
 Other
 Don't know / no opinion / not applicable

Please specify to what other reason(s) you refer in your answer to question 1.3:

2000 character(s) maximum

Question 1.4 Please provide a full list of all third country benchmarks your organisation uses as well as their administrators.

2000 character(s) maximum

Question 1.5 In your organisation's end-use of third country benchmarks, on which counterparties / service providers (benchmark users) do you rely?

- 1 - Exclusively on EU entities
 2 - Mainly on EU entities
 3 - More or less equally on EU and non-EU entities
 4 - Mainly on non-EU entities
 5 - Exclusively on non-EU entities
 Don't know / no opinion / not applicable



Question 1.6 When the rules for third country benchmarks enter into application, your service provider might lose the right to offer new contracts referencing some third country benchmarks you currently use as an end-user.

How would you react?

- We would stand ready to reach out to non-EU service providers that still have access to those benchmarks, in order to continue to use the same third country benchmarks, even if that implies higher costs
- We already resort to non-EU service providers, so we would not be affected and would continue to use the same benchmarks via the same non-EU service providers
- We would seek alternative, EU-based benchmarks that can be referenced by EU service providers
- We would stop using benchmarks for this purpose: if those third country benchmarks did not meet the requirements for equivalence, recognition or endorsement, it means that they are not safe and we prefer not to use them
- Don't know / no opinion / not applicable

Please explain your answer to question 1.6:

2000 character(s) maximum

Question 1.7 Taking into account the answers above, how significant do you estimate the impact on your activities would be of the entry into application of the rules on third country benchmarks in the BMR?

- No / negligible impact
- Slight impact
- Medium impact
- Severe impact
- Some / all of our activities would not be sustainable
- Don't know / no opinion / not applicable

Please explain your answer to question 1.7:

2000 character(s) maxim

Question 1.8 Are you / is your organisation an end-user of benchmarks advertising ESG features that are administered in a third country?

- Yes
- No
- Don't know / no opinion / not applicable



Please explain your answer to question 1.8:

2000 character(s) maximum

Question 1.8.1 What is your estimation of the share of those ESG benchmarks you use that are administered in a third country?

2000 character(s) maximum

Questions specific to ‘other’ respondents

Question 1.1 Please provide your estimation of the impact of the entry into application of the rules on third country benchmarks in the BMR on your activities (e.g. on revenues or costs)?

- No / negligible impact
- Slight impact
- Medium impact
- Severe impact
- Some / all of our activities would not be sustainable
- Don't know / no opinion / not applicable

Please explain your answer to question 1.1, complementing, if possible, with a quantitative estimation of the expected impact:

2000 character(s) maximum

Question 1.2 If available and relevant, please provide notional amounts /values (unit: EUR 1,000) for your organisation’s exposure to or use of third country benchmarks in each of the following settings:

	Foreign exchange	Interest rate	Equity commodity	Other (please specify)	Total
Investment					
Hedging					
Portfolio management					
Other (please specify)					
Total					



Questions to all types of respondents

Question 2.1 Do you believe that the rules applicable to the use of benchmarks administered in a third country, which will fully enter into application as of January 2024, are fit-for-purpose? If not, how would you propose to amend the BMR’s third country regime?

- Those rules are appropriate
- Those rules are overall appropriate, but minor adjustments are needed
- Those rules are not fit-for-purpose, and should be reviewed
- Don't know / no opinion / not applicable

Please explain your answer to question 2.1:

2000 character(s) maximum

Please see our answer to question 1.4. Product offerings by the benchmark administrators for UCITS/AIF are reduced as no unregistered TC benchmarks could be used going forward.

Question 2.2 More specifically, would you be in favour of a framework under which only certain third country benchmarks, deemed ‘strategic’, would remain subject to restrictions of use similar to the current rules?

Under this hypothesis, the use by EU supervised entities of all other third country benchmarks than those ‘strategic’ benchmarks would be in principle free, without any additional requirement attached to the status of the administrator.

- 1 - Totally opposed
- 2 - Somewhat opposed
- 3 - Neither opposed nor in favour
- 4 - Somewhat in favour
- 5 - Totally in favour
- Don't know / no opinion / not applicable

Please explain your answer to question 2.2:

2000 character(s) maximum

UCITS/AIF could offer freely non-strategic index related products, at least from TC benchmark administrators. Therefore, EU based non-strategic benchmarks should be able to be used freely. On the other hand, some legal requirements attached to the status of the administrator may be required to protect users from excessive fees and licences by commercially focused providers.



Question 2.3 Under the hypothesis set out in the question above, there would need to be criteria to determine whether a third country benchmark should be designated as ‘strategic’.

Which of the following criteria should be used, in your view, to identify ‘strategic’ third country benchmarks?

	1 (totally against)	2 (somewhat against)	3 (neither against nor in favour)	4 (somewhat in favour)	5 (totally in favour)	Don't know – No opinion – Not applicable
Notional amount/values of assets referencing the benchmark globally	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Notional amount/values of assets referencing the benchmark in the EU	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Type of use (determination of the amount payable under a financial instrument, providing a borrowing rate, measuring the performance of an investment fund...)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Type of user (investment fund, credit institution, CCP, trade repository, etc.)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Core activity of the administrator (bank, trading venue, asset manager, benchmark administrator, etc.)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Regulatory status of administrator in home jurisdiction	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Type of benchmark (interest rate benchmark, commodity)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



benchmark, equity benchmark, regulated-data benchmark, etc.)						
Substitutability of the benchmark (i.e. existence of a similar benchmark administered in the EU)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
EU benchmark labels (including EU Paris Aligned Benchmarks and EU Climate Transition Benchmarks)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Please specify to what other criterion you refer in your answer to question 2.3:

2000 character(s) maximum

Strategic TC benchmarks provided by BM administrators with commercial interests/purpose and a threshold above EUR 1,000,000 in index data licence revenues should be within the scope of the relevant criteria to determine an index as “strategic”.

Please explain your answer to question 2.3:

2000 character(s) maximum

We give consideration to the proposal by the EU Commission that strategic TC benchmarks should be within the scope of the EU BMR. TC benchmark administrators with a substantive commercial interest/offering have a strong incentive to actively promote further on their products to EU supervised entities (e.g. UCITS/AIF). In order to avoid revenue losses, it is likely that TC index providers will register such indices under the EU BMR regime. We assume that the legal advice, administration and registration cost of a benchmark provider/benchmarks under BMR currently amount to EUR 300,000-500,000. However, we believe that furthermore, the BMR user rules should be abolished and the scope of BMR should be limited to the duties applicable to (strategic) BMR administrators like it is the case in other areas of financial services regulation where only the provider of the service (e. g bank, insurance company, fund management company) is regulated and the client of such financial services has no additional regulatory obligations when using such services.



Question 2.4 Under the hypothesis where the current third country regime would be reformed or repealed, please indicate the degree to which you agree with each of the following statements:

a) The European Commission should be granted powers to designate certain administrators or benchmarks as ‘strategic’ on a case-by-case basis.

- 1 - Do not agree at all
- 2 - Do not agree
- 3 - Neither agree nor disagree
- 4 - Somewhat agree
- 5 - Fully agree
- Don't know / no opinion / not applicable

Please explain your answer to question 2.4 a):

2000 character(s) maximum

The EU Commission lacks the expertise and market knowledge to designate strategic TC benchmarks provided by BM administrators with commercial interests/purpose and a threshold above EUR 1,000,000 in index data licence revenues.

b) ESMA should be given the task to supervise those third country ‘strategic’ benchmarks.

- 1 - Do not agree at all
- 2 - Do not agree
- 3 - Neither agree nor disagree
- 4 - Somewhat agree
- 5 - Fully agree
- Don't know / no opinion / not applicable

Please explain your answer to question 2.4 b):

2000 character(s) maximum

ESMA should also be mandated to supervise the cost of benchmarks going forward. ESMA is well placed as a “one stop shop” to supervise TC index providers, especially those with commercial interests/purpose and a threshold above EUR 1,000,000 in index data licence revenues.

c) ESMA should also be tasked with the supervision of EU-based benchmarks that qualify as ‘strategic’.

- 1 - Do not agree at all
- 2 - Do not agree
- 3 - Neither agree nor disagree
- 4 - Somewhat agree
- 5 - Fully agree
- Don't know / no opinion / not applicable



Please explain your answer to question 2.4 c):

2000 character(s) maximum

Currently, EU based benchmark providers are supervised by the national competent authorities. There is no need to shift the supervision to ESMA only in case of strategic indices. ESMA, however, should be mandated to set standards on and supervise the cost of benchmark data (fees and licences) going forward as is the case with market data (Art. 13 MiFIR).

d) The EU internal scope of regulation of EU benchmarks should also be amended along similar lines, to only comprise certain types of strategic benchmarks, notably with a view to avoid circumvention or unlevel playing field.

- 1 - Do not agree at all
- 2 - Do not agree
- 3 - Neither agree nor disagree
- 4 - Somewhat agree
- 5 - Fully agree
- Don't know / no opinion / not applicable

Please explain your answer to question 2.4 d):

2000 character(s) maximum

We believe that the BMR user rules should be abolished and the scope of BMR should be limited to the duties applicable to (strategic) BMR administrators like it is the case in other areas of financial services regulation where only the provider of the service (e. g bank, insurance company, fund management company) is regulated and the client of such financial services has no additional regulatory obligations when using such services. BVI therefore is of the opinion that going forward the unlimited use of both BMR compliant (including strategic) and non-compliant (including non-strategic) index and rate products should be permitted for all EU based financial services firms subject only to proper disclosure of the benchmark and whether it is registered with ESMA or not.

e) The EU BMR could function as an opt-in regime, whereby both EU administrators and third-country administrators would benefit from a form of quality label attached to the BMR as they voluntarily decide to comply with the EU BMR and being subject to supervision. Under this hypothesis, the opt-in regime would be applicable to most benchmarks, while only certain benchmarks (e.g. above-mentioned 'strategic' benchmarks) would be subject to mandatory compliance with the EU BMR and supervision.

- 1 - Do not agree at all
- 2 - Do not agree
- 3 - Neither agree nor disagree
- 4 - Somewhat agree
- 5 - Fully agree
- Don't know / no opinion / not applicable



Please explain your answer to question 2.4 e):

2000 character(s) maximum

BMR is no quality label which is accepted in the marketplace. To many existing EU benchmark and TC benchmark administrators would be out of scope of the BMR if opt-in would be allowed. Then BMR should be scrapped altogether and be replaced with a targeted regulation of critical BM administrators only.

f) EU benchmark labels (including EU Paris Aligned Benchmarks and EU Climate Transition Benchmarks) should not be accessible to third country administrators, and only be accessible to administrators supervised in the EU and subject to the BMR.

- 1 - Do not agree at all
- 2 - Do not agree
- 3 - Neither agree nor disagree
- 4 - Somewhat agree
- 5 - Fully agree
- Don't know / no opinion / not applicable

Please explain your answer to question 2.4 f):

2000 character(s) maximum

De facto most EU Climate Transition Benchmarks (CTB) and EU-Paris-Aligned-Benchmarks (PAB) are provided by third country administrator groups. The envisaged restriction would limit the scope of PAB/CTB indices available to EU supervised entities such as funds.

