

## ANNEX E

### MI 25-102, BLACKLINED TO SHOW CHANGES FROM PROPOSED NI 25-102

#### ~~NATIONAL MULTILATERAL~~ INSTRUMENT 25-102 *DESIGNATED BENCHMARKS AND BENCHMARK ADMINISTRATORS*

*A Note: The text box in this Instrument located ~~below~~ after subsection ~~1(5)(6)~~ refers to terms defined in securities legislation. This text box does not form part of this Instrument.*

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### PART 1 DEFINITIONS AND INTERPRETATION

#### Definitions and interpretation

1.(1) In this Instrument,

“benchmark individual” means any DBA individual who participates in the provision of, or overseeing the provision of, a designated benchmark;

“board of directors” ~~means~~ includes, in the case of a person or company that does not have a board of directors, a group that acts in a capacity similar to a board of directors;

“contributing individual” means an individual who contributes input data ~~for, as an employee or agent, on behalf of~~ a benchmark contributor;

“CSAE 3000” means Canadian Standard on Assurance Engagements 3000 *Attestation*

*Engagements Other than Audits or ~~Review~~Reviews of Historical Financial Information*, as amended from time to time;

“CSAE 3001” means Canadian Standard on Assurance Engagements ~~3531~~3001 *Direct Engagements*, as amended from time to time;

“CSAE 3530” means Canadian Standard on Assurance Engagements 3530 *Attestation Engagements to Report on Compliance*, as amended from time to time;

“CSAE 3531” means Canadian Standard on Assurance Engagements 3531 *Direct Engagements to Report on Compliance*, as amended from time to time;

“DBA individual” means an individual who is

- (a) a director, officer or employee of a designated benchmark administrator, or
- (b) an agent of a designated benchmark administrator who ~~provides~~performs services ~~directly to~~on behalf of the designated benchmark administrator;

~~“designated benchmark” means a benchmark that is designated by an order or a decision of the regulator or securities regulatory authority;~~

~~“designated benchmark administrator” means a~~

“designated benchmark” means a benchmark that is designated for the purposes of this Instrument by a decision of the securities regulatory authority;

“designated benchmark administrator ~~that is designated by an order or a decision of the regulator or securities regulatory authority;~~

~~“designated critical benchmark” means a benchmark that is designated as a “critical benchmark” by an order or a decision of the regulator or securities regulatory authority;~~

~~“designated interest rate benchmark” means a benchmark that is designated as an “interest rate benchmark” by an order or a decision of the regulator or securities regulatory authority;~~

” means

- (a) in Québec, a benchmark administrator that is subject to securities legislation by a decision of the securities regulatory authority, and
- (b) in every other jurisdiction, a benchmark administrator that is designated for the purposes of this Instrument by a decision of the securities regulatory authority;

“designated critical benchmark” means a benchmark that is designated for the purposes of this Instrument as a “critical benchmark” by a decision of the securities regulatory authority;

“designated interest rate benchmark” means a benchmark that is designated for the purposes of this Instrument as an “interest rate benchmark” by a decision of the securities regulatory authority;

“designated regulated-data benchmark” means a benchmark that is designated ~~as a “regulated data benchmark” by an order or a decision of the regulator or securities regulatory authority;~~ for the purposes of this Instrument as a “regulated-data benchmark” by a decision of the securities regulatory authority;

“expert judgment” means the discretion exercised by

- (a) a designated benchmark administrator with respect to the use of input data in determining a benchmark, and
- (b) a benchmark contributor with respect to ~~the contribution of~~ input data;

“input data” means ~~the~~ data in respect of ~~the value or price~~ any measurement of one or more ~~underlying~~ assets, interests or elements, including, but not limited to, the value or price of the asset, interest or element, if that data is ~~used~~ contributed, or otherwise obtained, by a designated benchmark administrator ~~to determine~~ for the purpose of determining a designated benchmark;

“ISAE 3000” means International Standard on Assurance Engagements 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information, as amended from time to time;

“limited assurance report on compliance” means

- (a) a public accountant’s limited assurance report, on management’s statement that a person or company complied with ~~specified~~ the applicable subject requirements, if the report is prepared in accordance with CSAE 3000 and CSAE 3530 or ISAE 3000, or
- (b) a public accountant’s limited assurance report, on the compliance of a person or company with ~~specified~~ the applicable subject requirements, if the report is prepared in accordance with CSAE 3001 and CSAE 3531 or ISAE 3000;

“management’s statement” means, ~~as applicable,~~ a statement of management of a designated benchmark administrator or a benchmark contributor, as applicable;

“methodology” means a document ~~specifying~~ describing how a designated benchmark

administrator determines a designated benchmark;  
“reasonable assurance report on compliance” means

- (a) a public accountant’s reasonable assurance report, on management’s statement that a person or company complied with ~~specified~~the applicable subject requirements, if the report is prepared in accordance with CSAE 3000 and CSAE 3530 or ISAE 3000, or
- (b) a public accountant’s reasonable assurance report, on the compliance of a person or company with ~~specified~~the applicable subject requirements, if the report is prepared in accordance with CSAE 3001 and CSAE 3531 or ISAE 3000;

“~~specified~~subject requirements” means, ~~as applicable, the requirements referred to in~~

- (a) ~~subparagraphs 24(2)~~paragraphs 32(1)(g) ~~(i) and (ii)~~,
- (b) paragraphs 33(1)(a); and (b), ~~and~~
- (c), ~~(e)~~ paragraphs ~~34(1)~~36(1)(a); and (b) ~~and (c)~~,
- (d) paragraphs 37(1)(a) and (b), and
- (e) paragraphs 38(1) ~~(a) and (b)~~, and ~~(f)~~ ~~paragraphs 39(1)~~(a), (b) and (c);

“transaction data” means the data in respect of a price, rate, index or value representing transactions

- (a) between ~~unaffiliated counterparties~~persons or companies each of which is not an affiliated entity of one another, and
- (b) occurring in an active market subject to competitive supply and demand forces.

(2) Terms defined in National Instrument 21-101 *Marketplace Operation* and used in this Instrument have the respective meanings ascribed to them in that Instrument.

(3) For the purposes of this Instrument

~~(a)~~ input data is considered to have been contributed to a designated benchmark administrator if

- (i) it is not reasonably available to
- ~~(A)~~ (i) the designated benchmark administrator, or

- (Bii) another person or company, other than the benchmark contributor, for the purpose of providing the input data to the designated benchmark administrator, and
- (#b) it is provided to the designated benchmark administrator or the other person or company referred to in subparagraph (ia)(Bii) for the purpose of determining a benchmark, ~~and~~
- ~~(b) the provision of a designated benchmark is considered to occur through one or more of the following means:~~
  - ~~(i) the administration of the arrangements for determining the benchmark;~~
  - ~~(ii) the collection, analysis or processing of input data for the purposes of determining the benchmark;~~
  - ~~(iii) determining the benchmark through the application of a formula or other method of calculation or by an assessment of input data.~~
- (4) For the purposes of this Instrument, ~~the definitions in Appendix A~~ a designated benchmark administrator is considered to have provided a designated benchmark if any of the following apply:
  - (a) the administrator collects, analyzes, processes or otherwise uses the input data for the purposes of determining the benchmark;
  - (b) the administrator determines the benchmark through the application of the methodology applicable to the benchmark;
  - (c) the administrator administers any other arrangements for determining the benchmark.
- (5) Subject to subsections (6), (7) and (8), Appendix A contains definitions of terms used in this Instrument.
- (6) Subsection (45) does not apply in ~~• Alberta, New Brunswick, Nova Scotia, Ontario or Saskatchewan.~~

*Note: In ~~• [Note: At the time of the final rule, we plan to insert a list of jurisdictions that have included the defined terms in Appendix A in their securities legislation]~~ Alberta, New Brunswick, Nova Scotia, Ontario and Saskatchewan, the terms in Appendix A are defined in securities legislation.*

~~(6)~~(7) In British Columbia, the definitions of “benchmark” and “benchmark contributor” in the Securities Act (British Columbia) apply to this Instrument.

(8) In Québec, the definitions of “benchmark” and “benchmark administrator” in the Securities Act (Québec) apply to this Instrument.

(9) In this Instrument, a person or company is ~~considered to be~~ an affiliated entity of another person or company if either of the following ~~apply~~applies:

- (a) one ~~of them~~ is the subsidiary of the other;
- (b) each ~~of them is~~ is a subsidiary of, or controlled by the same person or company.

(710) For the purposes of paragraph (69)(b), a person or company (first person) ~~is considered to control~~controls another person or company (second person) if any of the following apply:

- (a) the first person beneficially owns, or controls or directs, directly or indirectly, securities of the second person carrying votes ~~which~~that, if exercised, would entitle the first person to elect a majority of the directors of the second person, unless that first person holds the voting securities only to secure an obligation;
- (b) the second person is a partnership, other than a limited partnership, and the first person holds more than a 50% ~~of the interests of~~interest in the partnership;
- (c) the second person is a limited partnership and the general partner of the limited partnership is the first person;
- (d) the second person is a trust and the first person is a trustee of the trust.

## PART 2 DELIVERY REQUIREMENTS

### Information on a designated benchmark administrator

2.(1) In this section, the following terms have the same meaning as in ~~subsection~~section 1.1 of National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards*:

- (a) “accounting principles”;
- (b) “auditing standards”;
- (c) “U.S. GAAP”;
- (d) “U.S. PCAOB GAAS”.

(2) In this section, “parent issuer” means an issuer in respect of which a designated benchmark

administrator is a subsidiary.

- (3) A designated benchmark administrator must deliver to the regulator or securities regulatory authority
- (a) information that a reasonable person would ~~conclude fully~~ consider describes ~~its~~ the designated benchmark administrator's organization—~~and,~~ and structure and ~~its~~ administration of benchmarks, including, ~~but not limited to,~~ for greater certainty, a description of its policies and procedures required under this Instrument, ~~its~~ conflicts of interest and potential conflicts of interest, ~~its~~ any person or company referred to in section 13 to which a designated benchmark administrator has outsourced a function, service ~~providers referred to in section 14~~ or activity in the provision of a designated benchmark, ~~its~~ benchmark individuals, the officer referred to in section ~~76~~ 76 and ~~its~~ sources of revenue, and
  - (b) annual financial statements for ~~its~~ the designated benchmark administrator's most recently completed financial year that include all of the following:
    - (i) a statement of comprehensive income, a statement of changes in equity, ~~and~~ a statement of cash flows for
      - (A) the most recently completed financial year, and
      - (B) the financial year, if any, immediately preceding the most recently completed financial year, ~~if any;~~
    - (ii) a statement of financial position at the end of each of the periods referred to in subparagraph (i);
    - (iii) notes to the annual financial statements.
- (4) For the purposes of paragraph (3)(b), if ~~the~~ a designated benchmark administrator is a subsidiary of a parent issuer, the designated benchmark administrator may instead deliver consolidated annual financial statements, for the most recently completed financial year of the parent issuer, that include all of the following:
- (a) a statement of comprehensive income, a statement of changes in equity, ~~and~~ a statement of cash flows for
    - (i) the most recently completed financial year, and
    - (ii) the financial year, if any, immediately preceding the most recently completed financial year, ~~if any;~~

- (b) a statement of financial position at the end of each of the periods referred to in paragraph (a);
  - (c) notes to the annual financial statements.
- (5) The annual financial statements delivered under paragraph (3)(b) or subsection (4) must be audited.
- (6) The notes to the annual financial statements delivered under paragraph (3)(b) or subsection (4) must identify the accounting principles used to prepare the annual financial statements.
- (7) The annual financial statements delivered under paragraph (3)(b) or subsection (4) must
  - (a) be prepared in accordance with one of the following accounting principles:
    - (i) Canadian GAAP applicable to publicly accountable enterprises;
    - (ii) Canadian GAAP applicable to private enterprises, if
      - (A) the financial statements consolidate any subsidiaries and account for significantly influenced investees and joint ventures using the equity method, and
      - (B) the designated benchmark administrator or parent issuer, as applicable, is a “private enterprise” as defined in the Handbook;
    - (iii) IFRS;
    - (iv) U.S. GAAP,
  - (b) be audited in accordance with one of the following auditing standards:
    - (i) Canadian GAAS;
    - (ii) International Standards on Auditing;
    - (iii) U.S. PCAOB GAAS, and
  - (c) be accompanied by an auditor’s report that:
    - (i) if subparagraph (b)(i) or (ii) applies, expresses an unmodified opinion;



- (ii) if subparagraph (b)(iii) applies, expresses an unqualified opinion; and
  - (iii) identifies the auditing standards used to conduct the audit.
- (8) The information required under subsection (3) must be provided for the periods set out in, and be prepared in accordance with, Form 25-102F1 *Designated Benchmark Administrator Annual Form* and must be delivered
- (a) ~~initially, within~~ on or before the 30th day after the ~~designation unless previously provided~~ designated benchmark administrator is designated, and
  - (b) ~~subsequently,~~ no later than 90 days after the end of each completed financial year of the designated benchmark administrator.
- (9) If any of the information delivered by a designated benchmark administrator under paragraph (3)(a) becomes ~~significantly~~ inaccurate, and a reasonable person would consider the inaccuracy to be significant, the designated benchmark administrator must promptly deliver a completed amended Form 25-102F1 *Designated Benchmark Administrator Annual Form* ~~with updated~~ that includes the accurate information.