If EU benchmark labels were to remain accessible to third country administrators (which are not subject to EU supervision), and if the labelled benchmarks have not been designated as “strategic”, some safeguards should be put in place to maintain the reliability of those labels. Those safeguards should ensure that benchmarks administered in a third country and using an EU label effectively comply, on a continuous basis, with the relevant minimum standards attached to those labels. Regarding such benchmarks administered in a third country and using an EU label.

g) An EU administrator subject to EU supervision should be responsible for compliance of the third country labelled benchmark with the relevant standards (under a mechanism similar to the current endorsement framework).

- 1 - Do not agree at all
- 2 - Do not agree
- 3 - Neither agree nor disagree
- 4 - Somewhat agree
- 5 - Fully agree
- Don't know / no opinion / not applicable



Please explain your answer to question 2.4 g):

2000 character(s) maximum

h) They should be directly supervised by ESMA (under a mechanism similar to the current recognition framework).

- 1 - Do not agree at all
- 2 - Do not agree
- 3 - Neither agree nor disagree
- 4 - Somewhat agree
- 5 - Fully agree
- Don't know / no opinion / not applicable

Please explain your answer to question 2.4 h):

2000 character(s) maximum

i) EU benchmark users should be required to only use benchmarks that comply with the EU standards on a continuous basis. As a consequence, those users should be required to gather the necessary information to verify that the benchmark's methodology is consistent (on a continuous basis) with the EU standards, and for ceasing use of those benchmarks in case the labels are misused.

- 1 - Do not agree at all
- 2 - Do not agree
- 3 - Neither agree nor disagree
- 4 - Somewhat agree
- 5 - Fully agree
- Don't know / no opinion / not applicable

Please explain your answer to question 2.4 i):

2000 character(s) maximum

We believe that the BMR user rules should be abolished and the scope of BMR should be limited to the duties applicable to (strategic) BMR administrators like it is the case in other areas of financial services regulation where only the provider of the service (e. g bank, insurance company, fund management company) is regulated and the client of such financial services has no additional regulatory obligations when using such services. BVI therefore is of the opinion that going forward the unlimited use of both BMR compliant (including strategic) and non-compliant (including non-strategic) index and rate products should be permitted for all EU based financial services firms subject only to proper disclosure of the benchmark and whether it is registered with ESMA or not. EU supervised entities (e.g. funds) should never be required to do the compliance work of the benchmark administrator or the entity supervising the BMR, i.e. the responsible NCA or ESMA.



With [Regulation 2019/2089](#), the EU recently introduced a number of sustainability-related disclosures to benchmark administrators, especially for those benchmarks advertising ESG features. As mentioned in its [renewed sustainable finance strategy](#), the Commission is exploring the possibility to create an [EU ESG benchmark label](#), whose scope would simultaneously encompass environmental, social and governance pillars. This label would be an addition to the already existing climate-focused PAB and CTB labels, and would aim at bringing more clarity in the market for ESG benchmarks and further tackling “ESG-washing”.

Question 2.5 Do you believe that creating an EU ESG benchmark label would help enhance the quality of ESG benchmarks?

Would a context where a significant share of those benchmarks are administered in a third country influence your appraisal?

- 1 - Do not agree at all
- 2 - Do not agree
- 3 - Neither agree nor disagree
- 4 - Somewhat agree
- 5 - Fully agree
- Don't know / no opinion / not applicable

Please explain your answer to question 2.5:

2000 character(s) maximum

EU benchmark providers and third country administrators should be able to compete on equal footing, because PAB/CTB can be assigned for example also to US or Asian shares. An EU ESG benchmark label would not necessarily improve the quality of such TC or EEA benchmarks. Furthermore, for asset managers to meet their product disclosure obligations under SFDR, they need to rely on index providers to draw information on the constitution of the indices their products are intended to track. However, index providers are subject to different disclosure rules under the BMR. Therefore, index providers' incentive to provide the information needed to managers to comply with the SFDR disclosure requirements is at present essentially commercial and attempted only on a "best-efforts" basis. This is further complicated by the growing use of specific indices to meet investors' specific demands for ESG products, where some of these indices can depart from a main “parent“ index through the use of multiple ESG screens, controversy scores, tilts, etc. Without access to the tools and methodologies from index and data providers to meet their SFDR and Taxonomy obligations, managers are left in a sub-optimal position from a compliance and a reputational perspective. The most practical solution would be for index providers to adhere to the same SFDR product-level disclosure requirements in their benchmark statements. In our view, this can be attained by amending the information to be disclosed in index providers' benchmark statements (Article 27(2a) BMR) supplemented by Article 2 Annex I Delegated Regulation (EU) 2020/1816), intended to introduce a standard reporting template when ESG factors are considered. Such amendments will therefore need to reflect the precontractual and periodic disclosures' information that is to be disclosed under the existing SFDR-specific templates from January 2023.



Question 2.6 Should such an EU ESG benchmark label be created, should this label be accessible to third country administrators?

- 1 - Do not agree at all
- 2 - Do not agree
- 3 - Neither agree nor disagree
- 4 - Somewhat agree
- 5 - Fully agree
- Don't know / no opinion / not applicable

Please explain your answer to question 2.6:

2000 character(s) maximum

Yes. EU benchmark providers and third country administrators should be able to compete on equal footing, because BM, including but not limited to PAB/CTB, can be assigned also to non-EEA company shares. Please see our answer to question 2.5.

BVI Benchmark Listing 2022 (Stand: 27. Juli 2022)

Index Provider	Code (z. B. Bloomberg)	Index name	Comment	EU-Anerkennung des Drittstaaten-Indexanbieters bis Ende 2023 zu erwarten (Ja/nein)
Barclays		Global Trend Index (EUR)		
Barclays	LECPREU	Barclays Capital Euro Aggregate Bond Index		
Barclays Capital		33,34% Barclays Capital US Aggregate Corporate Bonds ex Fin. Sub hedged in Euro 1-3 Jahre/ 33,33% Barclays Capital US Agg. Corporate Bonds ex Fin. Sub hedged in Euro 3-5 Jahre/33,34% Barclays Capital US Agg. Corporate Bonds ex Fin. Sub hedged 5-7 Jahre		
Barclays Capital		40% Barclays Global Treasury 1-5 year ex Japan Euro hedged/ 60% Barclays Global Treasury 1-10 year ex-Japan Euro hedged		
Barclays Capital		60% Barclays Capital US High Yield BaB/ 40% Barclays Capital Pan European High Yield BaB 50-50, 2% issuer capped, hedged in Euro		
Barclays Capital		Barclay Capital France Government Inflation-Linked All Maturities		
Barclays Capital		Barclay Capital Germany Government Inflation-Linked All Maturities		
Barclays Capital		Barclays Capital 70%US High Yield plus 30%Pan Euro High Yield 2 % issuer Cap Ba/B Only		
Barclays Capital		Barclays Capital 75% GA x Eurozone x EUR x Sec inc Cov; 25% EM HC Agg IG x EUR Euro hedged		
Barclays Capital		Barclays Capital 75% GLA x E2N x Sec incl Cov 25% EM HC IG EUR Hedged		
Barclays Capital		Barclays Capital Bellwether Swap Euro 12 Monate Index		
Barclays Capital		Barclays Capital Bellwether Swap Euro 24 Monate Index		
Barclays Capital		Barclays Capital Commodity Index Precious Metals Roll Yield ER		
Barclays Capital		Barclays Capital EM HC IG EUR Hedged		
Barclays Capital		Barclays Capital EM Local Currency Government in Euro		
Barclays Capital		Barclays Capital EM Local Currency Government Universal Euro hedged		
Barclays Capital		Barclays Capital Emerging Markets Average A Rated 2 Custom Euro hedged		
Barclays Capital		Barclays Capital Emerging Markets Sovereign IG Plus Custom Euro hedged		
Barclays Capital		Barclays Capital EUR Floating Rate Notes Baa		
Barclays Capital		Barclays Capital Euro ABS Fixed A OAS		
Barclays Capital		Barclays Capital Euro ABS Fixed AAA OAS		
Barclays Capital		Barclays Capital Euro ABS Fixed OAS		
Barclays Capital		Barclays Capital Euro Aggr. Corporate ex Financials		
Barclays Capital		Barclays Capital Euro Aggr. Corporate ex Financials A Total Return in EUR		
Barclays Capital		Barclays Capital Euro Aggr. Corporate ex Financials AA Total Return in EUR		
Barclays Capital		Barclays Capital Euro Aggregate 10+ Jahre		
Barclays Capital		Barclays Capital Euro Aggregate 1-3 Jahre in Euro		
Barclays Capital		Barclays Capital Euro Aggregate 3-5 Jahre		
Barclays Capital		Barclays Capital Euro Aggregate 500MM		
Barclays Capital		Barclays Capital Euro Aggregate Corporate 1-3 Jahre		
Barclays Capital		Barclays Capital Euro Aggregate Corporate Bond 7-10 Jahre		
Barclays Capital		Barclays Capital Euro Aggregate Corporate Bond Index		
Barclays Capital		Barclays Capital Euro Aggregate Corporate ex BBB 3-5 Jahre		
Barclays Capital		Barclays Capital Euro Aggregate Credit 500+		
Barclays Capital		Barclays Capital Euro Aggregate Government (E)		
Barclays Capital		Barclays Capital Euro Aggregate Government 10+Y (E)		
Barclays Capital		Barclays Capital Euro Aggregate Government 1-3Y (E)		
Barclays Capital		Barclays Capital Euro Aggregate Government 3-5Y (E)		
Barclays Capital		Barclays Capital Euro Aggregate Government 5-7Y (E)		
Barclays Capital		Barclays Capital Euro Aggregate Government 7-10Y (E)		
Barclays Capital		Barclays Capital Euro Aggregate Securized 1-3 Jahre		
Barclays Capital		Barclays Capital Euro Aggregate Securized 3-5 Jahre		
Barclays Capital		Barclays Capital Euro Aggregate Sovereign Total Return Index Value Unhedged in Euro		
Barclays Capital		Barclays Capital Euro Aggregate TR in Euro		
Barclays Capital		Barclays Capital Euro Aggregate Treasury		
Barclays Capital		Barclays Capital Euro Aggregate Treasury 10+ Jahre		
Barclays Capital		Barclays Capital Euro Aggregate Treasury 1-3 Jahre		
Barclays Capital		Barclays Capital Euro Aggregate Treasury Germany		
Barclays Capital		Barclays Capital Euro All Inflation Government		
Barclays Capital		Barclays Capital Euro Corporate ex Financials 2% cap		
Barclays Capital		Barclays Capital Euro Covered ex PT, IE, IT, GR, ES		
Barclays Capital		Barclays Capital Euro Credit Corp ex Financials 1-10 Jahre		
Barclays Capital		Barclays Capital Euro Credit Corp ex Financials 1-5 Jahre		
Barclays Capital		Barclays Capital Euro Credit Corp ex sup ex fin Baa3+ 1-10Yrs 5% cap Euro hedged		
Barclays Capital		Barclays Capital Euro Dollar Sovereign		
Barclays Capital		Barclays Capital Euro Fixed Rate ABS Value Index		
Barclays Capital		Barclays Capital Euro Floating ABS Bond Index A		
Barclays Capital		Barclays Capital Euro Floating ABS Bond Index BBB		
Barclays Capital		Barclays Capital Euro Floating Rate ABS Index		
Barclays Capital		Barclays Capital Euro Floating Rate ABS Value Index		
Barclays Capital		Barclays Capital Euro Floating Rate Notes		
Barclays Capital		Barclays Capital Euro Treasury 0-12 Months		
Barclays Capital		Barclays Capital Euro Treasury 1-10 Jahre		
Barclays Capital		Barclays Capital Euro-Agg Corp 70% x BBB 1-3 Yr 30% x BBB		
Barclays Capital		Barclays Capital Euro-Agg. Credit Index		
Barclays Capital		Barclays Capital Euro-Agg. Government Index		
Barclays Capital		Barclays Capital Euro-Aggregate 500MM 1-5 Jahre Unhedged in Euro		
Barclays Capital		Barclays Capital Euro-Aggregate Pfandbriefe		
Barclays Capital		Barclays Capital Euro-Aggregate Securitized Covered		
Barclays Capital		Barclays Capital Eurozone Low Volatility Equity ER EUR Index		
Barclays Capital		Barclays Capital Eurozone Low Volatility II 50 Equity ER EUR Index		
Barclays Capital		Barclays Capital Global Aggregate Corporate 1-3 Jahre Euro hedged		
Barclays Capital		Barclays Capital Global Aggregate Corporate 3-5 Jahre Euro hedged		
Barclays Capital		Barclays Capital Global Aggregate Corporate 5-7 Jahre Euro hedged		
Barclays Capital		Barclays Capital Global Aggregate Corporate 7-10 Jahre Euro hedged		
Barclays Capital		Barclays Capital Global Aggregate Corporate 7-10 unhedged		
Barclays Capital		Barclays Capital Global Aggregate Corporate Perf-Index in Euro		
Barclays Capital		Barclays Capital Global Aggregate Corporate Total Return Index Euro hedged		
Barclays Capital		Barclays Capital Global Aggregate Corporate TR in US-Dollar		
Barclays Capital		Barclays Capital Global Aggregate Corporates Baa unhedged in Euro		
Barclays Capital		Barclays Capital Global Aggregate Corporates Nachhaltigkeits Index Euro Hedged		
Barclays Capital		Barclays Capital Global Aggregate Credit Euro Hedged		
Barclays Capital		Barclays Capital Global Aggregate ex Asia 50% Government 50% Credit Index EURO hedged		
Barclays Capital		Barclays Capital Global Aggregate ex Government		
Barclays Capital		Barclays Capital Global Aggregate ex Government Euro hedged		
Barclays Capital		Barclays Capital Global Aggregate ex Treasury ex MBS ABS CMBS Euro hedged		
Barclays Capital		Barclays Capital Global Aggregate Perf-Index in Euro		
Barclays Capital		Barclays Capital Global Aggregate Perf-Index in Euro hedged		
Barclays Capital		Barclays Capital Global Aggregate Perf-Index in USD		
Barclays Capital		Barclays Capital Global Aggregate Sovereign Perf-Index in Euro		
Barclays Capital		Barclays Capital Global Aggregate Treasury 7-10 Jahre in Euro		
Barclays Capital		Barclays Capital Global Capital Securities Index Euro Hedged		
Barclays Capital		Barclays Capital Global Capital Securities Index in USD		
Barclays Capital		Barclays Capital Global Capital Securities Lower Tier 2 Euro hedged		
Barclays Capital		Barclays Capital Global Capital Securities Lower Tier 2 Index Euro		
Barclays Capital		Barclays Capital Global Capital Securities 1/2 only ex EM Euro hedged		
Barclays Capital		Barclays Capital Global Credit ex Asia Pacific hedged in Euro		
Barclays Capital		Barclays Capital Global Credit in USD		
Barclays Capital		Barclays Capital Global High Yield Euro hedged		
Barclays Capital		Barclays Capital High Yield: US Corporate in Euro		
Barclays Capital		Barclays Capital High Yield: US Corporate TR Hedged in EUR		
Barclays Capital		Barclays Capital High Yield: Yankee Corporate		
Barclays Capital		Barclays Capital Index Pan European High Yield Ba/B, 2% issuer capped in Euro		
Barclays Capital		Barclays Capital Intermediate Corporate Total Return Index Euro hedged		
Barclays Capital		Barclays Capital Intermediate U.S. Government/Credit		
Barclays Capital		Barclays Capital Long U.S. Corporate Total Return in Euro		
Barclays Capital		Barclays Capital Long U.S. Corporate Total Return in Euro Hedged		
Barclays Capital		Barclays Capital Pan Euro Aggregate Corporates Index ex ES IT FR IE PT GR		
Barclays Capital		Barclays Capital Pan Euro Customized		
Barclays Capital		Barclays Capital Pan European Floating ABS Bond Index BBB		
Barclays Capital		Barclays Capital Pan-European Aggregate Corporate		
Barclays Capital		Barclays Capital Pan-European Aggregate Euro Hedged		
Barclays Capital		Barclays Capital Pan-European Aggregate Treasury		
Barclays Capital		Barclays Capital Pan-European Government TR in EUR		
Barclays Capital		Barclays Capital Pan-European High Yield (Euro)		
Barclays Capital		Barclays Capital Trendportfolio Index Dezember		
Barclays Capital		Barclays Capital Trendportfolio Index Juni		
Barclays Capital		Barclays Capital U.S. ABS Floating Rate Aaa-rated OAS		
Barclays Capital		Barclays Capital U.S. ABS Floating Rate A-Rated OAS		
Barclays Capital		Barclays Capital U.S. ABS Floating Rate Baa-rated OAS		
Barclays Capital		Barclays Capital U.S. Corp High Yield in USD		
Barclays Capital		Barclays Capital U.S. Corporate Investment Grade		
Barclays Capital		Barclays Capital US Aggregate Index		
Barclays Capital		Barclays Capital US Aggregate Index in Euro		
Barclays Capital		Barclays Capital US Aggregate Index in Euro hedged		
Barclays Capital		Barclays Capital US Corporate 1-3 Jahre Total Return Index in Euro hedged		
Barclays Capital		Barclays Capital US Corporate 3-5 Jahre Total Return Index in Euro hedged		
Barclays Capital		Barclays Capital US Corporate 5-7 Jahre Total Return Index in Euro hedged		
Barclays Capital		Barclays Capital US Corporate IG Total Return Index in Euro hedged		
Barclays Capital		Barclays Capital US Corporate Investment Grade NR in USD		
Barclays Capital		Barclays Capital US Corporates BBB ex Financials		
Barclays Capital		Barclays Capital US Corporates BBB ex Financials Euro hedged		
Barclays Capital		Barclays Capital US Credit Index		
Barclays Capital		Barclays Capital US Floating Rate Notes		
Barclays Capital		Barclays Capital US Government/Credit Index in Euro		
Barclays Capital		Barclays Capital US High Yield 2% cap		
Barclays Capital		Barclays Capital US High Yield 2% cap Euro Hedged		
Barclays Capital		Barclays Capital US High Yield Ba/B in Euro		

Please see our comments to Bloomberg.

Barclays Capital		Barclays Capital US Low Volatility Equity ER USD Index	
Barclays Capital		Barclays Capital US TIPS	
Barclays Capital		Barclays Capital US Treasury 20+ Jahre in US Dollar	
Barclays Capital		Barclays Capital US Treasury Euro hedged	
Barclays Capital		Barclays Capital US-Aggr. Credit Index Euro Hedged	
Barclays Capital		Barclays Capital US-Aggr. Treasuries	
Barclays Capital		Barclays Commodity Index Precious Metals ER	
Barclays Capital		Barclays Euro-Bund All Roll Futures II Index Invers	
Barclays Capital		Barclays Eurozone Value Equity ER EUR Index	
Barclays Capital		Barclays Global Treasury 1-5 year ex Japan EUR hedged	
Barclays Capital		Barclays Japan Low Volatility II 50 Equity JPY Index	
Barclays Capital		Barclays Pan European High Yield Ba/B 2% Issuer Constraint Euro hedged	
Barclays Capital		Barclays US 10yr Note Futures II Index	
Barclays Capital		Barclays US 10yr Note Futures II Index Invers	
Barclays Capital		Barclays US High Yield Ba/B Euro hedged	
Barclays Capital		Barclays US Managed Futures Industrie BTOP 50 in US Dollar	
Barclays Capital		Barclays US Mid Cap Value Equity ER USD Index	
Bloomberg		50% Bloomberg Barclays Taxable Municipal US Aggregate Eligible Index EUR / 50% Bloomberg Barclays Long US Corporate Index EUR	
Bloomberg		BEL 20 INDEX	
Bloomberg		Bloomberg Barclays Capital Series-E S Africa Govt 1-5 Yr Bond Index	
Bloomberg		Bloomberg Barclays Capital US Aggregate Corporates 1-7 Jahre ex Financials Sub US/CA country of exposure only 2% issuer cap	
Bloomberg		Bloomberg Barclays Series E- New Zealand Govt 1-5 Yr Bond Index	
Bloomberg		Bloomberg Barclays Series-E Australia Govt 1-5 Yr Bond Index	
Bloomberg		Bloomberg Barclays Series-E Canada Govt 1-5 Yr Bond Index	
Bloomberg		Bloomberg Barclays Series-E Czech Govt 1-5 Yr Bond Index	
Bloomberg		Bloomberg Barclays Series-E Norway Govt 1-5 Yr Bond Index	
Bloomberg		Bloomberg Barclays Series-E Poland Govt 1-5 Yr Bond Index	
Bloomberg		Bloomberg Barclays Series-E Sweden Govt 1-5 Yr Bond Index	
Bloomberg		Bloomberg Barclays Series-E UK Govt 1-5 Yr Bond Index	
Bloomberg		Bloomberg Barclays Series-E US Govt 1-5 Yr Bond Index	
Bloomberg		Bloomberg Barclays US Aggregate Corporate Bonds 1-7 years, USA/CAN country of risk only, ex Sub, 2% issuer cap, ex selected issuers, hedged in Euro	
Bloomberg		Bloomberg Barclays VLI-High Yield Total Return Hedged EUR	
BOAG	GCX	Global Challenges Index	
BOVESPA	IBOV	BRAZIL IBOVESPA INDEX	
CBOE	MNX	Mini NDX Index	
CBE	PUT Index	CBOE S&P 500 PutWrite Index	Cboe Europe Limited has been registered within the ESMA register. However, it is still unclear if such index is in the scope of the EU registration provided by the FCA.
CEE Stock Exchange group	CECENTRE	CECE EUR Net Total Return	
Chicago CBOE	VIX	CBOE SPX VOLATILITY INDEX	
China Securities Index Co., Lt	CSIN0300	CSI 300 Net Return Index	
China Securities Index Co., Lt	SH000914	CSI 300 Financial Index	
Citigroup	SBEBAME	CGBI EUROBIG OVERALL ALL MATS.(E) - TOT RETURN IND	
Citigroup		Citigroup Euro 1 Month Euro Deposit	Indices are provided by FTSE RUSSELL
Citigroup	SBWMEU3L	Cit - EMU Euro 3-Month Euro Deposit- in EUR	Indices are provided by FTSE RUSSELL
Citigroup		Fixed Income EMU 3 Month	Indices are provided by FTSE RUSSELL
Credit Suisse		Credit Suisse Equity Dynamic Tail Hedge Index	
ECPI Climate Change	GALPHACC	ECPI Climate Change	
FTSE Russell	CFIADL	FTSE Australian Government Bond Index	
FTSE Russell	CFIWDDEU	FTSE World Government Bond Index - Developed Markets in EUR terms	
FTSE Russell	CFIITL	FTSE Italian Government Bond Index	
FTSE Russell	CFIUYL	FTSE Japanese Government Bond Index	
FTSE Russell	CFIISGL	FTSE Singapore Government Bond Index	
FTSE Russell	CFIERUU	FTSE Emerging Markets USD Government and Government-Related Bond Select Index	
FTSE	E100	FTSE 100 INDEX	
FTSE	ETOP300	FTSEurofirst 300 Eurozone	
FTSE	FBMKLCI	FTSE Bursa Malaysia KLCI	
FTSE	FEGL0BE(RI)	FTSE EPRA/NAREIT GLOBAL E - TR	
FTSE	FEGLRTS	FTSE EPRA/NAREIT Global Real Estate Index - in EUR hedged	
FTSE	FTASE	FTSE Athens 20	
FTSE	FTASET	FTSE ATHEX LARGE CAP Net Total Return	
FTSE	FTPTTALL	FTSE All Share Total Return	
FTSE	FTSEMIB	FTSE MIB	
FTSE	GPCST001	FTSE COAST KUWAIT 40	
FTSE	ITMC	FTSE ITALIA MID CAP IND	
FTSE	J20U	FTSE/JSE Top 40	
FTSE	KLCI	Kuala Lumpur Composite In	
FTSE	MCX	FTSE 250	
FTSE	RGAL3T5	FTSE	
FTSE	RIOB	Euro Zone Government Performance Index 3 - 5 Jahre	
FTSE	TFR10NU	FTSE Russia IOB Idx USD	
FTSE	TFREUNE	FTSE RAFI US 1000 NetTR\$	
FTSE	TITMCE	FTSE RAFI Europe Net Total Return	
FTSE	TJNGU	FTSE ITALIA MID CAP	
FTSE	TOP40	FTSE/JSE Top 40 \$ Net TR	
FTSE	TRNAAU	FTSE/JSE AFRICA TOP40 IX	
FTSE	TRNGLU	FTSE E/N APxJpNetTRI TR\$	
FTSE	TX60AR	FTSE E/N Dev Net TRI USD	
FTSE	UKX	INDICE S&P CANADA 60 EUR	
FTSE	XIN9I	FTSE 100	
FTSE		FTSE China A50	
FTSE		FTSE EPRA/NAREIT Developed Index	
FTSE		EPRA/NAREIT Global Real Estate Index	
FTSE		Macquarie Global Infrastructure Index	
Goldman Sachs	GSCBACHT	STATIC M&A HEDGE	
Goldman Sachs	GSCBACQT	STATIC M&A	
Goldman Sachs	GSCBAMMH	AM STATIC M&A HEDGE	
Goldman Sachs	GSVICUA3	Goldman Sachs Volatility Carry US Series A Levered Excess Return Strategy	
Goldman Sachs	GSVICUAE	Goldman Sachs Volatility Carry US Series A Excess Return Strategy	
Goldman Sachs	GSVICUAT	Goldman Sachs Volatility Carry US Series A Total Return Strategy	
Hang Seng	HSCEI	HANG SENG CHINA ENTERPRISES INDEX	
Hang Seng	HSI	HANG SENG INDEX	
Hong Kong Stock Exchange	HSCEI	HANG SENG CHINA ENT INDX	
iBoxx+A231.D241	IBCRPAL	iBoxx EUR Corporates	
iBoxx	IBESOV7	iBoxx EUR Sovereigns 7+	
iBoxx	IBSBD15(RI)	iBoxx EUR Germany 1-5	
iBoxx		EUR Collateralized	
iBoxx	QW3E	iBoxx - Euro Sovereign Germany 1-3 TR	
iBoxx		EUR Corporates	
iBoxx	QW5I	iBoxx - Euro Corporates 7-10 - TR	
iBoxx		EUR Sovereigns	
iBoxx	GBB0SDLH	iBoxx - Global Inflation-Linked Index ALL EUR	
iBoxx	QW5E	iBoxx - Euro Corporates 3-5 - TR	
Istanbul Stock Exchange	XU030	Istanbul Stock Exchange National 30	
ITRAXX		EU (Markit iTraxx Europe)	
ITRAXX		HI (Markit iTraxx Europe HiVol)	
ITRAXX		NF (Markit iTraxx Europe Non-Financial)	