### Information on a designated benchmark

- 3.(1) A designated benchmark administrator must, for each designated benchmark that it administers, deliver to the regulator or securities regulatory authority
- (a) information about the provision and distribution of the designated benchmark, including, ~~but not limited to~~ for greater certainty, its procedures, methodologies and distribution model, and
  - (b) ~~any~~ the code of conduct, if any, for the ~~relevant~~ benchmark contributors.
- (2) The information required under subsection (1) must be provided for the periods set out in, and be prepared in accordance with, Form 25-102F2 *Designated Benchmark Annual Form* and must be delivered
- ~~(a) — initially, within 30 days of the designation unless previously provided, and~~
- (a) on or before the 30th day after the designated benchmark is designated, and
- (b) ~~subsequently,~~ no later than 90 days after the end of each completed financial year of the designated benchmark administrator.
- (3) If any of the information ~~in a Form 25-102F2 Designated Benchmark Annual Form~~

delivered by a designated benchmark administrator under paragraph (1)(a) in respect of a designated benchmark it administers becomes ~~significantly~~ inaccurate, and a reasonable person would consider the inaccuracy to be significant, the designated benchmark administrator must promptly deliver a completed amended Form 25-102F2 *Designated Benchmark Annual Form* ~~in respect of the designated benchmark with updated~~ that includes the accurate information.

### **Submission to jurisdiction and appointment of agent for service of process**

- 4.(1) A designated benchmark administrator must, if the designated benchmark administrator is incorporated or organized under the laws of a foreign jurisdiction ~~or does not have an office in Canada~~, submit to the non-exclusive jurisdiction of ~~tribunals in the applicable jurisdictions of Canada~~ judiciary and quasi-judicial and other administrative bodies of the local jurisdiction and appoint an agent for service of process in Canada in a jurisdiction in which the designated benchmark administrator is designated.
- (2) The submission to jurisdiction and appointment required under subsection (1) must, ~~unless previously provided~~, be provided prepared in accordance with Form 25-102F3 *Submission to Jurisdiction and Appointment of Agent for Service of Process* and must be delivered ~~within~~ on or before the 30<sup>th</sup> day after the ~~designation~~ designated benchmark administrator is designated.
- ~~(3)~~ (3) A designated benchmark administrator, or a benchmark administrator referred to in subsection (4), must deliver an amended Form 25-102F3 *Submission to Jurisdiction and Appointment of Agent for Service of Process* with containing updated information at least 30 days before the ~~earlier of~~ effective date of any change that would result in a change to the information provided in the Form.
- ~~(a)~~ the termination date of the Form, and
- ~~(b)~~ the effective date of any amendments to the Form.
- ~~(4)~~ Subsection (3) applies until the date that is 6 years after the date on which the designated benchmark administrator ceased to be designated in the jurisdiction.

## **PART 3 GOVERNANCE**

### **Board of directors**

- ~~5.(1)~~ A designated benchmark administrator must not distribute information relating to a designated benchmark unless the designated benchmark administrator has a board of directors.
- ~~(2)~~ For the purposes of subsection (1), the board of directors of a designated benchmark administrator must not have fewer than 3 members.

- ~~(3) For the purposes of subsection (1), at least one-half of the members of the designated benchmark administrator's board of directors must be independent of the designated benchmark administrator and any affiliated entity of the designated benchmark administrator.~~
- (4) For the purposes of subsection (3), a director of the board of directors of a designated Subsection (3) applies to a benchmark administrator ~~is not independent if any of the following apply:~~
- ~~(a) other than as compensation for acting as a member of the board of directors or a board committee, the director accepts any consulting, advisory or other compensatory fee from the designated benchmark administrator or any affiliated entity of the designated benchmark administrator;~~
  - ~~(b) the director is a DBA individual or an employee or agent of any affiliated entity of the designated benchmark administrator;~~
  - ~~(c) the director has served on the board of directors for more than 5 until the date that is 6 years in total;~~
  - ~~(d) after the director has a relationship with date on which the designated benchmark administrator that may, in the opinion of the board of directors, be reasonably expected to interfere with the exercise of the director's independent judgment.~~
- ~~(5) For the purposes of paragraph (4)(d), in forming its opinion, the board of directors is not required to conclude that a member of a board of directors is not independent solely on the basis that the member is, or was, a benchmark user of a designated benchmark administered by the ceases to be a designated benchmark administrator.~~

### PART 3 GOVERNANCE

#### Accountability framework requirements

- ~~6.(1) In this section, "accountability framework" means the policies and procedures referred to in subsection (2).~~
- ~~(25.1)~~ A designated benchmark administrator must establish, document, maintain and apply an accountability framework of policies and procedures that are reasonably designed to
- (a) ensure and evidence compliance with ~~this Instrument~~ securities legislation relating to benchmarks, and

- (b) for each designated benchmark it administers, ensure and evidence that the designated benchmark administrator follows the methodology ~~for each~~ applicable to the designated benchmark ~~it administers~~.
- (32) ~~The~~ An accountability framework referred to in subsection (1) must specify how the designated benchmark administrator complies with each of the following:
- (a) ~~the record-keeping requirements in this Instrument~~ Part 7;
  - (b) ~~the requirements in this Instrument relating~~ subsection 2(5), paragraph 18(1)(c), sections 32 and 36 and subsection 39(7) as they relate to internal review or audit, ~~or~~ a public accountant's limited assurance report on compliance or a reasonable assurance report on compliance;
  - (c) the ~~complaint handling~~ policies and procedures referred to in ~~this Instrument~~ section 12.

### Compliance officer

- 76.**(1) A designated benchmark administrator must designate an officer ~~that monitors~~ to be responsible for monitoring and ~~assesses~~ assessing compliance by the designated benchmark administrator and its DBA individuals with securities legislation ~~in relation~~ relating to benchmarks.
- (2) A designated benchmark administrator must not prevent or restrict the officer referred to in subsection (1) from directly accessing the designated benchmark administrator's board of directors or a member of the board of directors.
- (3) An officer referred to in subsection (1) must do all of the following:
- (a) monitor and assess compliance by the designated benchmark administrator and its DBA individuals with the ~~designated benchmark administrator's~~ accountability framework referred to in section ~~65~~, the control framework referred to in section ~~9~~, ~~policies and procedures applicable to benchmarks~~, 8 and securities legislation ~~in relation~~ relating to benchmarks;
  - (b) at least once every 12 months, submit a report to the designated benchmark administrator's board of directors ~~for the purpose of reporting on~~ that describes
    - (i) the officer's activities ~~refereneed~~ referred to in paragraph (a),
    - (ii) compliance by the designated benchmark administrator and its DBA individuals with the accountability framework referred to in section 5, the control framework referred to in section 8 and securities legislation ~~in relation~~ relating to benchmarks, and

- (iii) ~~compliance by~~whether the designated benchmark administrator ~~with~~has followed the methodology ~~for~~applicable to each designated benchmark it administers;
- (c) submit a report to the designated benchmark administrator's board of directors as soon as reasonably possible if the officer becomes aware of any circumstances indicating that the designated benchmark administrator or its DBA individuals might not be in compliance with securities legislation ~~in relation~~relating to benchmarks and any of the following apply:
- (i) a reasonable person would consider that the suspected non-compliance ~~is reasonably expected to create, if actual, poses~~ a significant risk of financial loss to a benchmark user or to any other person or company;
  - (ii) a reasonable person would consider that the suspected non-compliance ~~is reasonably expected to create, if actual, poses~~ a significant risk of harm to the integrity of ~~the~~ capital markets;
  - (iii) a reasonable person would ~~conclude~~consider that the suspected non-compliance, if actual, is part of a pattern of non-compliance.
- (4) An officer referred to in subsection (1) must not participate in any of the following:
- (a) the provision of a designated benchmark, ~~including, but not limited to,~~
    - ~~(i) — the administration of the arrangements for determining the benchmark,~~
    - ~~(ii) — the collection, analysis or processing of input data for the purposes of determining the benchmark, or~~
    - ~~(iii) — determining the benchmark through the application of a formula or other method of calculation or by an assessment of input data;~~
  - (b) the ~~establishment~~determination of compensation ~~levels~~ for any DBA individuals, other than for a DBA individual ~~that~~who reports directly to the officer.
- (5) An officer referred to in subsection (1) must certify that a report submitted under paragraph (3)(b) is accurate and complete.
- (6) The designated benchmark administrator must not provide a payment or other financial incentive to ~~the~~an officer referred to in subsection (1), or any DBA individual ~~that~~who reports directly to the officer, if ~~that~~the payment or other financial incentive ~~is linked to either of the following:~~
- ~~(a) — the financial performance of the designated benchmark administrator or an affiliated entity of the designated benchmark administrator;~~

- ~~(b) the financial performance of a designated benchmark administered by the designated benchmark administrator~~would create a conflict of interest.
- (7) ~~The~~A designated benchmark administrator must ~~not provide a financial incentive to an officer referred to in~~establish, document, maintain and apply policies and procedures reasonably designed to ensure compliance with subsection (16), ~~or any DBA individual that reports directly to the officer, in a manner that a reasonable person would determine compromises the independence of the officer or the DBA individual.~~
- ~~(8) A designated benchmark administrator must establish, document, maintain and apply policies and procedures reasonably designed to ensure compliance with subsections (6) and (7).~~(9) A designated benchmark administrator must deliver to the regulator or securities regulatory authority, promptly after it is submitted to the board of directors, a report referred to in paragraph (3)(b) or (c).

### Oversight committee

- ~~87.~~(1) A designated benchmark administrator must establish and maintain anIn this section, “oversight committee to oversee” means the provision of a designated benchmark committee referred to in subsection (2).
- (2) ~~The oversight committee must not include individuals that are members of the board of directors of the~~A designated benchmark administrator must establish and maintain a committee to oversee the provision of a designated benchmark.
- (3) The oversight committee must ~~assess the decisions of the board of directors of the designated benchmark administrator with regards to compliance with securities legislation in relation to a designated benchmark and raise any concerns with those decisions with~~not include any individual who is a member of the board of directors of the designated benchmark administrator.
- (4) The oversight committee must provide a copy of its recommendations on benchmark oversight to the board of directors of the designated benchmark administrator.
- (5) A designated benchmark administrator must establish, document, maintain and apply policies and procedures regarding the structure and mandate of the oversight committee.
- (6) The board of directors of ~~the~~a designated benchmark administrator must appoint the members of the oversight committee.
- (7) A designated benchmark administrator must not distribute information relating to a designated benchmark unless its board of directors has
- (a) approved the policies and procedures referred to in subsection (5), and

- (b) approved the procedures referred to in paragraph (8)(d).
- (8) The oversight committee must, for each designated benchmark that the designated benchmark administrator administers, do all of the following:
- (a) review the methodology of the designated benchmark at least once ~~in every 12-month period~~ months and consider if any changes to the methodology are required;
  - (b) oversee any changes to the methodology of the designated benchmark, including requesting that the designated benchmark administrator consult with benchmark contributors or benchmark users on any significant changes to the methodology of the designated benchmark;
  - (c) oversee the management and operation of the designated benchmark, including the designated benchmark administrator's control framework referred to in section ~~9~~8;
  - (d) review and approve procedures for any cessation of the designated benchmark, including procedures governing ~~a consultation~~ consultations about a cessation of the designated benchmark;
  - (e) oversee any person or company referred to in section 13 to which a designated benchmark administrator has outsourced a function, service ~~provider involved~~ or activity in the provision ~~or distribution~~ of the designated benchmark, including calculation agents ~~or~~ and dissemination agents;
  - (f) assess any report resulting from an internal review or audit, or any public accountant's limited assurance report on compliance or reasonable assurance report on compliance;
  - (g) monitor the implementation of any remedial actions relating to an internal review or audit, or any public accountant's limited assurance report on compliance or reasonable assurance report on compliance;
  - (h) keep minutes of ~~each meeting~~ its meetings;
  - (i) if the designated benchmark is based on input data from a benchmark contributor,
    - (i) oversee the designated benchmark administrator's establishment, ~~implementation~~ documentation, maintenance and application of the code of conduct referred to in section ~~24~~23,
    - (ii) monitor each of the following:

- (A) the input data;
  - (B) the contribution of input data by ~~at~~the benchmark contributor;
  - (C) the actions of the designated benchmark administrator in challenging or validating contributions of input data,
- (iii) take reasonable measures regarding any ~~significant~~-breach of the code of conduct referred to in section 2423 to mitigate the impact of the breach and prevent additional breaches in the future, if a reasonable person would consider that the breach is significant, and
  - (iv) promptly notify the board of directors of the designated benchmark administrator of any breach of the code of conduct referred to in section 2423, if a reasonable person would consider that the breach is significant.
- (9) If the oversight committee becomes aware that the board of directors of the designated benchmark administrator has acted or intends to act contrary to any recommendations or decisions of the oversight committee, the oversight committee must record that fact in the minutes of its next meeting.
- (10) If the oversight committee becomes aware of any of the following, the oversight committee must promptly report it to the regulator or securities regulatory authority:
- (a) any ~~significant~~ misconduct by the designated benchmark administrator in relation to the provision of a designated benchmark, if a reasonable person would consider that the misconduct is significant;
  - (b) any ~~significant~~-misconduct by a benchmark contributor in respect of a designated benchmark that is based on input data from the benchmark contributor, if a reasonable person would consider that the misconduct is significant;
  - (c) any input data that
    - (i) a reasonable person would ~~conclude~~consider is anomalous or suspicious, and
    - (ii) is used in determining the benchmark or is contributed by a benchmark contributor.
- (11) The oversight committee, and each of its members, must ~~operate with integrity in carrying~~carry out its, and their, actions and duties ~~in~~under this Instrument with integrity.
- (12) A member of the oversight committee must disclose in writing to the ~~oversight~~ committee the nature and extent of any conflict of interest ~~involving~~the member has in respect of the



designated benchmark or the designated benchmark administrator.