Is is currently unclear if Bloomberg will start the registration process to become a benchmark provider according to the EU benchmark regulation after the end of the transition period (December 2023).

Cboe Europe Limited has been registered within the ESMA register. However, it is still unclear if such index is in the scope of the EU registration provided by the FCA.

Indices are provided by FTSE RUSSELL

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The UK's Financial Conduct Authority (FCA) has granted FTSE International Limited authorization as a benchmark administrator and FTSE International Limited is listed on the FCA Benchmarks Register. This authorization is comprehensive across asset classes, and covers the FTSE, Russell, FTSE Canada and FTSE MTS equity and fixed income indexes that are known to be used as benchmarks in the United Kingdom. With regard to the UK's departure from the EU, the third country transitional provisions provide for continued provision of benchmarks administered by FTSE International Limited as a non-EU based administrator up until 31 December 2023. The fixed income indexes acquired from Citigroup Indices LLC in August 2017 will continue to be administered by the US-based entity, FTSE Fixed Income LLC, according to the EU BMR's and UK BMR's third country transitional provisions.

Please see our comments to Markit indices.

ITRAXX		SF (Markit ITraxx Europe Senior Financial)	
ITRAXX		SUF (Markit ITraxx Europe Sub Financial)	
ITRAXX		XV (Markit ITraxx Europe Crossover)	
J.P.Morgan	JEMU	JPMorgan EMU Bond Index Level (EUR unhedged)	Please see our comments to Markit indices.
J.P.Morgan	JNEU1R3	JPMorgan EMU Bond Index 1-3 Yrs (EUR unhedged)	
J.P.Morgan	JNUGGBIG	JPMorgan Unhedged ECU GBI Global	
J.P.Morgan	JGGBAUS	J.P.Morgan Global Broad Index (EUR)	
J.P.Morgan		JPM USA	
J.P.Morgan		JPM UK	
J.P.Morgan		JPMORGAN GBI-EM Diversified (EUR)	
J.P.Morgan		JPMORGAN EMBI Global Diversified	
J.P.Morgan	JAGALLE	JPM EMU AGGR. ALL. MATUR.	
J.P.Morgan	JEAGEEE	JPM EMU GOVERNMENT 1-10Y	
J.P.Morgan	JPMGIUS(RI)	JPM Global GBI	
J.P.Morgan		J.P.Morgan EMU 1-3 Y	Is currently unclear if JPMorgan will start the registration process to become a benchmark provider according to the EU benchmark regulation after the end of the transition period (December 2023).
J.P.Morgan		JPM Govt.Bd. Index EMU Tot.Return	
J.P.Morgan		JPM Govt.Bd. Index USA Tot.Return	
J.P.Morgan		JPM Govt.Bd. Index EMU TR	
J.P.Morgan		JPM Euro Cash 1M	
J.P.Morgan		JPM GBI EMU Aggregate Traded 1-10Y	
J.P.Morgan	JPMGEMLC	JPM EMU Bonds	
J.P.Morgan	JEEXXWGR	JPM GBI EMU EX GERMANY [JEEXXWGR]	
J.P.Morgan	JGENVUUG	JPM GBI-EM Global Diversified Composite [JGENVUUG]	
J.P.Morgan	JCAEUR3M	JPM Cash EUR 3M	
J.P.Morgan		JPM Govt.Bd. Index USA TR	
Korea Exchange	KOSPI2	KOSPI 200 Index	
Markit	CDXIGS21	MARKIT CDX.NA.IG.21 12/18	
Markit	IBOXHYAE	MARKIT CDX.NA.HY.21	
Markit	IBOXUME	MARKIT CDX.EM.20	
Markit	IBOXUMAE	MARKIT CDX.NA.IG.21	
Markit	ITRXAYE	MARKIT ITRAXX ASIA EX Japan HY	
Markit	ITXSWE	MARKIT ITRAXX SOVX WE	
Markit	ITRXCCE	MARKIT ITRX CORP CEEMEA S20	
Markit	ITRXAJE	MARKIT ITRX JAPAN	
Markit	IBOXULSE	MARKIT CDX.LATAM.20	
Markit	ITRxESE	MARKIT ITRX EUR SNR FIN	
Markit	ITRxEUE	MARKIT ITRX EUR SUB FIN	
Markit	ITRxAAE	MARKIT ITRX AUSTRALIA	
Markit	ITRxAAGE	MARKIT ITRX ASIA XJ IG	
Markit	IES57PR	Markit iBoxx€ Liquid Sovereign Diversified 5-7	
Markit	IES71PR	Markit iBoxx€ Liquid Sovereign Diversified 7-10	
Markit	ITRR10Y	iBoxx \$ Treasuries 10Y+	
Markit	ITRR1T3	iBoxx \$ Treasuries 1-3Y	
Markit	ITRR5T7	iBoxx \$ Treasuries 5-7Y	
Markit	ITRxEBE	MARKIT ITRX EUROPE 12/18	
Markit	ITRxEHE	MARKIT ITRX EUR HIVOL 12/18	
Markit	ITRxEXE	MARKIT ITRX EUR XOVER 12/18	
Markit	ITXEB514	ITRX EUR CDSI S14 5Y CORP	
Markit	ITXEB515	MARKIT ITRX CDSI S15 5Y C	
Markit	ITXEB516	MARKIT ITRX EUROPE 12/16	
Markit	ITXEB517	MARKIT ITRX EUROPE 06/17	
Markit	ITXEB518	MARKIT ITRX EUR MAIN S18	
Markit	ITXEB519	MARKIT ITRX EUR MAIN S19	
Markit	ITXEB520	MARKIT ITRX EUR MAIN S20	
Markit	ITXES514	MARKIT ITRX EUR SNR FIN 1	
Markit	ITXES515	SNRFIN CDSI S15 5Y CORP	
Markit	ITXES516	MARKIT ITRX EUR SNR FIN 1	
Markit	ITXES517	MARKIT ITRX EUR SNR FIN 0	
Markit	ITXES518	MARKIT ITRX EUR SNR FIN S	
Markit	ITXES519	MARKIT ITRX EUR SNR FIN S	
Markit	ITXES520	MARKIT ITRX EUR SNR FIN S	
Markit	ITXEU515	SUBFIN CDSI S15 5Y CORP	
Markit	ITXEU516	MARKIT ITRX EUR SUB FIN 1	
Markit	ITXEU518	MARKIT ITRX EUR SUB FIN S	
Markit	ITXEX515	MARKIT ITRX EUR XOVER 06/	
Markit	ITXEX516	MARKIT ITRX EUR XOVER 12/	
Markit	ITXEX517	MARKIT ITRX EUR XOVER 06/	
Markit	ITXEX518	MARKIT ITRX EUR XOVER S18	
Markit	ITXEX519	MARKIT ITRX EUR XOVER S19	
Markit	ITXEX520	MARKIT ITRX EUR XOVER S20	
Markit	ITXSC54	SOVXCE CDSI S4 5Y CORP	
Markit	ITXSW54	ITRX SOVX WE CDSI S4 5Y C	
Markit	ITXSW55	ITRX SOVX WE CDSI S5 5Y C	
Markit	QX6A	iBoxx E Gilts	
Markit		iBoxx@€ Non-Financials Senior Index	
Markit iBoxx	I4BJ	Markit iBoxx Euro Corp Subordinated Index	
Markit iBoxx	IYGB	Markit iBoxx Euro Cov TR Index	
Markit iBoxx	IYGF	Markit iBoxx Euro Cov 3-5 TR Index	
Markit iBoxx	QW1A	Markit iBoxx Euro Eurozone Sov Index	
Markit iBoxx	QW1M	Markit iBoxx Euro Eurozone Sov TR 5-7 Index	
Markit iBoxx	QW5A	Markit iBoxx Euro Corp OA TR Index	
Markit iBoxx	QW5C	Markit iBoxx Euro Corp TR 1-3 Index	
Markit iBoxx	QW5N	Markit iBoxx Euro Corp F PR 1-3 Index	
Markit iBoxx	QW6A	Markit iBoxx Euro Sovereign Overall TR	
Markit iBoxx	QW7A	Markit iBoxx Euro OA TR Index	
Markit iBoxx	WQ1E	Markit iBoxx Euro OA TR AAA-AA	
BofA Merrill Lynch		BofA Merrill Lynch EMU Corporate Index	
BofA Merrill Lynch		BofA Merrill Lynch EMU Broad Market Index	
			Please see our comments to BoFML indices.