## Control framework

- 98.(1)** In this section, “control framework” means the policies, procedures and controls referred to in subsections (2), (3) and (4).
- (2) A designated benchmark administrator must establish, document, maintain and apply policies, procedures and controls that are reasonably designed to ensure that a designated benchmark is provided in accordance with this Instrument.
- (3) Without limiting the generality of subsection (2), the designated benchmark administrator must ensure that its control framework includes controls relating to all of the following:
- (a) management of operational risk, including any risk of financial loss, disruption or damage to the reputation of the designated benchmark administrator from any failure of its information technology systems;
  - (b) business continuity and disaster recovery plans;
  - (c) contingency procedures in the event of a disruption to the provision of the designated benchmark or the process applied to provide the designated benchmark.
- (4) A designated benchmark administrator must establish, document, maintain and apply policies, procedures and controls reasonably designed to
- (a) ensure that benchmark contributors comply with the code of conduct referred to in section 2423 and the standards for input data in the methodology of the designated benchmark,
  - (b) monitor input data before any publication relating to the designated benchmark, and
  - (c) validate input data after publication to identify errors and anomalies.
- (5) A designated benchmark administrator must promptly provide written notice to the regulator or securities regulatory authority describing any ~~significant~~ security incident or any ~~significant~~ systems issue relating to any designated benchmark it administers, if a reasonable person would consider that the security incident or systems issue is significant.
- (6) A designated benchmark administrator must review and update its control framework on a reasonably frequent basis and at least once ~~in every 12-month period~~ months.
- (7) A designated benchmark administrator must make its control framework available, on request and free of charge, to any benchmark user.

## Governance requirements

- 109.**(1) A designated benchmark administrator must establish and document ~~a~~clearits organizational structure.
- (2) The organizational structure referred to in subsection (1) must establish well-defined~~and transparent~~ roles and responsibilities for each person or company involved in the provision of a designated benchmark administered by the designated benchmark administrator.
- (3) A designated benchmark administrator must establish, document, maintain and apply policies and procedures reasonably designed to ensure that each of its benchmark individuals
- (a) has the necessary skills, knowledge, experience, reliability and integrity for the duties assigned to ~~them~~the individual, and
- (b) is subject to adequate management and supervision.
- (4) A designated benchmark administrator must ensure that any information published by the benchmark administrator relating to a designated benchmark is ~~internally~~approved by ~~management~~a manager of the designated benchmark administrator.

## ~~Conflict~~Conflicts of interest~~requirements~~

- 110.**(1) A designated benchmark administrator must establish, document, maintain and apply policies and procedures that are reasonably designed to
- (a) identify and ~~avoid conflicts of interest, or mitigate risks resulting from~~eliminate or manage conflicts of interest, involving the designated benchmark administrator and its managers, benchmark contributors, benchmark users, DBA individuals and any affiliated entity of the designated benchmark administrator,
- (b) ensure that ~~any~~the exercise of expert judgment ~~used~~by the benchmark administrator or DBA individuals ~~in the benchmark determination process~~is independently and honestly exercised,
- (c) protect the integrity and independence of the provision of a designated benchmark,
- (d) ensure that an officer referred to in section 6, or any DBA individual who reports directly to the officer, does not receive compensation or other financial incentive from which conflicts of interest arise or that otherwise adversely affect the integrity of the benchmark determination, and

- (~~e~~) ensure that each of its benchmark individuals is not subject to undue influence, undue pressure or conflicts of interest, including, for greater certainty, ensuring that each of the benchmark individuals
- (i) is not subject to compensation or performance evaluations from which conflicts of interest arise or that otherwise ~~impinge on~~ adversely affect the integrity of the benchmark determination ~~process~~,
  - (ii) does not have any financial interests, relationships or business connections that ~~compromise~~ adversely affect the ~~activities~~ integrity of the designated benchmark administrator,
  - (iii) does not contribute to a determination of a designated benchmark by way of engaging in bids, offers ~~and/or~~ trades on a personal basis or on behalf of market participants, except ~~in accordance with explicit requirements of the methodology~~ as permitted under the policies and procedures of the designated benchmark administrator, and
  - (iv) is subject to policies and procedures to ~~control~~ prevent the exchange of information that ~~may~~ might affect a designated benchmark with ~~either of~~ the following, except as permitted under the policies and procedures of the designated benchmark administrator:
    - (A) any other DBA ~~individuals~~ individual if that individual is involved in ~~activities~~ an activity that ~~may create~~ results in a ~~risk~~ conflict of ~~conflicts~~ interest or a potential conflict of interest,
    - (B) a benchmark ~~contributors~~ contributor or any other ~~third~~ person or company.
- (2) A designated benchmark administrator must establish, document, maintain and apply policies and procedures that are reasonably designed to keep separate, operationally, the business of a designated benchmark administrator relating to the designated benchmark it administers, and its benchmark individuals, from any other ~~part of the~~ business activity of the designated benchmark administrator if the designated benchmark administrator becomes aware of a conflict of interest or a ~~risk of a~~ potential conflict of interest ~~between~~ involving the business of the designated benchmark ~~and the other part of the business~~ administrator relating to any designated benchmark.
- (3) A designated benchmark administrator must promptly publish a description of a ~~significant~~ significant conflict of interest, or a ~~risk of a significant~~ potential conflict of interest, in respect of a designated benchmark
- (a) if a reasonable person would consider the risk of harm to any person or company

arising from the conflict of interest, or the potential conflict of interest, is significant, and

- (b) on becoming aware of the conflict of interest, or risk~~the potential conflict of interest,~~ including, ~~but not limited to~~for greater certainty, a conflict or ~~risk~~potential conflict arising from the ownership or control of the designated benchmark administrator.
- (4) ~~The~~A designated benchmark administrator must ensure that the policies and procedures referred to in subsection (1)
- (a)(a) take into account the nature and categories of the designated ~~benchmark~~benchmarks it administers and the risks that ~~the~~each designated benchmark poses to capital markets and benchmark users,
- (b) protect the confidentiality of information provided to or produced by the designated benchmark administrator, subject to the disclosure ~~and—transparency~~obligationsrequirements under ~~this Instrument~~Part 5, and
- (c) identify and ~~avoid conflicts of interest, or mitigate risks resulting from~~eliminate or manage conflicts of interest, including, ~~but not limited to~~for greater certainty, those that arise as a result of
- (i) expert judgment or other discretion exercised in the benchmark determination process,
- (ii) the ownership or control of the designated benchmark administrator or any affiliated entity of the designated benchmark administrator, and
- (iii) any other person or company exercising control or direction over the designated benchmark administrator in relation to determining the designated benchmark.
- (5) ~~In the event of a significant failure~~If a designated benchmark administrator fails to apply or follow ~~policies and procedures to which paragraph (4)(b) applies~~a policy or procedure referred to in subsection (4), and a reasonable person would consider the failure to be significant, ~~at~~the designated benchmark administrator must promptly provide written notice of the significant failure to the regulator or securities regulatory authority.

#### Reporting of ~~infringements~~contraventions

- ~~1211.~~(1) A designated benchmark administrator must establish, document, maintain and apply systems and controls reasonably designed ~~for the purposes of detecting~~to detect and ~~reporting~~promptly report to the regulator or securities regulatory authority any conduct by a DBA individual or a benchmark contributor that might involve the following:

- (a) manipulation or attempted manipulation of a designated benchmark;
  - (b) provision or attempted ~~manipulation~~provision of false or misleading information in respect of a designated benchmark.
- (2) A designated benchmark administrator must establish, document, maintain and apply policies and procedures for its DBA individuals to report any contravention of ~~this Instrument~~securities legislation relating to benchmarks to the officer referred to in section 76.
- (3) A designated benchmark administrator must promptly provide written notice to the regulator or securities regulatory authority describing any conduct that it, or any of its DBA individuals, becomes aware of that might involve the following:
- (a) manipulation or attempted manipulation of a designated benchmark;
  - (b) provision or attempted provision of false or misleading information in respect of a designated benchmark.

### Complaint procedures

- 1312.**(1) A designated benchmark administrator must establish, document, maintain, apply and publish policies and procedures reasonably designed ~~for receiving, handling, investigating~~to ensure that the designated benchmark administrator receives, investigates and resolvingresolves complaints relating to a designated benchmark, including, ~~without limitation~~for greater certainty, complaints in respect of each of the following:
- (a) whether a determination of a designated benchmark accurately and reliably represents that part of the market or economy the benchmark is intended to ~~record~~represent;
  - (b) whether a determination of a designated benchmark was made in accordance with the methodology of the designated benchmark;
  - (c) the methodology of a designated benchmark or any proposed change to the methodology.
- (2) A designated benchmark administrator must do all of the following:
- (a) provide a written copy of the complaint procedures at no cost to ~~a complainant~~any person or company on request;
  - (b) investigate a complaint in a timely and fair manner;

- (c) communicate the outcome of the investigation of a complaint to the complainant within a reasonable period ~~of time~~;
- (d) conduct the investigation of a complaint independently of persons who ~~may~~might have been involved in the subject- matter of the complaint.

## Outsourcing

**1413.**(1) A designated benchmark administrator must not outsource a function, service or activity relating to the administration of a designated benchmark in such a way as to significantly impair ~~either~~any of the following:

- (a) the designated benchmark administrator's control over the provision of the designated benchmark;
  - (b) the ability of the designated benchmark administrator to comply with securities legislation ~~in relation~~relating to benchmarks.
- (2) A designated benchmark administrator that outsources ~~to a service provider~~ a function, service or activity in the provision of a designated benchmark must establish, document, maintain and apply policies and procedures reasonably designed to ensure that
- (a) the person or company performing the function or activity or providing the ~~service provider~~ has the ability, capacity, and any authorization required by law, to perform the outsourced function, ~~service~~ or activity, or provide the service, reliably and effectively,
  - (b) the designated benchmark administrator maintains records documenting the identity and the tasks of ~~each~~the person or company performing the function or activity or providing the ~~service provider~~ ~~and that participates in the provision of a designated benchmark and makes~~ those records are available in a manner that permits them to be provided to the regulator or, in Québec, the securities regulatory authority ~~promptly on request, in a reasonable period,~~
  - (c) the designated benchmark administrator and the ~~service provider~~person or company to which a function, service or activity is outsourced enter into a written ~~contract~~agreement that
    - (i) imposes service level requirements on the ~~service provider~~person or company,
    - (ii) allows the designated benchmark administrator to terminate the agreement when ~~reasonably~~ appropriate,

- (iii) requires the ~~service provider~~person or company to disclose to the designated benchmark administrator any development that may have a significant impact on ~~its~~the person or company's ability to ~~carry out~~perform the outsourced function, ~~service~~ or activity, or provide the outsourced service, in compliance with applicable law,
- (iv) requires the ~~service provider~~person or company to cooperate with the regulator or securities regulatory authority regarding a compliance review or investigation involving the outsourced function, service or activity,
- (v) ~~includes a provision allowing~~allows the designated benchmark administrator to directly access
  - (i) the books, records and ~~data~~other documents related to the outsourced function, service or activity, and
  - (ii) the business premises of the ~~service provider~~person or company, and
- ~~(vi) — includes a provision requiring the service provider to provide the regulator or securities regulatory authority with the same access to the books, records and data related to the outsourced function, service or activity that the regulator or securities regulatory authority would have if the function, service or activity were not outsourced, and~~
- ~~(vii) — includes a provision requiring the service provider to provide the regulator or securities regulatory authority with the same rights to access the business premises of the service provider that the regulator or securities regulatory authority would have if the function, service or activity was not outsourced,~~
- (vi) requires the person or company to keep sufficient books, records and other documents to record its activities relating to the designated benchmark and to provide the designated benchmark administrator with copies of those books, records and other documents on request,
- (d) the designated benchmark administrator takes reasonable measures if the administrator becomes aware of any circumstances indicating that the person or company to which a function, service ~~provider~~or activity is outsourced might not be ~~carrying out~~performing the outsourced function, ~~service~~ or activity, or providing the outsourced service, in compliance with this Instrument or with the ~~contract referenced~~agreement referred to in paragraph (c),
- (e) the designated benchmark administrator conducts reasonable supervision of the outsourced function, service or activity and manages ~~the~~any risks ~~associated with~~to the designated benchmark administrator or to the accuracy or reliability of the

designated benchmark resulting from the outsourcing,

- (f) the designated benchmark administrator retains the expertise that a reasonable person would consider ~~to be~~ necessary to conduct reasonable supervision of the outsourced function, service or activity and to manage ~~the any~~ risks ~~associated with~~ to the designated benchmark administrator or to the accuracy or reliability of the designated benchmark resulting from the outsourcing, and
- (g) the designated benchmark administrator takes steps, including developing contingency plans, that a reasonable person would consider ~~to be~~ necessary to avoid or mitigate operational risk related to the ~~participation of the service provider~~ person or company performing the function or activity or providing the service.

(3) A designated benchmark administrator that outsources a function, service or activity in the provision of ~~the~~ designated benchmark must ensure that the regulator or securities regulatory authority has reasonable access to

- (a) the applicable books, records and other documents of the person or company performing the function or activity or providing the service, and
- (b) the applicable business premises of the person or company performing the function or activity or providing the service.

## PART 4 INPUT DATA AND METHODOLOGY

### Input data

**1514.(1)** A designated benchmark administrator must establish, document, maintain and apply policies and procedures reasonably designed to ensure that ~~each~~ all of the following are satisfied in respect of input data used in the provision of a designated benchmark:

- (a) the input data, in aggregate, is sufficient to provide a designated benchmark that accurately and reliably represents that part of the market or economy the designated benchmark is intended to ~~record~~ represent;
- (b) the input data will continue to be reliably available ~~on a reliable basis~~;
- (c) if appropriate transaction data is available to satisfy paragraphs (a) and (b), the input data is transaction data;
- (d) if appropriate transaction data is not available to satisfy paragraphs (a) and (b), the designated benchmark administrator uses, in accordance with the methodology of the designated benchmark, relevant and appropriate estimated prices, quotes or other values as input data;



- (e) the input data is capable of being verified as being accurate, reliable and complete.
- (2) A designated benchmark administrator must establish, document, maintain and apply policies, procedures and controls that are reasonably designed to ensure that input data for a designated benchmark is accurate, reliable and complete and that include all of the following:
- (a) criteria ~~that determine~~ for determining who may ~~contribute input data to the designated~~ act as benchmark ~~administrator~~ contributors and contributing individuals;
  - (b) a process for determining benchmark contributors and contributing individuals;
  - (c) a process for assessing a benchmark contributor's compliance with the code of conduct referred to in section 2423;
  - (d) a process for applying measures that a reasonable person would consider ~~to be~~ appropriate in the event of ~~non-compliance by~~ a benchmark contributor failing to comply with the code of conduct referred to in section 2423;
  - (e) if appropriate, a process for stopping a benchmark contributor from contributing further input data;
  - (f) a process for verifying input data to ensure its accuracy, reliability and completeness.
- (3) If a reasonable person would consider that the input data results in a designated benchmark that does not accurately and reliably represent that part of the market or economy the designated benchmark is intended to ~~record~~ represent, the designated benchmark administrator must do either of the following:
- (a) within a reasonable time, change the input data, the benchmark contributors or the methodology of the designated benchmark in order to ensure that the designated benchmark accurately and reliably represents that part of the market or economy the designated benchmark is intended to ~~record~~ represent;
  - (b) cease to provide the designated benchmark.
- (4) A designated benchmark administrator must promptly provide written notice to the regulator or securities regulatory authority if the designated benchmark administrator is required to take an action ~~set out in~~ under paragraph (3)(a) or (b).
- (5) A designated benchmark administrator must ~~publicly disclose each~~ publish both of the following:

- (a) the policies and procedures referred to in subsection (1) regarding the types of input data, the priority of use of the different types of input data and the exercise of expert judgment in the determination of a designated benchmark;
- (b) the methodology of the designated benchmark.

### Contribution of input data

~~1615.~~(1) For the purpose of paragraph ~~15(1)~~14(1)(a) in respect of a designated benchmark that is based on input data from benchmark contributors, the designated benchmark administrator must obtain, if a reasonable person would consider it to be appropriate, input data from a representative sample of benchmark contributors.

(2) A designated benchmark administrator must not use input data from a benchmark contributor if

(a) a reasonable person would consider that the designated benchmark administrator contributor has any indication that the benchmark contributor does not adhere to breached the code of conduct referred to in section 2423, and in such a case, if

(b) a reasonable person would consider that the breach is significant.

(3) If the circumstances referred to in subsection (2) occur, and if a reasonable person would consider it to be appropriate, a designated benchmark administrator must obtain alternative representative data in accordance with the guidelines policies and procedures referred to in paragraph 17(3)(a) subsection 16(3).

~~(3)~~(4) If input data is contributed from any front office of a benchmark contributor, or of an affiliate affiliated entity of a benchmark contributor, that performs any activities that relate to or might ~~impact~~affect the input data, the designated benchmark administrator must

(a) obtain information from other sources, if reasonably available, that confirms the accuracy, reliability and completeness of the input data in accordance with its policies and procedures, and

(b) ensure that the benchmark contributor has in place ~~adequate~~ internal oversight and verification procedures that a reasonable person would consider adequate.

~~(4) — For the purpose of subsection (3)~~(5) In this section, “front office” means any department, division or other internal grouping of a benchmark contributor, ~~group or personnel~~any employee or agent of a benchmark contributor, that performs any pricing, trading, sales, marketing, advertising, solicitation, structuring or brokerage activities on behalf of the benchmark contributor.

## Methodology

~~17.(1)~~16.(1) A designated benchmark administrator must not ~~use~~follow a methodology for determining a designated benchmark unless all of the following apply:

- (a) the methodology is sufficient to provide a designated benchmark that accurately and reliably represents that part of the market or economy the designated benchmark is intended to ~~record~~represent;
  - (b) the methodology ~~clearly~~ identifies how and when expert judgment may be exercised in the determination of the designated benchmark;
  - (c) the accuracy and reliability of the methodology, with respect to determinations made under it, is capable of being verified, including, if appropriate, by back-testing;
  - (d) the methodology is reasonably designed to ensure that a determination under the methodology can be made in all reasonable circumstances, without compromising the accuracy and reliability of the methodology;
  - (e) a determination under the methodology ~~can be~~ is capable of being verified as being accurate, reliable and complete.
- (2) A designated benchmark administrator must not implement a methodology for a designated benchmark unless the ~~designated benchmark administrator~~methodology,
- (a) when it is prepared, takes into account, ~~in the preparation of the methodology~~, all of the applicable characteristics of that part of the market or economy the designated benchmark is intended to ~~record~~represent,
  - (b) if applicable, determines what constitutes an active market for the purposes of the designated benchmark, and
  - (c) establishes the priority to be given to different types of input data.
- ~~(3)~~(3) A designated benchmark administrator must establish, document, maintain, apply and publish ~~guidelines~~policies and procedures that
- ~~(a)~~(a) identify the circumstances in which the quantity or quality of input data falls below the standards necessary for the methodology to provide a designated benchmark that accurately and reliably represents that part of the market or economy the designated benchmark is intended to ~~record~~represent, and

~~(b)~~(b) indicate whether and how the designated benchmark is to be ~~calculated~~determined in those circumstances.

### Proposed significant changes to methodology

~~18.~~17.(1) In this section, “significant change” means a change that a reasonable person would consider to be significant.

~~(12)~~ A designated benchmark administrator must ~~establish, document, maintain and apply procedures that provide for~~not implement a significant change to a methodology for determining a designated benchmark, unless all of the following apply:

(a) ~~public~~the designated benchmark administrator has published notice of ~~a~~the proposed significant change to the methodology of a designated benchmark;

(b) the ~~provision of comments by~~designated benchmark administrator has provided a means for benchmark users and other members of the public to comment on the proposed significant change and its effect on the designated benchmark;

(c) the ~~publication of~~designated benchmark administrator has published

(i) any comments received, unless the commenter has requested that ~~their~~its comments be held in confidence,

(ii) the name of each commenter, unless a commenter has requested that its name be held in confidence, and

(iii) the designated benchmark administrator’s response to the comments that are published;

(d) ~~public~~the designated benchmark administrator has published notice of ~~an implemented~~implementation of any significant change to the methodology of the designated benchmark.

~~(2)~~(3) For the purposes of subsection ~~(12)~~(2),

~~(a)~~(a) ~~the procedures in relation to the public~~the notice under paragraph ~~(12)~~(2)(a) must ~~provide~~be published on a date that ~~notice of the proposed change be published on or before a date that provides benchmark~~provides benchmark users and other members of the public with reasonable time to consider and comment on the proposed change,

- ~~(b) — the procedures in relation to (b)~~ the publication of comments under paragraph ~~(12)~~(c) may permit a part of a written comment to be excluded from publication if both of the following apply:
- (i) the designated benchmark administrator considers that disclosure of that part of the comment would be seriously prejudicial to the interests of the designated benchmark administrator or would contravene privacy laws;
  - (ii) the designated benchmark administrator includes, with the publication, a description of the nature of the comment, and
- (c) the ~~procedures in relation to the public~~ notice under paragraph ~~(12)~~(d) must ~~provide that notice of the implemented change~~ be published ~~on or~~sufficiently before ~~an~~the effective date ~~that provides~~of the change to provide benchmark users and other members of the public with reasonable time to consider the ~~implemented~~implementation of the significant change.

## PART 5 DISCLOSURE

### Disclosure of methodology

**1918.**(1) A designated benchmark administrator must publish all of the following in respect of the methodology of a designated benchmark:

- (a) the information that
  - (i) a reasonable benchmark contributor ~~may~~might need in order to carry out its responsibilities as a benchmark contributor, and
  - (ii) a reasonable benchmark user ~~may~~might need in order to evaluate whether the designated benchmark accurately and reliably represents that part of the market or economy the designated benchmark is intended to ~~record~~represent;
- (b) ~~a complete~~an explanation of all of the elements of the methodology, including, ~~but not limited to~~for greater certainty, the following:
  - (i) a description of the designated benchmark and of ~~the~~that part of the market or economy the designated benchmark is intended to ~~record~~represent;
  - (ii) the currency or other unit of measurement of the designated benchmark;
  - (iii) the criteria used by the designated benchmark administrator ~~for selecting to~~

- select the sources of input data used to determine the designated benchmark;
- (iv) the types of input data used to determine the designated benchmark and the priority given to each type;
  - (v) a description of the benchmark contributors and the criteria used to determine the eligibility of a benchmark contributor;
  - (vi) a description of the constituents of the designated benchmark and the criteria used ~~for selecting~~to select and ~~giving~~give weight to them;
  - (vii) any minimum liquidity requirements for the constituents of the designated benchmark;
  - (viii) any minimum requirements for the quantity of input data, and any minimum standards for the quality of input data, used to determine the designated benchmark;
  - (ix) provisions ~~identifying~~that identify how and when expert judgment may be exercised in the determination of the designated benchmark;
  - (x) whether the designated benchmark takes into account any reinvestment of dividends paid on securities that are included in the designated benchmark;
  - (xi) if the methodology may be changed periodically to ensure the designated benchmark continues to accurately and reliably represent that part of the market or economy the designated benchmark is intended to ~~record~~represent, all of the following:
    - (A) any criteria to be used to determine when such a change is necessary;
    - (B) any criteria to be used to determine the frequency of such a change;
    - (C) any criteria to be used to rebalance the constituents of the designated benchmark as part of making such a change;
  - (xii) the potential limitations of the methodology and details of any methodology to be used in exceptional circumstances, including in the case of an illiquid market or in periods of stress or ~~where~~if transaction data ~~sources~~ may be ~~insufficient~~, inaccurate ~~or~~, unreliable or incomplete;
  - (xiii) a description of the roles of any third parties involved in data collection

for, or in the calculation or dissemination of, the designated benchmark;

- (xiv) the model or method used for the extrapolation and any interpolation of input data;
  - (c) the process for the internal review and ~~the~~ approval of the methodology and the frequency of such reviews and approvals;
  - (d) the ~~procedures~~process referred to in section ~~18~~17 for making significant changes to the methodology;
  - (e) examples of the types of changes that may constitute a significant change to the methodology.
- (2) A designated benchmark administrator must provide written notice to the regulator or securities regulatory authority of a proposed significant change to the methodology of a designated benchmark referred to in section 17 at least 45 days before ~~its implementation~~the significant change is implemented.
- (3) Subsection (2) does not apply with respect to a proposal to make a significant change to a methodology of a designated benchmark referred to in section 17 if
- (a) the proposal is intended to be implemented within 45 days of the decision to make the change,
  - (b) the proposal is intended to preserve the integrity, accuracy or reliability of the designated benchmark or the independence of the designated benchmark administrator, and
  - (c) the designated benchmark administrator promptly, after making the decision to make the significant change, provides written notice to the regulator or securities regulatory authority of the proposed significant change.

### **Benchmark statement**

~~20.(1) No later than 15 days following the designation of a designated benchmark, the designated benchmark administrator of the designated benchmark must publish a benchmark statement.~~

~~(2) For the purpose of subsection (1)~~

19.(1) In this section, a “benchmark statement” means a written statement that includes all of the following:

- (a) a description of ~~the~~that part of the market or economy the designated benchmark is intended to ~~record~~represent, including ~~all of~~, for greater certainty, the following ~~information~~:
- (i) the geographical area, if any, of ~~the~~that part of the market or economy the designated benchmark is intended to ~~record~~represent;
  - (ii) any other information that a reasonable person would ~~believe~~consider to be ~~relevant~~or useful to help existing or potential benchmark users to understand the relevant features of ~~the~~that part of the market or economy the designated benchmark is intended to ~~record~~represent, including both of the following, to the extent that accurate and reliable information is available:
    - (A) information on existing or potential participants in ~~the~~that part of the market or economy the designated benchmark is intended to ~~record~~represent;
    - (B) an indication of the dollar value of ~~the~~that part of the market or economy the designated benchmark is intended to ~~record~~represent;
- (b) an explanation of the circumstances in which the designated benchmark might, in the opinion of a reasonable person, ~~no longer~~not accurately and reliably represent ~~the~~that part of the market or economy the designated benchmark is intended to ~~record~~represent;
- (c) ~~technical specifications~~information that ~~sets~~sets out all of the following:
- (i) the elements of the ~~calculation~~methodology of the designated benchmark in relation to which expert judgment may be exercised by the designated benchmark administrator or any benchmark contributor~~;~~;
  - (ii) the ~~criteria applicable to the exercise of~~circumstances in which expert judgment would be exercised by the designated benchmark administrator or any benchmark contributor~~;~~; ~~and~~;
  - (iii) the job title of the individuals ~~that~~who are authorized to exercise expert judgment ~~on behalf of the designated benchmark administrator or any benchmark contributor~~;
- (d) how~~whether~~ the expert judgment referred to in paragraph (c) ~~could~~will be evaluated by the designated benchmark administrator or the benchmark contributor and the parameters that will be used to conduct the evaluation;
- (e) notice that factors, including external factors beyond the control of the designated benchmark administrator, could necessitate changes to, or the cessation of, the designated benchmark;



- (f) notice that changes to, or the cessation of, the designated benchmark could have an impact on contracts and instruments that reference the designated benchmark or on the measurement of the performance of an investment fund that references the designated benchmark;
- (g) ~~explanations for an~~ explanation of all key terms used in the statement ~~relating that relate~~ to the designated benchmark and its methodology;
- (h) the rationale for adopting the methodology ~~or~~ for determining the designated benchmark ~~and~~;
- (i) the procedures for the review and approval of the methodology of the designated benchmark;
- ~~(j)~~ a summary of the methodology of the designated benchmark, including, ~~but not limited to, all of~~ for greater certainty, the following, if applicable:
  - (i) a description of the types of input data to be used;
  - (ii) the priority given to different types of input data;
  - (iii) the minimum data needed to determine the designated benchmark;
  - (iv) the use of any models or methods of extrapolation of input data;
  - (v) any ~~procedure~~ criteria for rebalancing the constituents of the designated benchmark;
  - (vi) ~~the controls and rules that govern any other restrictions or limitations on the exercise of expert judgment by the designated benchmark administrator or any benchmark contributor;~~
- ~~(k)~~ the procedures ~~which that~~ govern the provision of the designated benchmark in periods of market stress or ~~where when~~ transaction data ~~sources may might~~ be ~~insufficient~~, inaccurate ~~or~~, unreliable or incomplete, and the potential limitations of the designated benchmark ~~in~~ during those periods;
- ~~(l)~~ the procedures for dealing with errors in input data or in the determination of the designated benchmark, including when a re-determination of the designated benchmark is required;
- ~~(m)~~ potential limitations of the designated benchmark, including its operation in illiquid or fragmented markets and the possible concentration of input data.