Bank of America Merrill Lynch	EA00	ML EMU ABS/MBS Index (Euro unhedged)	<p>BoFML indices are provided by ICE. The following benchmark statements have been created in accordance with Article 27 of the Benchmark Regulation ("BMR") and the supplementary delegated regulations on the content of benchmark statements.</p> <p>ICE Data Indices, LLC has been recognized in the UK as a third country Benchmark Administrator for purposes of Article 32 of the BMR with the FCA as the relevant competent authority.</p> <p>The benchmarks which are available for use by supervised entities in the UK are published on the FCA register</p>
Bank of America Merrill Lynch	EF01	ML EMU Financial Corporates & Pfandbriefe 1-3 Yrs Index (Euro unhedged)	
Bank of America Merrill Lynch	ER01	ML EMU Corporates 1-3 Yrs Index (Local unhedged)	
Bank of America Merrill Lynch	HW4C	ML Global High Yield BB-B Rated Constrained Index (Hedged in Euro)	
Bank of America Merrill Lynch	UGA0	ML U.S. High Yield Cash Pay Index (Hedged in Euro)	
Bank of America Merrill Lynch	ERS0	ML - EMU Corporate Type Senior (ERS0)	
Bank of America Merrill Lynch	EP00	ML - EMU Pfandbrief Index in EUR	
Bank of America Merrill Lynch	HE00	ML - Euro High Yield Index	
Bank of America Merrill Lynch	G0D0	ML - German Federal Governments [G0D0]	
Merrill Lynch	MLEMUC	ML EMU Broad Market	
Merrill Lynch	MLGESCE	ML Global EM	
Merrill Lynch	MLEHYCE(RI)	ML E HY Constr.	
Merrill Lynch	MLHEUCU(RI)	Merrill Lynch Euro High Yield EUR	
Mexico Stock Exchange	MEXBOL	MEXICO STOCK EXCHANGE	
Morningstar	MSDIDYNU	Morningstar® Developed Markets Dividend Yield Focus Index	
Morningstar	MSDIUCNU	Morningstar® US Dividend Yield Focus UCITS Index	
MSCI	GDDUUS	MSCI Daily TR Gross USA (USD)	
MSCI	MSDEE15G	MSCI Daily TR Gross Europe Index (Euro unhedged)	
MSCI	MSDEJNN	MSCI Daily TR Net Japan (Euro unhedged)	
MSCI	MSDEUSN	MSCI Daily TR Net USA (Euro unhedged)	
MSCI	MSERWI	MSCI World Index (EUR)	
MSCI	MXJP	MSCI Japan Index	
MSCI	MXWD	MSCI AC World Index	
MSCI	MXWO	MSCI World Index	
MSCI	MXWOEUR	MSCI World Net Return Index (EUR Hedged)	
MSCI	NDDUWI	MSCI Daily Net TR World Index (USD)	
MSCI	MSDLSGF	MSCI - SG/Singapore Free Equity Index - European Monetary Union	
MSCI	MXWO00G	MSCI World Index Growth unhedged	
MSCI	M1ASJCS	MSCI AC Asia ex Japan Consumer Staples Net Total R	
MSCI	M1BR	MSCI BRAZIL INDEX NET RETURN	
MSCI	M1CXGOLD	MSCI ACWI Gold with EM DR 18% Group Entity Capped Net USD	
MSCI	M1EF	MSCI EM NR	
MSCI	M1WD	MSCI ACWI Net Total Return	
MSCI	M1WO0CD	MSCI WORLD CONSUMER DISCRETIONARY TR	
MSCI	M1WO0CS	MSCI WORLD CONSUMER STAPLES TR	
MSCI	M1WO0EN	MSCI WORLD ENERGY TR	
MSCI	M1WO0FN	MSCI WORLD FINANCIALS TR	
MSCI	M1WO0HC	MSCI WORLD HEALTH CARE TR	
MSCI	M1WO0IN	MSCI WORLD INDUSTRIALS NET RETURN USD INDEX	
MSCI	M1WO0IT	MSCI WORLD INFORMATION TECHNOLOGY Net Total Return	
MSCI	MSDEWIN	MSCI World Index - Net TR	
MSCI	M1WO0ML	MSCI WORLD MATERIALS TR	
MSCI	M1WO0TC	MSCI World Telecommunication Services TR	
MSCI	M1WO0UL	MSCI WORLD UTILITIES Net Total Return	
MSCI	M1WORWGT	MSCI World Risk Wgt Nt \$	
MSCI	M7EM	MSCI EMU Net Total Return	
MSCI	M7EM00G	MSCI EMU Growth Net Total Return	
MSCI	M7EM00V	MSCI EMU Value Net Total Return	
MSCI	M7EMSC	MSCI EMU Small Cap Net Total Return	
MSCI	M7EU	MSCI Europe Net Total Return	
MSCI	NDDLGR	MSCI - Germany - Net TR (EUR)	
MSCI	MGEF	MSCI EMERGING MARKET INDEX NET TOTAL RETURN	
MSCI	MLCLJPN	MSCI Japan Large Cap	
MSCI	MXPC	MSCI - Pacific unhedged	
MSCI	MSDEE15N	MSCI - Europe unhedged - Net TR	
MSCI	MLCJUSA	MSCI USA Large Cap	
MSCI	MN40BRE	MSCI BRAZIL 10/40 Idr Net TR EUR	
MSCI	MOID	MSCI Indonesia Net Total Return	
MSCI	MSCI	MSCI INDONESIA	
MSCI	MSDEEEMN	MSCI Emerging Markets Daily Net TR in EUR	
MSCI	MSDEEMUN	MSCI EMU	
MSCI	MSEMI	MSCI EMER MKTS INDEX	
MSCI	MSEROP	MSCI EUROPE	
MSCI	MSEASWL	MSCI EUROPE EX SWITZERLAND	
MSCI	MSJPANL	MSCI Japan	
MSCI	MSPE	MSCI PAN-EURO	
MSCI	MSWRLD(NR)	MSCI WORLD NR INDEX	
MSCI	MSWRLD(NR) bzw. NDDUWI	MSCI World USD	
MSCI	MSWRLD(NR)-EUR	MSCI WORLD INDEX USD TR IDX E	
MSCI	MSWRLDE	MSCI WORLD	
MSCI	MSWRLDL	MSCI WORLD INDX.	
MSCI	MXAPJ	MSCI ASIA PACIFIC EX JAPAN	
MSCI	MXCN	MSCI China	
MSCI	MXEA	MSCI EAFE	
MSCI	MXEF	MSCI EMERGING MARKETS	
MSCI	MXEU	MSCI Europe	
MSCI	MXEULC	MSCI Europe Large Cap	
MSCI	MXEUMC	MSCI Europe Mid Cap	
MSCI	MXID	MSCI INDONESIA	
MSCI	MXIN	MSCI India	
MSCI	MXJP	MSCI Japan	
MSCI	MXJPMC	MSCI Japan Mid Cap	
MSCI	MXKR	MSCI KOREA	
MSCI	MXMX	MSCI MEXICO	
MSCI	MXMY	MSCI Malaysia	
MSCI	MXPC0FN	MSCI PACIFIC/FINANCE	
MSCI	MXPC0HC	MSCI PACIFIC HEALTH CARE	
MSCI	MXPC0IT	MSCI PACIFIC INFORMATION	
MSCI	MXPH	MSCI Philippines	
MSCI	MXSG	MSCI Singapore	
MSCI	MXTH	MSCI Thailand	
MSCI	MXUS	MSCI USA	
MSCI	MXUSMC	MSCI USA Mid Cap	
MSCI	MXWO	MSCI WORLD	
MSCI	NCEDE15	MSCI Europe Small Cap Net	
MSCI	NDDUE15	MSCI EUROPE NET DIVIDEND	
MSCI	NDDUJN	MSCI DAILY TR NEW JAPAN U	
MSCI	NDDUMAF	MSCI Malaysia Net TR	
MSCI	NDDUPAJ	MSCI DAILY TR NET PACIFIC	
MSCI	NDDUUS	MSCI Daily TR Net USA USD	
MSCI	NDDUWI	MSCI WORLD TR	
MSCI	NDEUSIA	MSCI Daily TR Net Emerging Markets India	
MSCI	NDEUSTW	MSCI Taiwan Net Total Return	
MSCI	NDRUCDIS	MSCI Daily TR Europe Net	
MSCI	NDUEACAP	MSCI ASIA PACIFIC	
MSCI	NDUEBRAP	MSCI Daily TR Net Brazil USD	
MSCI	NDUECAPF	MSCI Daily TR Net AC Asia Pacific-ex Japan	
MSCI	NDUEAXJ	MSCI AC Daily TR Net Asia Ex J	
MSCI	NDUEEGF	MSCI Daily TR Net Emerging Market	
MSCI	NDUEEGFL	MSCI EM Latin America Net TR	
MSCI	SGY	SINGAPORE STOCK IND. MSCI	
MSCI	SIMSCI	MSCI Singapore	
MSCI	TAMSCI	MSCI Taiwan	
MSCI	TWY	TAIWAN STOCK INDEX (SMX)	
MSCI		MSCI EM Europe 10-40	
MSCI		MSCI EMU Large Cap	
MSCI		MSCI World	
MSCI		MSCI World Health Care	
MSCI		MSCI United Kingdom	

List of Benchmarks

- The list of MSCI indexes in the MSCI equity benchmark family and MSCI blended benchmark family are available to clients on MSCI's client support site.
- The list of MSCI Private Real Estate Indexes in the MSCI property benchmark family and the MSCI Property fund (with published NAV) benchmark family can be found in the "MSCI Real Estate - BMR Benchmarks Methodology Specifications" above.

Breit

All non-EU benchmarks are permitted to be used in the EU until the end of the EU BMR transitional period, currently 31 December 2023. During this time, MSCI will execute on its post-Breit plans well in advance of the deadline.