(2) No later than 15 days after the designation of a designated benchmark, the designated

benchmark administrator of the designated benchmark must publish a benchmark statement.

- (3) ~~The~~A designated benchmark administrator must, with respect to each designated benchmark it administers, review the applicable benchmark statement at least every 2 years.
- (4) If there ~~are significant changes to the information in the~~is a change to the information required under this section in a benchmark statement, and if a reasonable person would consider the change to be significant, the designated benchmark administrator must promptly update the benchmark statement to reflect ~~any changes to the information required by this section~~change.
- (5) ~~Where~~If the benchmark statement is updated under subsection (4), the designated benchmark administrator must promptly publish ~~an~~the updated ~~version of the~~ benchmark statement.

#### Changes to and cessation of a designated benchmark

~~2120.~~(1) A designated benchmark administrator must ~~publish, simultaneously with the benchmark statement referred to in subsection 20(1), the procedures to be followed by~~not cease to provide a designated benchmark, unless the designated benchmark administrator ~~in~~has provided notice of the event of a significant change to or cessation on a date that provides benchmark users and other members of the public with reasonable time to consider the impact of the cessation ~~of a designated benchmark it administers~~.

(2) A designated benchmark administrator must publish, simultaneously with the benchmark statement referred to in subsection 19(2), the procedures it will follow in the event of a significant change to the methodology or provision of the designated benchmark it administers, or the cessation of the designated benchmark, including procedures for advance notice of the implementation of a significant change or a cessation.

(3) If ~~the~~a designated benchmark administrator makes a significant change to the procedures referred to in subsection (~~1~~2), the designated benchmark administrator must promptly publish the ~~updated~~changed procedures.

#### Registrants, reporting issuers and recognized entities

~~2221.~~(1) If a person or company uses a designated benchmark, and if a significant change to the methodology or provision of the benchmark, or the cessation of the benchmark, could have a significant impact on the person or company ~~or~~, a security issued by the person or company or a derivative to which the person or company is a party, the person or company must establish and maintain a written plan setting out the actions that the person or company ~~would~~will take in the event ~~that~~of any of the following:

(a) a significant change to the methodology or provision of the designated benchmark

~~significantly changes or ceases to be provided and;~~

(b) a cessation of the designated benchmark.

(2) Subsection (1) does not apply unless the person or company is ~~one or more~~any of the following:

- (a) a registrant;
- (b) a reporting issuer;
- (c) a recognized exchange;
- (d) a recognized quotation and trade reporting system;
- (e) a recognized clearing agency within the meaning of National Instrument 24-102 *Clearing Agency Requirements*.

~~(2) If a reasonable person would consider it to be appropriate, a person or company referred to in subsection (1) must~~

~~(a) identify, in the plan referred to in subsection (1), one or more benchmarks suitable to substitute for the designated benchmark, and~~

~~(b) indicate why the substitution would be suitable.~~

(3) Subsection (1) does not apply with respect to a security issued or a derivative entered into before the date this Instrument comes into force.

(4) If a reasonable person would consider it ~~to~~ appropriate, a person or company referred to in subsection (1) must

(a) identify, in the plan referred to in subsection (1), one or more benchmarks suitable as substitutes for the designated benchmark, and

(b) indicate why the substitution would be suitable.

(5) If a reasonable person would consider it appropriate, a person or company referred to in subsection (1) must ~~reflect~~refer to the plan referred in ~~that~~ subsection (1) in any security issued by the person or company, or any derivative to which the person or company is a party, that references the designated benchmark.

## **Publishing and disclosing**

2322. If, under this Instrument, a designated benchmark administrator is required ~~by this Instrument~~ to publish a document or information, or disclose a document or information to

a benchmark user or benchmark contributor, the designated benchmark administrator must publicly ~~and prominently disclose~~include the document or information, ~~free of charge,~~ on the designated benchmark administrator's website in a prominent manner and, for greater certainty, free of charge.

## PART 6 BENCHMARK CONTRIBUTORS

### Code of conduct for benchmark contributors

~~2423.~~(1) If a designated benchmark is determined using input data from a benchmark ~~contributors~~contributor, the designated benchmark administrator of the designated benchmark must establish, document, maintain and apply a code of conduct that specifies the responsibilities of the benchmark ~~contributors~~contributor with respect to the contribution of input data ~~for the designated benchmark.~~

(2) A designated benchmark administrator must include in the code of conduct referred to in subsection (1) all of the following:

(a) ~~a clear~~ description of the input data to be provided and the requirements necessary to ensure that input data is provided in accordance with sections ~~12, 14 and 15 and~~ 12, 14 and 15;

(b) the method by which a benchmark ~~contributors~~contributor will confirm ~~and amend~~ the identity of each contributing individual ~~that could~~who might contribute input data ~~to;~~

~~(c)~~ the method by which the designated benchmark administrator;

~~(e)~~ ~~procedures to verify~~ will confirm the identity of a benchmark contributor and any contributing individual;

(d) the procedures ~~to authorize an individual~~that a benchmark contributor will use to determine who is suitable to be authorized as a contributing individual;

(e) the procedures that a benchmark contributor will use to ensure that ~~a~~the benchmark contributor contributes all relevant input data;

(f) a description of the procedures, systems and controls that a benchmark contributor ~~must~~will establish, document, maintain and apply, including ~~all of~~ the following:

(i) procedures for contributing input data ~~to the designated benchmark administrator;~~

(ii) ~~requirements for the benchmark contributor to~~

- (A) ~~specify~~ specifying whether input data is transaction data, ~~and;~~
- (Biii) ~~confirm~~ confirming whether input data conforms to the designated benchmark administrator's requirements;
- (iiiiv) procedures ~~on~~ for the ~~use~~ exercise of expert judgment in contributing input data;
- (ivv) ~~any requirement for~~ if the designated benchmark administrator requires the validation of input data before it is contributed ~~to,~~ the ~~designated benchmark administrator~~ requirement;
- (vvi) ~~requirements~~ a requirement to maintain records relating to its activities as a benchmark contributor;
- (viiivii) ~~requirements~~ a requirement that the benchmark contributor report to the designated benchmark administrator any instance ~~where~~ when a reasonable person would ~~believe~~ consider that a contributing individual, acting on a behalf of the benchmark contributor or any other benchmark contributor, has contributed input data that is inaccurate, unreliable or incomplete;
- (viiiviii) ~~requirements concerning the identification and avoidance of a requirement to identify and eliminate or manage~~ conflicts of interest ~~or mitigation of risks resulting from~~ and potential conflicts of interest that may affect the integrity, accuracy or reliability of the designated benchmark;
- (viiiix) a procedure for the designation of an officer ~~that monitors of the benchmark contributor who is to be responsible for monitoring~~ and ~~assesses~~ assessing compliance by the benchmark contributor and its employees with the code of conduct ~~referred to in section 24, this Instrument~~ and securities legislation ~~relevant~~ relating to benchmarks;
- (ix) ~~(x)~~ a requirement that the benchmark contributor's officer referred to in ~~paragraph (viii) be provided with direct access to~~ subparagraph (ix) and the benchmark contributor's chief compliance officer not be prevented or restricted from directly accessing the benchmark contributor's board of directors ~~at such times as the officer may consider necessary or advisable in view of the officer's responsibilities~~;
- (g) ~~a requirement that, if required by the oversight committee referred to in section 8 as a result of a concern with the conduct of a benchmark contributor to a designated interest rate benchmark, the benchmark contributor must engage a public accountant to provide, as specified by the oversight committee, a limited assurance report on compliance or a reasonable assurance report on compliance~~

~~regarding the conduct of the benchmark contributor and the benchmark contributor's compliance with all of the following:~~

~~(i) sections 25 and 40;~~

~~(ii) the methodology of the designated interest rate benchmark;~~

~~(h) a requirement that the benchmark contributor must deliver a copy of the report referred to in paragraph (2)(g) to the oversight committee referred to in section 8.~~

- (3) The designated benchmark administrator must establish, document, maintain and apply policies and procedures reasonably designed to ~~ensure~~, at least once ~~in every 12-month period~~ months and promptly after any change to the code of conduct referred to in subsection (1), ~~that assess whether each benchmark contributor is adhering to a designated benchmark that it administers is complying with~~ the code of conduct.

### Governance and control requirements for benchmark contributors

**2524.(1)** A ~~Except in Québec, a~~ benchmark contributor to a designated benchmark must establish, document, maintain and apply policies and procedures reasonably designed to ensure all of the following:

(a) ~~the contribution of~~ input data contributed by the benchmark contributor is not ~~significantly~~ affected by any conflict of interest or potential conflict of interest involving the benchmark contributor ~~and/or~~ its employees, officers, directors ~~and/or~~ agents, if a reasonable person would consider that the ~~contribution of the~~ input data might be inaccurate, unreliable or incomplete;

(b) if ~~any~~ expert judgment ~~contemplated by this Instrument~~ is exercised by the benchmark contributor in contributing input data, the benchmark contributor exercises the expert judgment independently ~~and~~, in good faith and in accordance compliance with the code of conduct referred to in section 2423.

(2) A ~~Except in Québec, a~~ benchmark contributor to a designated benchmark must establish, document, maintain and apply policies, procedures and controls reasonably designed to ensure the accuracy, reliability and completeness of each contribution of input data ~~to the designated benchmark administrator~~, including policies, procedures and controls governing all of the following:

(a) the manner in which the input data is contributed in compliance with this Instrument and the code of conduct referred to in section 2423;

(b) who may ~~submit~~ contribute input data ~~to the designated benchmark administrator~~.

including, ~~whereas~~ applicable, a process for ~~sign-off~~approval by an individual holding a position senior to that of a contributing individual;

- (c) training for contributing individuals with respect to compliance with this Instrument;
  - (d) the identification and ~~avoidance~~elimination or management of conflicts of interest ~~or mitigation of risks resulting from~~and potential conflicts of interest, including, ~~but not limited to, when appropriate~~for greater certainty,
    - (i) ~~organizational separation of~~policies, procedures and controls that are reasonably designed to keep separate, operationally or otherwise, contributing individuals from employees or agents whose responsibilities include transacting ~~the underlying interest of the~~in a contract, derivative, instrument or security that uses the designated benchmark, ~~and~~ for reference;
    - ~~(ii) removal or avoidance of incentives to manipulate a designated benchmark that may arise from remuneration policies.~~
    - (ii) policies, procedures and controls that are reasonably designed to prevent contributing individuals from receiving compensation or other financial incentive from which conflicts of interest arise, including for greater certainty, conflicts of interest that adversely affect the accuracy, reliability and completeness of each contribution of input data.
- (3) ~~Before contributing~~Except in Québec, before a benchmark contributor contributes input data for a designated benchmark, ~~at the~~ benchmark contributor ~~to a designated benchmark~~ must
- (a) establish, document, maintain and apply policies and procedures reasonably designed to ~~guide any use~~establish criteria, including any restrictions or limitations, for the exercise of expert judgment, and
  - (b) if expert judgment is exercised in relation to input data, retain records that record the rationale for any decision made to ~~use~~exercise that expert judgment, the rationale applied in the exercise of the expert judgment and the manner of the exercise of the expert judgment.
- (4) ~~A~~Except in Québec, a benchmark contributor ~~to~~that contributes input data for a designated benchmark must keep, for a period of 7 years from the date the record was made or received by the designated benchmark administrator, whichever is later, records relating to ~~each~~all of the following:

- (a) communications, including, for greater certainty, telephone conversations, in relation to the contribution of input data;
  - (b) all information used or considered by the benchmark contributor ~~to make~~in making each contribution, including details of ~~any~~ contributions made and the names of ~~the~~ contributing individuals;
  - (c) the records relating to expert judgment referred to in paragraph 3(b);
  - (d) all documentation relating to the identification and ~~avoidance~~elimination or management of conflicts of interest ~~or mitigation of risks resulting from~~and potential conflicts of interest;
  - (~~e~~) a description of the potential for financial loss or gain of the benchmark contributor and each contributing individual to financial instruments that reference the designated benchmark for which it acts as a benchmark contributor;
  - (~~e~~f) any internal or external review of the benchmark contributor, including, for greater certainty, each limited assurance report on compliance or reasonable assurance report on compliance required under this Instrument.
- (5) ~~A~~Except in Québec, a benchmark contributor ~~that contributes input data for~~ a designated benchmark must
- (a) cooperate with the designated benchmark administrator in the review and supervision of the provision of the designated benchmark, including, ~~but not limited to~~for greater certainty, cooperation in connection with any limited assurance report on compliance or reasonable assurance report on compliance required under this Instrument, and
  - (b) make available the ~~information and~~ records kept in accordance with subsection (4) to all of the following:
    - (i) the designated benchmark administrator, ~~or;~~
    - (ii) ~~any~~a public accountant ~~in connection~~involved with ~~any~~the preparation of a limited assurance report on compliance or reasonable assurance report on compliance required under this Instrument.