ESMA Register

Prior to the expiration of the Brexit transition period on December 31, 2020, MSCI Limited was found on both the FCA's register and on ESMA's register for benchmark administrators. Pursuant to ESMA's notice on 9 March 2021, as of the date of the expiration of the Brexit transition period, UK administrators (including MSCI Limited) have been removed from the ESMA register and become third country administrators in the EU. However, during the EU BMR transitional period (as defined in EU BMR Article 51) EU supervised entities can use third country benchmarks even if they are not included in the ESMA register. This EU BMR transitional period for all non-EU administrators continues until 31 December 2023. Non-EU administrators will need to be permitted into the EU under the EU BMR from 1 January 2024. The EU BMR transitional period will allow MSCI to execute its Brexit plans. This does not affect MSCI's authorization with the UK FCA as a UK administrator, and MSCI will continue to appear on the UK Financial Services Register.

MSCI		MSCI Europe (NR)	
MSCI		MSCI Europe 15 Index	
MSCI		MSCI Europe 15 net. Div.	
MSCI		MSCI Europe net Div. Index	
MSCI		MSCI Europe TR - Net Dividends	
MSCI		MSCI Global Infrastructure Index	
MSCI		MSCI JAPAN	
MSCI		MSCI United Kingdom	
MSCI		MSCI World	
MSCI		MSCI World (NR)	
MSCI		MSCI World TR (net) in EUR	
MSCI		MSCI World TR net	
MSCI		MSCI World Mid Cap (R)	
MTS	MTSEA5	MTS Spain Government Index 1-3	
MTS	MTSEG5	MTS Spain Government Index (All-Maturity)	
MTS	MTSIA5	MTS Italy Government	
MTS	MTSIBOTR	MTS Italy Treasury BOT 6M 1730	
MTS	MTSIT105	MTS 10Y Italy Government Bond	
NASDAQ	IQX	NASDAQ 100 - IQX	
NASDAQ	NBI	NASDAQ Biotechnology	
NASDAQ	NDX	NASDAQ 100	
NASDAQ	SPXDHEN	NDX Notional Net TR	
NASDAQ	XNDXNNR	NDX Notional Net TR	
NASDAQ	XNDXNNRL	Nasdaq 100 Leverage Notional Net Total Return	
Nasdaq	NYGBIGN	Nasdaq Yewno Artificial Intelligence and Big Data Total Net Return Index	
Nasdaq	NYGCARN	Nasdaq Yewno Global Future Mobility Index	
NASDAQ Global Market	CCMP	NASDAQ 100	
NASDAQ OMX	OMX	OMX Stockholm 30	
NASDAQ OMX PSX	SOX	The Philadelphia Semiconductor Index	
NSE Indices Limited (formerly known as India Index Services & Products Ltd)	BXTRNIFT	NIFTY 50 Index Total Return Net	
Nomura	NMRADB7	Nomura Dividend Basket	
OMX	HEX25	OMX Helsinki 25	
PIMCO	PIGADEH	PIMCO GLADI Developed Markets Overall Euro hedged	
Russell	RIY	Russell 1000 Index	
Russell	RTY	RUSSELL 2000	
Russell	RU1GN30U	Russell 1000 Growth Net Total Return	
Russell	RU1VN30U	Russell 1000 Value Net Total Return	
Russell	RU20INTR	RUSSELL 2000 TR Index	
Russell	RU20N30U	Russell 2000 Net 30% Total Return	
Russell	RUJ	RUSSELL 2000 INDEX	
Russian Trading System Index	RTSIS	Russian Trading System Index	
SET Stock exchange	SET50 Net TR	SET50NTR	
Stock Exchange of Thailand	18507	INDICE THAI SET 50	
Taiwan	TWSE	Taiwan - Taiwan SE Weighted Index	
Thomson Reuters	CRYNETR	Thomson Reuters/Jefferies CRB Ex-Energy Total Return	
Thomson Reuters	CRYTR	Thomson Reuters/Jefferies CRB Total Return	
UBS Bloomberg DJ-UBS Constant Maturity (CMDJ)			
UBS Global Infrastructure & Utilities Index			
Warsaw Stock Exchange	WIG20	INDICE WSE WIG 20	
Warsaw Stock Exchange		mWIG40 Index	
index sourced by third party vendor		Thai BMA Zero Rate Return 1 Mo	
index sourced by third party vendor		Thai Bond Dealing Centre 10 Ye	
index sourced by third party vendor		THAI PROP FUND & REITS	
index sourced by third party vendor		THAI SET 50 INDEX	
index sourced by third party vendor		THAI SET INDUSTRY GRP IX	
index sourced by third party vendor		ThaiBMA AllGov Bond TR	
index sourced by third party vendor		ThaiBMA Corp Bond AA Index 5 Y	
index sourced by third party vendor		ThaiBMA Corp Bond AAA Index 5	
index sourced by third party vendor		ThaiBMA Gov Bond Grp1 TR	
index sourced by third party vendor		ThaiBMA Gov Bond Grp2 TR	
index sourced by third party vendor		ThaiBMA Gov Bond Grp4 TR	
index sourced by third party vendor		TAIEX Total Return Index	
index sourced by third party vendor		Taiwan Govt Note Generic Bid Y	
index sourced by third party vendor		Taiwan New Taiwan Dollar Overn	
index sourced by third party vendor		TAIWAN TAIEX INDEX	
index sourced by third party vendor		NASDAQ 100 STOCK INDX	
index sourced by third party vendor		NASDAQ BIOTECH INDEX	
index sourced by third party vendor		NASDAQ BIOTECH TR RETURN	
index sourced by third party vendor		NASDAQ COMP TOTAL RETURN	
index sourced by third party vendor		NASDAQ COMP TOTAL RETURN	
index sourced by third party vendor		NASDAQ COMPOSITE INDEX	
index sourced by third party vendor		NASDAQ INTERNET INDEX	
index sourced by third party vendor		VENEZUELA STOCK MKT INDX	
NFEA	MOSKP3 Index	NFEA MosPrime 3 Months Rate	
Bank of Israel	TELBOR03 Index	Bank of Israel Tel Aviv Interbank Offered 3 Month	
Johannesburg Stock Exchange	JIBA3M Index	SAFE South Africa Johannesburg Interbank Agreed Rate 3 Month	
Banco de Mexico	MXIBTIE Index	Mexico Interbank TIE 28 Day	
Banco do Brasil / B3 Exchange	BZDIOVRA Index	Brazil Cetip DI Interbank Deposit Rate	
Central Bank of Colombia	DTF RATE Index	Colombia 90 days DTF Rate	
Asociacion de Bancos e Instituciones Financieras de Chile	CLICP Index	Chile Indice de Camara Promedio Interbank Overnight Index	
Bank of Korea	KWDCD CMPN Curncy	KRW 3 Month Certificate of Deposit	
CFETS	CNRR007 Index	CFETS China Fixing Repo Rates 7 Day	
Financial Benchmarks India Pvt Ltd. (FBIL)	INDOIN Index	Financial Benchmarks India Overnight Mumbai Interbank Outright Rate	
		Hang Seng Index	
		WilderHill New Energy Global Innovation Index	

Please see our comments to FTSE/Russell.

The UK's Financial Conduct Authority (FCA) has granted FTSE International Limited authorization as a benchmark administrator and FTSE International Limited is listed on the FCA Benchmarks Register. This authorization is comprehensive across asset classes, and covers the FTSE, Russell, FTSE Canada and FTSE MTS equity and fixed income indexes that are known to be used as benchmarks in the United Kingdom. With regard to the UK's departure from the EU, the third country transitional provisions provide for continued provision of benchmarks administered by FTSE International Limited as a non-EU based administrator up until 31 December 2023. The fixed income indexes acquired from Citigroup Indices LLC in August 2017 will continue to be administered by the US-based entity, FTSE Fixed Income LLC, according to the EU BMR's and UK BMR's third country transitional provisions.



Frankfurt am Main,
20 August 2020

BVI`s position on the review of the Benchmark Regulation ((EU) 2016/1011)

BVI¹ welcomes the opportunity to present its views of the review of the Benchmark Regulation (BMR). We support the goal of the EU Commission to further streamline the EU framework for indices and (“critical”) benchmarks. The BMR helps to strengthen the confidence in the financial markets and helps to prevent manipulation of financial indices.

Investment funds are highly regulated and transparent financial products under the UCITS/AIFM regime. Investment funds have not contributed to the manipulation of (systemically important) financial indices (e.g. Libor, Euribor). Fund management companies do not provide input data for the calculating of (systemically important) benchmarks. Asset Managers are mainly users of benchmarks/market indices. Fund management companies do not have access or the ability to influence the process of creating (systemically important) benchmarks (BM) or financial indices provided by index providers. Asset Managers are not able to manipulate these benchmarks, even if they can be used to measure the performance of an investment fund.

The German investment fund management companies use both public and customized indices and benchmarks provided by index providers which follow their own methodology in respect of use of real transactions, tradable prices, quotes and offered rates. Panel submissions and estimates are only used if no real transaction data are available.

We support the EU Commission`s reform proposal to ensure the seamless continuation of existing contracts referencing critical benchmarks, such as the London Interbank Offered Rate (LIBOR), if, and when their continuity is at risk. More importantly, we fully support as short term measure that supervised entities can continue using certain third country (TC) spot FX-rates as benchmarks for hedging foreign currency risks where no onshore EU alternative is available after the expiry of the end of the deadline for non-EU based benchmark administrators to register their products in the EU.

In the longer term, however, the setup of supervised entity benchmark user obligations under BMR need to be revisited. The aim of the BMR is to protect the European investors from the risk and the disruption created by poorly governance or failing indices. However, since the introduction of the BMR in 2018 supervised entities such as German fund management companies have been put at a competitive disadvantage due to the higher compliance burden associated with benchmark cessation plans, describing the use of benchmarks in the prospectus and the difficulties to find all index information in the ESMA register. More importantly, supervised entities (e.g. UCITS/AIF fund managers (FM)) are required to only use benchmarks which have qualified under the BMR framework which limits their ability to use Third Country (TC) benchmarks going forward, as the FX spot rate issue clearly demonstrates. We therefore support a clear separation of obligations of the benchmark users and the benchmark administrators. The obligations of supervised entity benchmark users should primarily -if not

¹ BVI represents the interests of the German fund industry at national and international level. The association promotes sensible regulation of the fund business as well as fair competition vis-à-vis policy makers and regulators. Asset Managers act as trustees in the sole interest of the investor and are subject to strict regulation. Funds match funding investors and the capital demands of companies and governments, thus fulfilling an important macro-economic function. BVI's 114 members manage assets more than 3 trillion euros for retail investors, insurance companies, pension and retirement schemes, banks, churches and foundations. With a share of 22%, Germany represents the largest fund market in the EU. BVI's ID number in the EU Transparency Register is 96816064173-47. For more information, please visit www.bvi.de/en.



exclusively- regulated in the laws and regulations applying to such users, i.e. the AIFM and UCITS directives and implementing ESMA Guidelines for ETFs and other UCITS issues for financial indices of 2012 in case of funds. Overlapping or conflicting user regulation can be avoided going forward. The BMR registered product usage obligation for supervised entities therefore should be abolished. BVI therefore, proposes to allow going forward the unlimited use of both BMR compliant and non-compliant products by all EU based financial services firms subject to proper disclosure (Article 29 (2)). In this context we need and continue to support the BMR rule to maintain a benchmark register system for EU and Third Country benchmark administrator and their products. Following a delineation between users and administrator obligations, it would be clear that on the one hand only the ESMA supervised BM administrator is responsible for the entries in the ESMA BM register on which the AIF/UCITS FM may rely and does not need to verify these entries again. On the other hand, it would be clear that the AIF/UCITS FM compliance obligation under said ESMA guidelines is limited to aspects not covered by BMR, e.g. the aspects of sufficient diversification and market representation of a BM. It would be also clear that - as a general rule - AIF/UCITS FM do not need to check on compliance of BM administrators with their BMR obligations.