### Compliance officer for benchmark contributors

- 2625.(1)** ~~A~~Except in Québec, a benchmark contributor ~~that contributes input data for~~ a designated benchmark must designate an officer ~~that monitors~~of the benchmark contributor who is to be responsible for monitoring and ~~assesses~~assessing compliance by the



benchmark contributor and its employees with the code of conduct referred to in section ~~24~~23, this Instrument and securities legislation ~~relevant~~relating to benchmarks.

~~(2)~~—A

~~(2)~~ Except in Québec, a benchmark contributor must ~~permit~~not prevent or restrict the officer referred to in subsection (1) ~~to~~and its chief compliance officer from directly ~~access~~accessing the benchmark contributor's board of directors ~~at such times as the officer may consider necessary or advisable in view~~or a member of the ~~officer's responsibilities~~board of directors.

## PART 7

### **RECORDKEEPING**

### **RECORD KEEPING**

**Books ~~and~~, records**

**~~27~~ and other documents**

~~26~~.(1) A designated benchmark administrator must keep ~~such~~the books ~~and~~, records and other documents ~~as that~~ are necessary to account for ~~the conduct of~~ its activities as a designated benchmark administrator, its business transactions and its financial affairs relating to its designated benchmarks.

~~(2)~~(2) A designated benchmark administrator must keep books, records ~~of all~~and other documents of the following:

- (a) all input data, including how the data was used;
- (b) if ~~input~~ data is rejected as input data for a designated benchmark despite the data conforming to ~~the requirements of~~ the methodology of the designated benchmark, the rationale for rejecting the input data;
- (c) the methodology of ~~a~~each designated benchmark administered by the designated benchmark administrator;
- (d) any exercise of expert judgment by the designated benchmark administrator in the determination of a designated benchmark, including the basis for the exercise of expert judgment;
- (e) changes in or deviations from policies, procedures, controls ~~and~~or methodologies;
- (f) the identities of ~~the~~ contributing individuals and of ~~the~~ benchmark individuals;
- (g) all documents relating to a complaint;
- (h) communications, including for greater certainty, telephone conversations, between

any benchmark individual and benchmark contributors or contributing individuals in respect of a designated benchmark administered by the designated benchmark administrator.

- (3) A designated benchmark administrator must keep the records ~~described~~referred to in subsection (2) in ~~such~~ a form that ~~it is possible to~~
- (a) ~~replicate~~identifies the manner in which the determination of a designated benchmark ~~was made~~, and
  - (b) ~~enable~~enables an audit, review or evaluation of any input data, calculation, or exercise of expert judgment, including in connection with any limited assurance report on compliance or reasonable assurance report on compliance ~~under this Instrument~~.
- (4) A designated benchmark administrator must retain the books, records and other documents required to be maintained under this section
- (a) for a period of 7 years from the date the record was made or received by the designated benchmark administrator, whichever is later,
  - (b) in a safe location and a durable form, and
  - (c) in a manner that permits those books, records and other documents to be provided promptly on request ~~promptly~~ to the regulator or securities regulatory authority.

## PART 8 DESIGNATED CRITICAL BENCHMARKS, DESIGNATED INTEREST RATE BENCHMARKS AND DESIGNATED REGULATED-DATA BENCHMARKS

### DIVISION 1 — DESIGNATED CRITICAL BENCHMARKS

#### Administration of a designated critical benchmark

- ~~2827~~.(1) If a designated benchmark administrator decides to cease providing a designated critical benchmark, the designated benchmark administrator must
- (a) promptly notify the regulator or securities regulatory authority, and
  - (b) not more than 4 weeks after notifying the regulator or securities regulatory authority, submit a plan to the regulator or securities regulatory authority ~~off~~for how the designated critical benchmark can be transitioned to ~~a new~~another designated benchmark administrator or cease to be provided.

- (2) Following the submission of the plan referred to paragraph (1)(b), ~~the~~ designated benchmark administrator must continue to provide the designated critical benchmark until one or more of the following ~~has~~have occurred:
- (a) the provision of the designated critical benchmark has been transitioned to ~~a new~~another designated benchmark administrator;
  - (b) the designated benchmark administrator receives notice from the regulator or securities regulatory authority authorizing the cessation;
  - (c) the designation of the designated benchmark has been revoked or varied to reflect that the designated benchmark is no longer a designated critical benchmark;
  - (d) ~~unless paragraph (e) applies, 12 months have elapsed from the submission of the plan referred to paragraph (1)(b); (e) a period longer than 12 months has elapsed from the submission of the plan referred to~~ in paragraph (1)(b), ~~if that period is provided by the regulator or securities regulatory authority in written notice delivered to the designated benchmark administrator~~unless, before the ~~elapsing~~expiration of the ~~12 months~~period, ~~the regulator or securities regulatory authority has provided written notice that the written notice has been extended.~~

#### Access

- 2928.** A designated benchmark administrator of a designated critical benchmark must take reasonable steps to ensure that benchmark users ~~or~~and potential benchmarks users have direct access to the designated critical benchmark on a fair, reasonable, transparent and non-discriminatory basis.

#### Assessment

- 3029.** A designated benchmark administrator of a designated critical benchmark must, at least once ~~in each 24-month period~~every 2 years, submit to the regulator or securities regulatory authority an assessment of the capability of the designated critical benchmark to accurately and reliably represent that part of the market or economy the designated critical benchmark is intended to ~~re~~represent.

#### Benchmark contributor to a designated critical benchmark

- 3130.**(1) ~~If~~Except in Québec, if a benchmark contributor to a designated critical benchmark decides ~~to~~it will cease contributing input data, it must promptly notify in writing the designated benchmark administrator that administers the designated critical benchmark.
- (2) Except in Québec, a benchmark contributor that is required to give notice under subsection (1) must continue contributing input data until the earlier of

- (a) the date referred to in subparagraph (3)(b)(ii), and
  - (b) 6 months after the notice referred to in subsection (1) is received by the designated benchmark administrator that administers the designated critical benchmark.
- (3) If a designated benchmark administrator receives a notice referred to in subsection (1), the designated benchmark administrator must
- (a) promptly notify the regulator or securities regulatory authority of the decision referred to in subsection (1), and
  - (b) no later than 14 days after receipt of the notice,
    - (i) submit to the regulator or securities regulatory authority an assessment of the impact of the benchmark contributor ceasing to contribute input data on the capability of the designated critical benchmark to accurately and reliably represent that part of the market or economy the designated benchmark is intended to ~~record~~represent, and
    - (ii) notify in writing the benchmark contributor of the date after which the designated benchmark administrator no longer requires the benchmark contributor to contribute input data, if that date is less than 6 months after the date the designated benchmark administrator received the notice referred to in subsection (1).

### **Oversight committee**

- 31.(1) For a designated critical benchmark, at least half of the members of the oversight committee referred to in section 7 must be independent of the designated benchmark administrator and any affiliated entity of the designated benchmark administrator.
- (2) For the purposes of subsection (1), a member of the oversight committee is not independent if any of the following apply:
- (a) other than as compensation for acting as a member of the oversight committee, the member accepts any consulting, advisory or other compensatory fee from the designated benchmark administrator or any affiliated entity of the designated benchmark administrator;
  - (b) the member is a DBA individual or an employee or agent of any affiliated entity of the designated benchmark administrator;
  - (c) the member has a relationship with the designated benchmark administrator that may, in the opinion of the board of directors of the designated benchmark administrator, be expected to interfere with the exercise of the member's independent judgment.

- (3) The oversight committee referred to in section 7 must
- (a) publish details of its membership, declarations of any conflicts of interest of its members, and the processes for election or nomination of its members, and
  - (b) hold at least one meeting every 4 months.

Assurance report on designated benchmark administrator

~~32.(1) For a A designated ~~critical~~ benchmark, ~~at least one half of the members of~~ administrator must engage a public accountant to provide, as specified by the oversight committee referred to in section ~~8 must be independent of~~7, either a limited assurance report on compliance or a reasonable assurance report on compliance, in respect of each designated critical benchmark it administers, regarding the designated benchmark administrator ~~and any affiliated entity's~~~~

- (a) compliance with sections 5, 8 to 16 and 26, and
- (b) following of the methodology applicable to the designated critical benchmark administrator.

~~(2) For the purposes of subsection (1), a member of the oversight committee is not independent if any of the following apply:~~

- ~~(a) other than as compensation for acting as a member of the oversight committee, the member accepts any consulting, advisory or other compensatory fee from the designated benchmark administrator or any affiliated entity of the designated benchmark administrator;~~
- ~~(b) the member is a DBA individual or an employee or agent of any affiliated entity of the designated benchmark administrator;~~
- ~~(c) the member has served on the oversight committee for more than 5 years in total;~~
- ~~(d) the member has a relationship with the designated benchmark administrator that may, in the opinion of the board of directors of the designated benchmark administrator, be reasonably expected to interfere with the exercise of the member's independent judgment.~~

(2) A designated benchmark administrator must ensure an engagement referred to in subsection (1) occurs once every 12 months.

~~(3) For the purposes of paragraph (2)(d), in forming its opinion, the board of directors is not required to conclude that a member of the oversight committee is not independent solely because the member is, or was, a benchmark user of a designated benchmark administered~~

by the A designated benchmark administrator.

~~(4) The oversight committee must~~

~~(a) publish details of its membership, any declarations of any conflicts of interest of its members, and the processes for election or nomination of its members, and~~

~~(b) hold no less than one meeting every 4 months.~~

must, within 10 days of the receipt of a report referred to in subsection (1), publish the report and deliver a copy of the report to the regulator or securities regulatory authority.

### Assurance report on ~~designated~~ benchmark ~~administrator~~ contributor

33.(1) ~~A designated benchmark administrator~~ Except in Québec, if required by the oversight committee referred to in section 7 as a result of a concern with the conduct of a benchmark contributor to a designated critical benchmark, the benchmark contributor must engage a public accountant to provide, as specified by the oversight committee ~~referred to in section 8, either~~ a limited assurance report on compliance or a reasonable assurance report on compliance regarding the ~~designated~~ conduct of the benchmark ~~administrator's compliance with all of the following in respect of each designated critical benchmark it administers:~~ contributor and its

~~(a) sections 6, 9 to 17 and 27;~~

(a) compliance with section 24, and

(b) following of the methodology of applicable to the designated critical benchmark.

~~(2) The engagement referred to in subsection (1) must be carried out once in every 12-month period.~~

(2) Except in Québec, a benchmark contributor must, within 10 days of the receipt of a report referred to in subsection (1), deliver a copy of the report to

(a) the oversight committee referred to in section 7,

(b) the board of directors of the designated benchmark administrator, and

(c) the regulator or securities regulatory authority.

## DIVISION 2 – DESIGNATED INTEREST RATE BENCHMARKS

### Order of priority of input data

34. For the purposes of subsection 14(1) and paragraph 14(5)(a), if a designated interest rate benchmark is based on a contribution of input data from a benchmark contributor, input data for the determination of the designated interest rate benchmark must be used by the designated benchmark administrator in accordance with the order of priority specified in the methodology of the designated interest rate benchmark.

### Oversight committee

35.(1) For a designated interest rate benchmark, at least half of the members of the oversight committee referred to in section 7 must be independent of the designated benchmark administrator and any affiliated entity of the designated benchmark administrator.

(2) For the purposes of subsection (1), a member of the oversight committee is not independent if any of the following apply:

(a) other than as compensation for acting as a member of the oversight committee, the member accepts any consulting, advisory or other compensatory fee from the designated benchmark administrator or any affiliated entity of the designated benchmark administrator;

(b) the member is a DBA individual or an employee or agent of any affiliated entity of the designated benchmark administrator;

(c) the member has a relationship with the designated benchmark administrator that may, in the opinion of the board of directors of the designated benchmark administrator, be expected to interfere with the exercise of the member's judgment.

(3) The oversight committee referred to in section 7 must

(a) publish details of its membership, any declarations of any conflicts of interest of its members, and the processes for election or nomination of its members, and

(b) hold at least one meeting every 4 months.

### Assurance report on designated benchmark administrator

36.(1) A designated benchmark administrator must engage a public accountant to provide, as specified by the oversight committee referred to in section 7, a limited assurance report on compliance, or a reasonable assurance report on compliance, in respect of each designated interest rate benchmark it administers, regarding the designated benchmark administrator's

- (a) compliance with sections 5, 8 to 16, 26 and 34, and
  - (b) following of the methodology of the designated interest rate benchmark.
- (2) A designated benchmark administrator must ensure an engagement referred to in subsection (1) occurs for the first time 6 months after the introduction of a code of conduct for benchmark contributors referred to in section 23 and subsequently once every 2 years.
- (3) A designated benchmark administrator must, within 10 days of the receipt of a report provided for referred to in subsection (1), publish a copy of the report and deliver a copy of the report to the regulator or securities regulatory authority.

#### **Assurance report on benchmark contributor**

~~34.(1) If required by the oversight committee referred to in section 8 as a result of a concern with the conduct of a benchmark contributor to a designated critical benchmark, the benchmark contributor must engage a public accountant to provide, as specified by the oversight committee, a limited assurance report on compliance or a reasonable assurance report on compliance regarding the conduct of the benchmark contributor and its compliance with all of the following:~~

- ~~— (a) — section 25;~~
  - ~~— (b) — the methodology of the designated critical benchmark.~~
- ~~(2) — A benchmark contributor must, within 10 days of the receipt of a report provided for in subsection (1), deliver a copy of the report to~~
- ~~— (a) — the oversight committee,~~
  - ~~— (b) — the board of directors of the designated benchmark administrator, and~~
  - ~~— (c) — the regulator or securities regulatory authority.~~

#### **~~DIVISION 2 — DESIGNATED INTEREST RATE BENCHMARKS~~**

##### **~~Accurate and sufficient data~~**

~~35.(1) For the purposes of subsection 15(1) and paragraph 15(5)(a), input data for the determination of a designated interest rate benchmark must be used by the designated benchmark administrator in the following order of priority:~~

- ~~— (a) — a benchmark contributor's transactions in the underlying market that a designated interest rate benchmark intends to measure or, if not sufficient, its transactions in related markets, including, but not limited to~~



- ~~\_\_\_\_\_ (i) the unsecured inter-bank deposit market,~~
- ~~\_\_\_\_\_ (ii) other unsecured deposit markets,~~
- ~~\_\_\_\_\_ (iii) markets for commercial paper, and~~
- ~~\_\_\_\_\_ (iv) other markets generally, including markets for overnight index swaps, repurchase agreements, foreign exchange forwards, interest rate futures and options, provided that those transactions comply with the input data requirements in the code of conduct referred to in section 24;~~
- ~~\_\_\_\_\_ (b) if the input data referred to in paragraph (a) is not available, a benchmark contributor's observations of third-party transactions in the markets described in paragraph (a);~~
- ~~\_\_\_\_\_ (c) if the input data referred to in paragraphs (a) and (b) is not available, committed quotes;~~
- ~~\_\_\_\_\_ (d) in any other case, indicative quotes or expert judgments.~~
- ~~(2) For the purposes of subsections 15(1) and (3), input data for a designated interest rate benchmark may be adjusted by the designated benchmark administrator to more accurately represent that part of the market or economy that the designated interest rate benchmark is intended to record, including, but not limited to, where:~~
  - ~~\_\_\_\_\_ (a) the time of the transactions that are the basis for the input data is not sufficiently proximate to the time of contribution of the input data;~~
  - ~~\_\_\_\_\_ (b) a market event occurs between the time of the transactions and the time of contribution of the input data and the market event might, in the opinion of a reasonable person, have a significant impact on the designated interest rate benchmark;~~
  - ~~\_\_\_\_\_ (c) there have been changes in the credit risk of the benchmark contributors and other market participants that might, in the opinion of a reasonable person, have a significant impact on the designated interest rate benchmark.~~

### **Oversight committee**

- ~~36.(1) For a designated interest rate benchmark, at least one-half of the members of the oversight committee referred to in section 8 must be independent of the designated benchmark administrator and any affiliated entity of the designated benchmark administrator.~~

~~(2) For the purposes of subsection (1), a member of the oversight committee is not independent if any of the following apply:~~

~~(a) other than as compensation for acting as a member of the oversight committee, the member accepts any consulting, advisory or other compensatory fee from the designated benchmark administrator or any affiliated entity of the designated benchmark administrator;~~

~~(b) the member is a DBA individual or an employee or agent of any affiliated entity of the designated benchmark administrator;~~

~~(c) the member has served on the oversight committee for more than 5 years in total;~~

~~(d) the member has a relationship with the designated benchmark administrator that may, in the opinion of the board of directors of the designated benchmark administrator, be reasonably expected to interfere with the exercise of the member's independent judgment.~~

~~(3) For the purposes of paragraph (2)(d), in forming its opinion, the board of directors is not required to conclude that a member of the oversight committee is not independent solely because the member is, or was, a benchmark user of a designated benchmark administered by the designated benchmark administrator.~~

~~(4) The oversight committee must~~

~~(a) publish details of its membership, any declarations of any conflicts of interest of its members, and the processes for election or nomination of its members, and~~

~~(b) hold no less than one meeting every 4 months.~~

### ~~Assurance report on designated benchmark administrator~~

~~37.(1) A designated benchmark administrator must engage a public accountant to provide, as specified by the oversight committee referred to in section 8, a limited assurance report on compliance or a reasonable assurance report on compliance regarding the designated benchmark administrator's compliance with all of the following in respect of each designated interest rate benchmark it administers:~~

~~(a) sections 6, 9 to 17, 27 and 35;~~

~~(b) the methodology of the designated interest rate benchmark.~~

~~(2) The engagement referred to in subsection (1) must be carried out for the first time 6 months after the introduction of a code of conduct for benchmark contributors referred to in section 24 and subsequently every 2 years.~~

~~(3) A designated benchmark administrator must, within 10 days of the receipt of a report provided for in subsection (1), publish a copy of the report and deliver a copy of the report to the regulator or securities regulatory authority.~~

~~Assurance report on benchmark contributor~~ Except in Québec, if required by ~~oversight committee~~

~~38(1) If required by~~ the oversight committee referred to in section ~~87~~ as a result of a concern with the conduct of a benchmark contributor to a designated interest rate benchmark, the benchmark contributor must engage a public accountant to provide, as specified by the oversight committee, either a limited assurance report on compliance or a reasonable assurance report on compliance, regarding the conduct of the benchmark contributor and its ~~compliance with all of the following:~~

~~(a) sections 25 and 40;~~

~~(b) the methodology of the designated interest rate benchmark.~~

~~(2) The benchmark contributor must, within 10 days of the receipt of a report provided for in subsection (1), deliver a copy of the report to~~

~~(a) compliance with sections 24 and 39, and~~

~~(b) following of the methodology of the designated interest rate benchmark.~~

(2) Except in Québec, the benchmark contributor must, within 10 days of the receipt of a report referred to in subsection (1), deliver a copy of the report to

(a) the oversight committee referred to in section 7,

(b) the board of directors of the designated benchmark administrator, and

(c) the regulator or securities regulatory authority.

**Assurance report on benchmark contributor required at certain times**

~~39(1)~~ 38(1) ~~A~~ Except in Québec, a benchmark contributor to a designated interest rate benchmark must engage a public accountant to provide, as specified by the oversight committee referred to in section 7, a limited assurance report on compliance, or a reasonable assurance report on compliance, regarding the conduct and input data of the benchmark contributor and its

(a) compliance with all of the following: (a) ~~sections 25~~ 24 and ~~40~~ 39,

(b) following of the methodology of the designated interest rate benchmark, and

- (c) following of the code of conduct referred to in section 2423.
- (2) ~~The~~Except in Québec, a benchmark contributor must ensure an engagement referred to in subsection (1) ~~must be carried out~~occurs for the first time 6 months after the introduction of a code of conduct for benchmark contributors referred to in section 2423 and subsequently once every 2 years.
- (3) ~~The~~Except in Québec, the benchmark contributor must, within 10 days of the receipt of a report ~~provided for~~referred to in subsection (1), deliver a copy of the report to
  - (a) the oversight committee referred to in section 7,
  - (b) the board of directors of the designated benchmark administrator, and
  - (c) the regulator or securities regulatory authority.

### **Benchmark contributor policies and procedures**

- ~~4039~~(1) ~~The requirements in subsections~~Subsections (2) to (7) do not apply to a ~~benchmark contributor only~~person or company except in respect of a designated interest rate benchmark.
- (2) ~~Each~~Except in Québec, a contributing individual of the benchmark contributor and ~~the direct managers~~a manager of that contributing individual must provide a written statement to the benchmark contributor and the designated benchmark administrator that ~~they~~the contributing individual and the manager will comply with the code of conduct referred to in section 2423.
  - (3) ~~The~~Except in Québec, a benchmark contributor must establish, document, maintain and apply policies, procedures and controls reasonably designed to ensure ~~all of~~ the following:
    - (a) that there is an outline of responsibilities within the benchmark contributor's organization, including internal reporting lines and accountabilities;
    - (b) the maintenance of a current list of the names and locations of contributing individuals and managers and their alternates;
    - (c) that there are internal procedures ~~for sign-off of~~governing contributions of input data and the approval of contributions of input data, including keeping a record for each daily or other contribution of input data that shows:
      - (i) how the procedures were applied, and

- (ii) all qualitative and quantitative factors, including market data and expert judgment, used for each contribution of input data;
- (d) that there are disciplinary procedures ~~in respect of an actual or attempted manipulation, or a failure to report an actual or attempted manipulation, by any party, including, but not limited to, any party~~ to address the following conduct of a person or company, including, for greater certainty, a person or company that is external to the ~~contribution~~ process governing contributions of input data:
- (i) the manipulation or attempted manipulation of a designated benchmark, or the failure to report the manipulation or attempted manipulation of a designated benchmark, to which the person or company is a benchmark contributor;
- (ii) the provision or attempted provision of false or misleading information in respect of a designated benchmark, or the failure to report the provision or attempted provision of false or misleading information in respect of a designated benchmark, to which the person or company is a benchmark contributor;
- (e) that there are ~~conflicts~~ conflict of interest identification and management procedures and communication controls, both within the benchmark contributor's organization and ~~between~~ among benchmark contributors and other third parties, reasonably designed to avoid any ~~inappropriate~~ external influence over those responsible for contributing ~~rates~~ input data, if a reasonable person would consider that the external influence might adversely affect the accuracy, reliability or completeness of the input data;
- (f) that there is a requirement that contributing individuals employed by the benchmark contributor work in locations physically separated from interest rate derivatives traders;
- (g) the prevention or control of the exchange of information between persons or companies engaged in activities involving a ~~risk of~~ conflict of interest ~~where~~ or a potential conflict of interest, if a reasonable person would consider that the exchange of that information ~~may~~ might adversely affect the accuracy, reliability or completeness of the input data contributed by a benchmark contributor;
- (h) that there are requirements to avoid collusion
- (i) among benchmark contributors, and
- (ii) ~~between~~ among benchmark contributors and the designated benchmark administrator;

- (i) that there are measures to prevent, or limit, any person from exercising ~~inappropriate~~ influence over the way ~~persons or companies contribute~~ a contributing individual contributes input data, if a reasonable person would consider that the influence might adversely affect the accuracy, reliability or completeness of the input data;
  - (j) the removal of any direct ~~link~~ connection between the remuneration of ~~employees~~ an employee involved in the contribution of input data and the remuneration of, or revenues generated by, ~~persons~~ a person or ~~companies~~ company engaged in another activity, ~~where~~ if a conflict of interest ~~may~~ exists or might arise in relation to ~~those activities~~ the other activity;
  - (k) that there are controls to identify ~~any~~ a reverse transaction subsequent to the contribution of input data.
- (4) ~~The~~ Except in Québec, a benchmark contributor must keep ~~detailed, for a period of 7 years from the date the record was made or received by the benchmark contributor, whichever is later,~~ records of all of the following:
- (a) all ~~relevant aspects of contributions~~ details of contributions of input data that a reasonable person would consider relevant to demonstrate the accuracy, reliability and completeness of the input data;
  - (b) the process governing input data determination and the ~~sign-off~~ approval of contributions of input data, including the records referred to in paragraph (3)(c);
  - (c) the ~~names~~ name of each contributing ~~individuals~~ individual and ~~their~~ the individual's responsibilities;
  - (d) any communications, including, for greater certainty, telephone conversations, between the contributing individuals and other persons or companies, including internal and external traders and brokers, in relation to the determination or contribution of input data;
  - (e) any interaction of contributing individuals with the designated benchmark administrator or any calculation agent;
  - (f) any queries regarding the input data and the outcome of those queries;
  - (g) sensitivity analysis for interest rate swap trading books and any other derivative trading books with ~~a significant~~ an exposure to interest rate fixings in respect of input data, if a reasonable person would consider that the exposure is significant;
  - (h) the written statements referred to in subsection (2);

- (i) the policies, procedures and controls referred to in subsection (3).
- (5) ~~The~~Except in Québec with respect to benchmark contributors, a benchmark contributor and ~~the~~a designated benchmark administrator must keep ~~each of~~ their records ~~on~~in a medium that allows ~~the storage of information~~records to be accessible ~~for future reference~~and with a documented audit trail.
- (6) ~~The~~Except in Québec, the benchmark contributor's officer referred to in section ~~2625 or~~the benchmark contributor's chief compliance officer must report ~~any findings, including any reverse transaction subsequent to the contribution of input data,~~all the following to the benchmark contributor's board of directors on a ~~regular~~reasonably frequent basis:
- (a) breaches of the code of conduct referred to in section 23;
- (b) the failure to follow or apply the policies, procedures and controls referred to in subsection (3);
- (c) reverse transactions subsequent to the contribution of input data.
- (7) ~~A~~Except in Québec, a benchmark contributor that contributes input data to a designated interest rate benchmark must ~~subject~~conduct, on a reasonably frequent basis, internal reviews of the benchmark contributor's input data and procedures ~~to regular internal reviews.~~
- (8) Except in Québec, a benchmark contributor to a designated interest rate benchmark must make available the information and records kept in accordance with subsection (4) to each of the following:
- (a) the designated benchmark administrator in connection with the assessment under subsection 23(3) or for the purposes of paragraph 24(5)(a);
- (b) a public accountant involved with the preparation of a limited assurance report on compliance or reasonable assurance report on compliance required under this Instrument.

### **DIVISION 3 — DESIGNATED REGULATED-DATA BENCHMARKS**

#### **Non-application to designated regulated-data benchmarks**

**4140.** A designated regulated-data benchmark is exempt from the ~~requirements in~~following:

- (a) subsections ~~12(1)~~11(1) and (2);<sub>s</sub>
- (b) subsection ~~15(2)~~14(2);<sub>s</sub>

- (c) subsections ~~16(1)~~15(1), (2) and (3);
- (d) sections ~~24~~23, ~~25~~24 and ~~26~~, and ~~25~~;
- (e) paragraph ~~27~~(26)(a).