Furthermore, we strongly encourage the EU institutions to clearly state within the BMR that registered administrators of all benchmarks (and not only critical benchmarks) take adequate steps to ensure that licenses of, and information on, benchmarks are provided on a cost-based, fair, reasonable, transparent and non-discriminatory basis to all supervised entities (e.g. Asset Managers). The EU needs to ensure that benchmark data users (fund management companies) receive the same level of pricelist and data production cost transparency and disclosure and that benchmark data prices are based on a production cost basis.

We consider the BMR review as a vital opportunity to modernise the benchmark framework in view of strengthening the global competitiveness of the EU financial service industry based on a more balanced approach in respect to the compliance rules for supervised entities and benchmark administrators. Therefore, we would like to make to the following specific BMR amendments and suggestions (please consider the attachments):

1. Scope and Supervised Entities

- **Benchmark cessation plans**

The introduction of the legal obligation to use cessation/contingency plans in 2018 has clearly enhanced the compliance- and reporting burden for the German fund industry without additional value for the regulators. The (German) fund industry had already implemented complex cessation/contingency plans for investment funds (UCITS/AIFs) that use indices in accordance with Article 3 (1) No. 7 (e) BMR. Therefore, the German fund industry was/is well prepared for the provision of contingency plans for investment assets, as the selection and determination of (alternative) financial benchmarks is a well-established process in the fund, risk and product management of a fund management company. Due to the introduction of the ESMA guidelines for ETFs and other UCITS issues for financial indices in 2012², regulated investment funds (UCITS/AIF) are subject to stringent and extensive due diligence obligations on the use of financial indices. The ESMA Guidelines foresee that only transparent indices are permitted for UCITS to use as a benchmark. These transparency requirements are very extensive covering calculation, re-balancing methodologies, as well as constituents and their respective weightings. Furthermore, part of those rules relate to the disclosure of information on the indices settings to the end-investors (in the UCITS KIID).

² https://www.esma.europa.eu/sites/default/files/library/2015/11/esma-2014-0011-01-00_en_0.pdf



(German) fund management companies monitor two different regulatory compliance obligations with the same regulatory aim. The different legal obligations require changes to the fund documents thereby enhancing the legal complexity for the fund management companies. Additionally, benchmark administrators do generally not provide the required information in a transparent, fast, efficient and user-friendly way to the fund industry which are deemed to be necessary to comply with said ESMA Guidelines.

Fund management companies have to rely on the willingness of the benchmark administrators to provide all relevant information, including information on possible alternative benchmarks. Asset Managers are obliged to search, screen and monitor all relevant administrator websites enabling them to identify the relevant benchmark information. Such additional requirements enhance the operational complexity for the supervised entities as fund management companies are obliged to obtain such information.

We therefore take the view that benchmark administrators should be legally required to provide benchmark-related information (e.g. calculation, re-balancing methodologies, constituents and their respective weightings, available alternative benchmarks for cessation/contingency plans) to the supervised entities thereby enabling them to comply with their applicable regulatory requirements.

In the context of the updated publication of cessation plans of alternative benchmarks within the fund documents (e.g. UCITS prospectus) our members fear that the concrete naming of alternative indices could trigger the conclusion of new and complex license agreements with the corresponding index provider. Fund management companies have already concluded extensive, complex and overpriced license agreements with the index providers in order to use the indices for internal (e.g. portfolio and risk management) and external purposes (e.g. institutional reporting).

The BMR requirement to set up additional cessation plans within the fund documents have further increased the legal- and compliance cost for the fund management companies without any additional protection for the European investors. Such an obligation has also put the investment fund industry at a disproportionate compliance burden compared to the Sell-Side (e.g. credit institutions, broker/dealer) as such institutions needs to comply only with the BMR cessation plans.

Furthermore, we strongly disagree with the proposals that cessation plans provided by supervised entities (e.g. Asset Managers) should be approved by competent authorities. The approval requires the submission of such plans by supervised entities to the regulators thereby enhancing the reporting burden for all involved parties without any additional value for the competent authority.

Proposal: Supervised entities (e.g. fund management companies) should not be legally required to produce and maintain robust written plans setting out actions that they would take in the event a benchmark materially changes or ceases to be provided. On a voluntary basis, supervised entities establish their own cessation plans without the need of approval from competent authorities since they may have different approaches considering the nature of their contracts, clients, fallbacks to be applied, defined courses of action and internal proceedings to comply with in a benchmark cessation scenario.

- **Use of benchmarks**

Supervised entities such as fund management companies are only allowed to use benchmarks or a combination of benchmarks within regulated investment funds (UCITS/AIFs) if the benchmark is



provided by an administrator located in the Union or third country administrators/benchmarks and included in the ESMA register. The time and effort associated with the task to search, identify and monitor on a regular basis the ESMA register containing thousands of indices allowed for use by EU administrators and third country benchmarks is huge. It obliges Asset Manager to set up the operational capacities internally to ensure the use of valid benchmarks only.

Benchmark status of DE-UCITS (as of mid-2020)

Source: Morningstar Direct

Fund Benchmark Use	Number of Funds (ISIN)	Net Assets in Euro
Benchmarked	1.234	223.878.666.908
Not Benchmarked	756	91.491.602.775
Unknown	711	71.030.231.592
Total	2.701	386.400.501.275

According to above analysis based on a Morningstar³ data set, the majority of German UCITS by number and assets apply in their investment strategy a financial benchmark. This means that at least 71% cent compared to the whole German UCITS universe need to verify if the used benchmark is published by a registered EU administrator or a (third country) benchmarks. Such figures illustrate the increased compliance burden for fund management companies. Such increased compliance burden is not in line with the principle of proportionality compared to credit institutions which do not have to check such a big volume of EU administrators and third country benchmarks. Our proposal is to increase financial market safety and soundness by requiring all benchmark administrators whether in- or outside the EU to be registered within the Union. It is therefore a less far reaching proposal than getting rid of the benchmark administrator requirements overall, as was recently proposed by a group (third country) Sell-Side Associations. Our proposal respects and maintains the general framework of the BMR with respect to encouraging benchmark administrator regulation and is in line with the general principle that EU financial service prudential regulation addresses the organisation, governance and operation of the supervised entities, but does usually not regulate the behaviour of users of regulated financial service providers. Today BMR is an exemption in this respect when compared to banking, insurance, investment fund and credit rating agency regulation.

Proposal: Supervised entities should not be obliged to use and assess on a regular basis if the EU administrator or the third country benchmark is registered in the ESMA register. Benchmark administrators must ensure that the relevant information in the ESMA register is valid at all times.

2. Third Country Benchmarks (FX spot rates)

We fully support as short term measure that supervised entities (e.g. fund management companies) can continue using certain third country spot FX-rates as benchmarks for hedging foreign currency risks where no onshore EU alternative is available after the expiry of the end of the deadline for non-EU based benchmark administrators to register their products in the EU.

Asset Managers need to maintain access to a wide range of Non-EEA benchmarks as they are use an extensive list of benchmarks produced by non-EU providers. Preliminary estimates suggest that the rules applicable to non-EU providers will affect 30% to 75% of indices used. In some cases, this could

³ Morningstar has data on 1.990 funds/fund share classes with total AuM of 315 bn. Euro or 74%/ 82% of the German UCITS universe. Of the total 1.234 funds (or 62%), with AuM of 224 bn. Euro (71%) state a benchmark.



affect up to 90% of the total number of equity funds managed by an investment manager. It is also important to highlight that the index fund market is very competitive, with the level of fees charged to the investors being a fundamental element.

The extension of the transitional provision to the end of 2021 will give the third country index providers more time to apply for recognition. However, we presume that by the end 2021 especially many small and medium sized non-EU index providers will not have applied for recognition. The concern is for the smaller non-EU index providers, who will not be able or willing to assume BMR requirements, they deem to onerous. If these administrators cannot be used anymore, EU users will be significantly disrupted by the benchmarks landscape in the EU. The scope of index providers will be reduced as in many emerging markets asset classes the relevant indices and rated will not be able to be replaced by the EU benchmark administrators as they lack the relevant input data. To the extent that such indices and rates could be replaced by EU registered providers, this will help concentrating the market power to a few dominant index providers able to support such diversified index business. The situation inevitably will lead to higher costs for end investors. Preventing EU users from using reputable, robust and cost-effective (but not necessarily ESMA registered) TC market indices only operates to the detriment of European investors, savers, pensioners and the real economy.

While a short term solution for FX spot rates is clearly needed as this stage to continue the well-functioning of the real economy as well as financial services industry in the EU, we caution, however, that going forward such a piecemeal regulatory approach allowing the use of non-EU administered benchmarks only on a product by product basis is prone to failure. This approach will ultimately discriminate against EU benchmark administrators or third-country (TC) administrators serving EU based clients versus those TC administrators which do not have license paying clients within the EU, and which therefore have no commercial incentive to be BMR compliant. More importantly, such approach also limits already today the global index investment and hedging opportunities for EU based financial services firms, including but not limited to AIF and UCITS and will reduce their competitiveness on a global scale. BVI therefore, proposes to allow going forward the unlimited use of both BMR compliant and non-compliant products by all EU based financial services firms subject to proper disclosure (Article 29 (2)).

We encourage the EU Commission to continue the process of assessment and recognition of third country jurisdictions for equivalence under the Benchmark Regulation. This will ensure that as much as possible third country benchmarks will be registered under the BMR.

Proposal: Beyond the Commission aim to exempt certain FX spot rates and further recognitions of third country jurisdictions, we suggest as a short term measure to further exclude money market interest rates (e.g. Mexico Interbank TIIE 28 day) published by national central and local bank which do not pose any systemic risk to the financial market. In the longer term going forward the unlimited use of both BMR compliant and non-compliant index and rate products should be permitted for all EU based financial services firms subject only to proper disclosure of the benchmark and whether it is registered with ESMA or not.

3. Register of administrators and benchmarks

In accordance with Article 36 of the regulation, ESMA maintains a register listing benchmark administrator that have either been authorised or registered in the EU as well as benchmarks and administrators approved for use in the Union through equivalence, recognition or endorsement.



During the EU-Commission consultation period to the review the BMR⁴, our members have clearly communicated that they are “not satisfied” with the ESMA register for benchmarks and administrators. We have identified the following issues:

- It is impossible to search benchmarks with an identifier which are produced by EU index providers and non-EU index providers. There is a big problem in the case of global benchmark groups. Some index providers appear in the ESMA register: it is then not possible to identify whether a specific benchmark is produced by the index provider in the register or by another entity within the group. The registers currently do not list the benchmarks provided by EU-authorized or -registered administrators, yet several administrators that operate worldwide have only applied for authorisation / registration with respect to a subset of the benchmarks they provide. This means that identification of the benchmarks authorised or registered may prove difficult.
- It is not practicable to maintain two different registers. The usage of two different registers enhances the complexity for supervised entities to identify the relevant indices as fast as possible.
- Technical interfaces are improperly calibrated to download the data content in an efficient way in the IT systems of supervised entities.

However, for large administrators whose portfolio of benchmarks is subject to frequent changes, maintaining an up-to-date list of benchmarks approved for use in the Union could be challenging.

In order to improve the effectiveness of the registers we would like to make the following proposal:

Proposal: The two registers should be merged into one. This will enhance the operational efficiency for all supervised entities as they have only to use one register and access/build up only one interface.

An updated ESMA register should have the following features:

- The merged register should maintain a research functionality which enables supervised entities to user friendly identify individual indices provided by EU/Non-EU authorized/endorsed administrators. An identification code of each benchmark (e.g. ISIN, Ticker) should be provided in the register. Supervised entities should also be able to search for indices based on historical data.
- It should be possible to download the indices in a user-friendly way which automatically fits in the IT systems of the supervised entities.
- It would also be useful if for those benchmark administrators endorsed under Article 33, the details of the endorsing entity were stated on the register. Similarly, it would be welcome if the register shows when a benchmark administrators’ application was rejected to ensure that users are able to seek an alternative benchmark in a timely manner. The register should also indicate/track that the registration process of the benchmark administrator is finalised. The mentioned points should be incorporated within the search functionality of the register.
- In addition, controls on the completeness and accuracy of the information included in the register should be enhanced. Web links of the administrators included in the register are not accurate and

⁴ <https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/12268-Financial-benchmarks-for-interest-rates-stock-exchange-prices-exchange-rates-etc-review-of-EU-rules/F511987>



lead to the generic URL to the administrator's website. It would be very useful to require administrators to give a URL to a page specific to the benchmark which includes the BMR related documentation, such as the benchmark statement.

- Beyond the obligation for climate-related benchmarks, it should be possible to indicate/flag if a benchmark is based on ESG factors or not.
- According to the ESMA Guidelines on ETFs and other UCITS issues a UCITS should not invest in a financial index which has a single component that has an impact on the overall index return which exceeds the relevant diversification requirements i.e. 20%/35%. Such specific UCITS requirement should also be provided by the benchmark administrators and therefore included within the ESMA register.

Our proposal to modernise the register is strongly supported by ESMA efforts to improve the usability of the utility. During the EU-Commission consultation period to review the BMR,⁵ ESMA made the following comments:

“ESMA therefore proposes that the register should include information at benchmark level for both EU and TC benchmarks to enhance transparency to and clarity for benchmark users on the benchmarks that they can lawfully use. ESMA should, in a central location, publish all benchmarks and their key metadata (e.g. Name, ISIN, CFI, FISN, date of authorisation or withdrawal of a benchmark) as well as the information on their administrators. The access should be machine-to-machine readable, so market participants can execute due diligence tasks at low cost through so-called RegTech.”

The ESMA statement echoes the evidence provided by end users that the registers need to be amended in order to have legal clarity for benchmark users on what benchmarks they can use.

4. Benchmark administrators license practises

Over the past years our members have observed significant increase of costs related to the use of indices, especially the access to the underlying data. Over the couple of years our members have witnessed double digit price increases directly by benchmark administrators and through the making available of the data by market data distributors (MDD). These lead to very high stock market returns for major index provider shareholders at the expense of “the turkeys (i.e. index users such as ETF) which are not invited to the x-mas party”.⁶

Major parts of benchmark data are originated and provided by EU regulated benchmark administrators (or affiliated group companies) such as prices, values, composition, weightings and traded data. Benchmark data are often procured not directly from data providers but from MDDs who collect, catalogue and distribute them. One point to note is that MDDs – such as Bloomberg, Refinitiv, Rimes, or Six Financial – are not regulated as financial services providers under the BMR.

In practice, the use of benchmark data has considerably changed and increased over the past decades largely driven by regulation and automation along the whole value chain of asset management industry. There is now more benchmark data to consume and the use of them has changed with the drive

⁵ <https://www.esma.europa.eu/press-news/esma-news/esma-responds-european-commission-consultation-benchmark-regulation-review>

⁶ Please see last: Daniel Eckert, Holger Zschäpitz, “Wenn der ETF-Boom der Goldrausch ist, dann ist MSCI die Schaufel“, Die Welt, 1.8.2020, p.17 and 19. indicating increases in MSCI share value by 508% over five years, which is double the share value of Apple Inc, and 1171 % since 2010, which is also ahead of Apple Inc.



towards technical process improvement compared to the nineties when users largely consumed financial market data on screen (“display”) and downloaded “locally” into individual user’s applications.

However, the screen based “pair of eyes” use of data is receding due to the massive growth of data sources to process and the speed of data delivered to the fund management companies has drastically increased as it now mainly used in programmatic (Non Display Usage) processes in the IT systems throughout the value chain of asset management. Data sources, benchmark administrators and market data distributors have reacted to the growth in data usage by developing since 2006 new data strategies. In this context our members have experienced the following trends:

- **A significant increase in prices:** Index providers have introduced a significant price increase for their products which are clearly above the inflation rate without any additional value for Asset Managers.
- **A general increase in the workload of the administration of license agreements:** Due to the growth of data usage index providers have refined their licensing models and cover now each step along the whole value chain of an Asset Manager. The data license practice ranges from internal applications support to external regulatory reporting as well as ETF production and brand licenses. Benchmark administrators also do not hesitate to charge market participants (e.g. Buy-Side) for separate “created works”, “manipulated data” or “derived data” licenses based on use of trading venue, ratings or index data to create (e.g., through mathematical or other manipulations or processes) new data points.

For example, benchmarks providers also called historically “index sponsors” today impose in excess of 50 different licenses to “nickel and dime” the Buy Side community. Index providers do not have a transparent price and cost policy for the different and complex license models. Further adding to the licenses complexity, there is no standardization of how license concepts are defined (Taxonomy). There is also an intentional purpose to increase the complexity in the diversification of the type and variety of data policies and price policies to allow for each index sponsor unique selling point (USP) and make it harder for investors to compare the cost of different index services in the index license manager (ILM) contract management tool. Due to a lack of standardization for license concepts fund management companies do not have the possibility to compare the license models across different index providers.

- **Stringent audit procedures:** Audit procedures are conducted on the benchmark users to review the adoption and correct application of indices and benchmarks, but often with the aim of generating additional fee income only.
- **„Slicing and Dicing“ of license models:** Existing licenses are (further) split along the whole value chain of an Asset Manager. Existing license agreements which were previously priced only for one Asset Manager are now often licensed several times for several companies (custodian, outsourced asset manager, investor). Licensing models have become more fragmented which means that the rights of use of data are more restrictive differentiating between the circumstances of the use of the same data. For example, multiple licensing fees may apply for the same data if used for internal analysis, client reporting and also regulatory purposes. Therefore, the increase of prices along the whole value chain in the fund industry goes further on. This will also be the case for climate-related benchmarks which the Buy-Side needs also to take into consideration.

Currently, the BMR (Article 22, Recital 38) requires only the administrators of critical benchmarks, such as the major IBORs, to take adequate steps to ensure that licenses of, and information on, benchmarks are provided on a fair, reasonable, transparent and non-discriminatory basis to all users.



For the reasons outlined above, we strongly encourage the EU institutions to extend the BMR rule and to take the following proposals into consideration to address the cost issue:

- **Price lists** – Similar to MiFID, benchmark administrators should be required to publish annual price lists of all products/services allowing also for multiyear comparisons and easy identification of product /service changes.
- **Cost disclosure** – Similar to MiFID, BMR should provide for basic pricing rules for products and services stating that prices/revenues under BMR need to have a reasonable relationship with the cost of production. Therefore, benchmark administrators need to publish in-depth cost disclosures allowing to compare the cost of (all) data products with their revenues/price development and to allow for cost-based pricing of benchmark data.
- At minimum, index data production cost based pricing rules for basic “raw” index data including index levels, prices, constituents and weightings similar to what is currently already required from exchanges under MiFID rules, BMR administrators proprietary value added index data and research services will continue to be the main revenue stream for the providers in addition to any index name usage license fees (ETF, index funds) going forward, and will coexist with the envisaged basic index data offer, see point 6 below for details
- **Prohibition of certain license practices** – In particular, the (early) termination of data licenses by benchmark administrators in case of pricing policy or data policy changes should be prohibited until an arbitration tribunal or a regular court has adjudicated on the legality of the required changes.

Proposal: All administrators of benchmarks/indices whether registered or not under the BMR should take adequate steps to ensure that licenses of, and information on, benchmarks are provided on a cost-based, fair, reasonable, transparent and non-discriminatory basis to all supervised entities (e.g. Asset Managers). Specifically all BM administrators used by EU based supervisory entities should provide where applicable Price Lists and Cost of BM data production Disclosure. Furthermore index data production cost based pricing rules for basic “raw” index data including index levels, prices, constituents and weightings similar to what is currently already required from exchanges under MiFID rules. Finally a prohibition of certain license practices – In particular the (early) termination of data licenses by benchmark administrators in case of pricing policy or data policy changes should be prohibited until an arbitration tribunal or a regular court has adjudicated on the legality of the changes.

5. Critical benchmarks

We support the EU Commission`s reform ideas to ensure the seamless continuation of existing contracts referencing critical benchmarks, such as the London Interbank Offered Rate (LIBOR), if and when their continuity is at risk. The EU-Commission and the Competent authorities could be principally empowered with legal tools to modify the methodology (limited usefulness) and to set up a replacement benchmark, provided that the underlying economic reality measured by the (replacement) benchmarks remains generally the same after the relevant modification. However, the possibility to amend the methodology of critical benchmarks and the replacement rate by the EU-Commission and competent authorities should be carefully calibrated and activated only as matter of last resort. In such cases the EU-Commission/competent authorities should be provided with clear legal rules which are made transparent to the contributors, administrators and users of benchmarks (e.g. Asset Manager).

6. Methodology of benchmarks



The transparency of the methodology is not sufficiently addressed within the BMR in respect to supervised entities (e.g. fund management companies).

An index selected as a benchmark for an investment fund has to be inserted in the prospectus of the fund and full disclosure of the benchmark and its performance are required in the UCITS prospectus and KIID. This use of a single index for regulatory purposes by the asset manager can attract multiple license fee agreements as already mentioned above. It is not acceptable that regulatory requirements imposed on supervised entities result in profitable business opportunities for benchmark administrators, especially as already mentioned given the several layers of fees charged for the same index used by the same user.

Transparency on the setting of indices and benchmarks, including daily license and fee free publication ((see also point 5 above if fee free data provision may not be achieved, at least a price cap based on index data production cost is required) of the main features of public indices and benchmarks on a central official EU website will simultaneously achieve three important goals: limit the interest for and the possibility of market and other financial abuses by the providers of such products, promote investor confidence and avoid multiple pricing for the use of a single index by a user. This could proposal could be combined with the EU index family project envisaged by the Commission in order to further the EU's CMU objectives in a very practical manner.

The transparency requirements should also incorporate the definition of the benchmark including its objective and the universe of the benchmark components and the basis on which they are selected. Also, in the case of periodic changes to composition, the rebalancing frequency, maximum/minimum weightings and names of the individual components should be included. Such requirements could be incorporated in the updated ESMA register or a dedicated (EU) index website.

Proposal: The administrator shall make available for all benchmarks their prices, values, rates, constituent or structure parts and the weightings on a ESMA website, including daily license and fee free publication and easy/user friendly access to information for all supervised entities. Such information needs be updated on a regular basis. ESMA shall develop regulatory technical standards on the scope of the data to be published and the design of the EU website.