## PART 9 DISCRETIONARY EXEMPTIONS

### Exemptions

- ~~42~~41.(1) The regulator or ~~the~~ securities regulatory authority may grant an exemption from the provisions of this Instrument, in whole or in part, subject to such conditions or restrictions as may be imposed in the exemption.
- (2) Despite subsection (1), in Ontario, only the regulator may grant an exemption.
  - (3) Except in Alberta and Ontario, an exemption referred to in subsection (1) is granted under the statute referred to in Appendix B of National Instrument 14-101 *Definitions* opposite the name of the local jurisdiction.

## PART 10 EFFECTIVE DATE

### Effective date

- ~~43~~42.(1) This Instrument comes into force on ~~July 13, 2021~~.
- (2) In Saskatchewan, despite subsection (1), if this Instrument is filed with the Registrar of Regulations after July 13, 2021, this Instrument comes into force on the day on which it is filed with the Registrar of Regulations.



**APPENDIX A**  
**TO**  
**NATIONAL MULTILATERAL INSTRUMENT 25-102**  
***DESIGNATED BENCHMARKS AND BENCHMARK ADMINISTRATORS***

**Definitions Applying in Certain Jurisdictions**

**~~(Subsection 1(4))~~**  
**(subsections 1(5) to (8))**

“benchmark” means a price, estimate, rate, index or value that is

- (a) determined from time to time by reference to an assessment of one or more underlying interests,
- (b) made available to the public, including, for greater certainty, either free of charge or on payment, and
- (c) used for reference for any purpose, including for greater certainty,
  - (i) determining the interest payable, or other sums that are due, under a contract, derivative, instrument or security,
  - (ii) determining the value of a contract, derivative, instrument or security or the price at which it may be traded,
  - (iii) measuring the performance of a contract, derivative, investment fund, instrument or security, or
  - (iv) any other use by an investment fund;

“benchmark administrator” means a person or company that administers a benchmark;

“benchmark contributor” means a person or company that engages or participates in the provision of information for use by a benchmark administrator for the purpose of determining a benchmark;

“benchmark user” means a person or company that, in relation to a contract, derivative, investment fund, instrument or security, uses a benchmark.

**FORM 25-102F1**  
**DESIGNATED BENCHMARK ADMINISTRATOR**  
**ANNUAL FORM**

**Instructions**

- (1) *Terms used ~~in this form~~ but not defined in this form have the meaning given to them in the Instrument.*
- (2) *Unless otherwise specified, the information in this form must be presented as at the last day of the designated benchmark administrator's most recently completed financial year. If necessary, the designated benchmark administrator must update the information provided so it is not misleading when it is delivered. For information presented as at any date other than the last day of the designated benchmark administrator's most recently completed financial year, specify the relevant date in the form.*
- (3) *Designated benchmark administrators are reminded that it is an offence under securities legislation to give false or misleading information on this form.*

**Item 1. Name of Designated Benchmark Administrator**

State the name of the designated benchmark administrator.

**Item 2. Organization and Structure of Designated Benchmark Administrator**

Describe the organizational structure of the designated benchmark administrator, including, as applicable, an organizational chart that identifies the ultimate and intermediate parent companies, subsidiaries, and material affiliated entities of the designated benchmark administrator (if any); an organizational chart showing the divisions, departments, and business units of the designated benchmark administrator; and an organizational chart showing the managerial structure of the designated benchmark administrator, including the officer referred to in section [76](#) of the Instrument and the oversight committee referred to in section [87](#) of the Instrument. Provide detailed information regarding the designated benchmark administrator's legal structure and ownership.

**Item 3. Designated Benchmark**

Provide the name of the designated benchmark.

**Item 4. Policies and Procedures re Confidential Information**

Unless previously provided, attach a copy of the most recent written policies and procedures established and maintained by the designated benchmark administrator to prevent the misuse of confidential information.

**Item 5. Policies and Procedures re Conflicts of Interest**

Unless previously provided, attach a copy of the most recent written policies and procedures established and maintained with respect to conflicts of interest [and potential conflicts of interest](#).

**Item 6. Conflicts of Interest Arising from the Control or Ownership Structure of the Applicant**

(a) Describe any ~~conflicts~~conflict of interest or potential conflict of interest that ~~arise~~arises from the control or ownership structure of the designated benchmark administrator, or from any other activities of the designated benchmark administrator or any affiliated entity of the designated benchmark administrator, in relation to a designated benchmark administered by the designated benchmark administrator.

(b) Describe the designated benchmark administrator’s policies and procedures to identify and eliminate or manage ~~or mitigate~~ each conflict of interest or potential conflict of interest described in paragraph (a).

**Item 7. Policies and Procedures re Control Framework**

Describe the designated benchmark administrator’s control framework referred to in section 98 of the Instrument and policies and procedures designed to ensure the quality of the designated benchmark.

**Item 8. Policies and Procedures re Complaints**

Describe the designated benchmark administrator’s policies and procedures regarding complaints.

**Item 9. Policies and Procedures re Books ~~and~~, Records and Other Documents**

Describe the designated benchmark administrator’s policies and procedures regarding ~~recordkeeping~~record keeping.

**Item 10. ~~Outsourced Service Providers~~Outsourcing**

Describe the designated benchmark administrator’s policies and procedures regarding outsourcing and disclose the following information about ~~the~~any person or company referred to in section 13 of the Instrument to which a designated benchmark administrator<sup>2</sup> has outsourced a function, service providers (OSPs or activity in the provision of a designated benchmark (the “provider”) and the individuals who supervise the ~~OSPs~~provider:

- ~~The~~the identity of ~~each OSP~~the provider and each of ~~their~~its key individual contacts;
- ~~The~~the total number of ~~supervisors of each OSP,~~individuals who supervise the provider;
- ~~A~~a general description of the minimum qualifications required of the ~~OSPs~~provider for any outsourcing, ~~and~~;
- ~~A~~a general description of the minimum qualifications required of ~~the benchmark~~ individuals<sup>2</sup> supervisors who supervise the provider for any outsourcing, including education level and work experience.

### Item 11. Benchmark Individuals

Disclose the following information about the benchmark individuals of the designated benchmark administrator and the individuals who supervise the benchmark individuals:

- ~~The~~the total number of benchmark individuals;;
- ~~The~~the total number of supervisors of benchmark individuals;;
- ~~A~~a general description of the minimum qualifications required of the benchmark individuals, including education level and work experience (if applicable, distinguish between junior, mid, and senior level benchmark individuals), ~~and~~;
- ~~A~~a general description of the minimum qualifications required of the supervisors of benchmark individuals~~' supervisors~~, including education level and work experience.

### Item 12. Compliance Officer

Disclose the following information about the officer of the designated benchmark administrator referred to in section 76 of the Instrument:

- ~~Name,~~  
name;
- ~~Employment~~employment history;;
- ~~Post~~post-secondary education, ~~and~~;
- ~~Whether~~whether employed full-time or part-time by the designated benchmark administrator.

### Item 13. Specified Revenue

Disclose the following information, as applicable, regarding the designated benchmark administrator's aggregate revenue for the most recently completed financial year:

- ~~Revenue~~revenue from determining the designated benchmark,~~;~~;
- ~~Revenue~~revenue from determining any other benchmarks administered by the designated benchmark administrator (which may be provided as an aggregate number for all other benchmarks administered by the designated benchmark administrator);;
- ~~Revenue~~revenue from granting licences or rights to publish information about the designated benchmark, ~~and~~;

- ~~Revenue~~revenue from granting licences or rights to publish information about any other benchmarks administered by the designated benchmark administrator (which may be provided as an aggregate number for all other benchmarks administered by the designated benchmark administrator).

Include financial information on the revenue of the designated benchmark administrator divided into fees from benchmark and non-benchmark activities, including a comprehensive description of each.

This information is not required to be audited, but any disaggregation of revenue must be determined using the same accounting principles as the annual financial statements required by section 2 of the Instrument.

**Item 14. Financial Statements**

Attach a copy of the annual financial statements required ~~by~~under section 2 of the Instrument.

**Item 15. Verification Certificate**

Include a certificate of the designated benchmark administrator in the following form:

The undersigned has executed this Form 25-102F1 *Designated Benchmark Administrator Annual Form* on behalf of, and on the authority of, [the designated benchmark administrator]. The undersigned, on behalf of [the designated benchmark administrator], represents that the information and statements contained in this Form, including appendices and attachments, all of which are incorporated into and form part of this Form, are true and correct.

\_\_\_\_\_  
(Date)

\_\_\_\_\_  
(Name of the Designated Benchmark Administrator)

By: \_\_\_\_\_  
(Print Name and Title)

\_\_\_\_\_  
(Signature)

**FORM 25-102F2**  
**DESIGNATED BENCHMARK**  
**ANNUAL FORM**

**Instructions**

- (1) Terms used ~~in this form~~ but not defined in this form have the meaning given to them in the Instrument.
- (2) Unless otherwise specified, the information in this form must be presented as at the last day of the designated benchmark administrator's most recently completed financial year. If necessary, the designated benchmark administrator must update the information provided so it is not misleading when it is delivered. For information presented as at any date other than the last day of the designated benchmark administrator's most recently completed financial year, specify the relevant date in the form.
- (3) Designated benchmark administrators are reminded that it is an offence under securities legislation to give false or misleading information on this form.

**Item 1. Name of Designated Benchmark Administrator**

State the name of the designated benchmark administrator.

**Item 2. Designated Benchmark**

Provide the name of the designated benchmark and whether it is also any of the following:

- interest rate benchmark;
- critical benchmark;
- regulated-data benchmark.

**Item 3. Benchmark Distribution Model**

Describe how the designated benchmark administrator makes the designated benchmark readily accessible for free or for a fee. If a person must pay a fee to obtain information about the designated benchmark made readily accessible by the designated benchmark administrator, provide a fee schedule or describe the prices charged.

**Item 4. Procedures and Methodologies**

Describe the procedures and methodologies used by the designated benchmark administrator to determine the designated benchmark. The description must be sufficiently detailed to provide an understanding of the processes employed by the designated benchmark administrator in determining the designated benchmark, including [the following](#), as applicable:

- the public and non-public sources of information used in determining the designated benchmark, including information provided by benchmark contributors;
- procedures for monitoring, reviewing, and updating the designated benchmark,

- the methodologies, policies and procedures described in the Instrument.

A designated benchmark administrator may provide the location on its website where additional information about the methodologies, policies and procedures is located.

**Item 5. Code of Conduct for Benchmark Contributors**

Unless previously provided, attach a copy of any code of conduct for benchmark contributors.

**Item 6. Verification Certificate**

Include a certificate of the designated benchmark administrator in the following form:

The undersigned has executed this Form 25-102F2 *Designated Benchmark Annual Form* on behalf of, and on the authority of, [the designated benchmark administrator]. The undersigned, on behalf of [the designated benchmark administrator], represents that the information and statements contained in this Form, including appendices and attachments, all of which are [incorporated into and form](#) part of this Form, are true and correct.

\_\_\_\_\_  
(Date)

\_\_\_\_\_  
(Name of the Designated Benchmark Administrator)

By: \_\_\_\_\_  
(Print Name and Title)

\_\_\_\_\_  
(Signature)

**FORM 25-102F3**  
***Submission to Jurisdiction and***  
***Appointment of Agent for Service of Process***

1. Name of the designated benchmark administrator (the “DBA”):
2. Jurisdiction of incorporation, or equivalent, of the DBA:
3. Address of principal place of business of the DBA:
4. Name, email address, phone number and fax number of contact person at principal place of business of the DBA:
5. Name of agent for service of process (the “Agent”):
6. ~~Address~~ Agent’s address in Canada for service of process ~~of Agent~~:
7. Name, email address, phone number and fax number of contact person of the Agent:
8. The DBA designates and appoints the Agent at the address of the Agent stated in Item 6 as its agent on whom may be served any notice, pleading, subpoena, summons or other process in any action, investigation or administrative, criminal, quasi-criminal, penal or other proceeding (~~the Proceeding~~ “proceeding”) arising out of, relating to or concerning the determination of a designated benchmark administered by the DBA or the obligations of the DBA as a designated benchmark administrator, and irrevocably waives any right to raise as a defence in any ~~such Proceeding~~ proceeding any alleged lack of jurisdiction to bring ~~such Proceeding~~ proceeding.
9. The DBA irrevocably and unconditionally submits to the non-exclusive jurisdiction of
  - (a) the ~~judicial~~ judiciary and quasi-judicial and other administrative ~~tribunals~~ bodies of each of the provinces and territories of Canada in which it is a designated benchmark administrator; and
  - (b) any judicial, quasi-judicial and other administrative proceeding in any such province or territory,



in any ~~Proceeding~~proceeding arising out of or related to or concerning the determination of a designated benchmark administered by the DBA or the obligations of the DBA as a designated benchmark administrator.

10. This submission to jurisdiction and appointment of agent for service of process is governed by and construed in accordance with the laws of [insert province or territory of above address of Agent].

\_\_\_\_\_  
Signature of Designated Benchmark Administrator

\_\_\_\_\_  
Date

\_\_\_\_\_  
Print name and title of signing officer  
of Designated Benchmark Administrator

**AGENT**

The undersigned accepts the appointment as agent for service of process of [insert name of DBA] under the terms and conditions of the appointment of agent for service of process set out in this document.

\_\_\_\_\_  
Signature of Agent

\_\_\_\_\_  
Date

\_\_\_\_\_  
Print name of person signing and, if Agent  
is not an individual, the title of the person

