

## ANNEX B

### PROPOSED CHANGES TO COMPANION POLICY 25-102 *DESIGNATED BENCHMARKS AND BENCHMARK ADMINISTRATORS*

1. *Companion Policy 25-102 Designated Benchmarks and Benchmark Administrators is changed by this Document.*
2. *Subsection 1(1) with the heading of “Definition of input data” is changed by replacing “s. 1(3)” with “subsection 1(3)”.*
3. *Subsection 1(1) with the heading of “Definitions of limited assurance report on compliance and reasonable assurance report on compliance” is replaced with the following:*

#### **Subsection 1(1) – Definition of reasonable assurance report on controls**

A “reasonable assurance report on controls” must be prepared in accordance with the applicable Canadian Standard on Assurance Engagements (CSAE) under the Handbook or the applicable International Standard on Assurance Engagements (ISAE). The applicable CSAE and ISAE require that any public accountant that prepares such a report be independent.

In the Instrument, “Handbook” has the meaning set out in National Instrument 14-101 *Definitions*.

A reasonable assurance report on controls is required, as applicable, by sections 13.1, 32, 33, 36, 37, 38 and 40.13 of the Instrument.

- The definition of “reasonable assurance report on controls” refers to “applicable subject requirements”. The term “subject requirements” is defined in subsection 1(1) of the Instrument and refers to paragraphs 13.1(1)(a) and (b), 32(1)(a) and (b), 33(1)(a) and (b), 36(1)(a) and (b), 37(1)(a) and (b), 38(1)(a), (b) and (c) and 40.13(1)(a) and (b) of the Instrument.
- The reference to “12 months” in subsections 32(2) and 40.13(2) of the Instrument refers to any period of 12 consecutive months and does not need to correspond to a calendar year or a financial year of a designated benchmark administrator.
- The definition of “reasonable assurance report on controls” refers to “applicable period” (which is relevant for the reference to “the applicable period for the report” in subsections 13.1(4), 32(4), 33(3), 36(4), 37(3), 38(4) and 40.13(4) of the Instrument).
- In the case a reasonable assurance report on controls requested by an oversight committee under section 33 or 37 of the Instrument, the oversight committee would

specify the beginning and the end of the applicable period for the report, as contemplated by subsection 33(3) and 37(3) of the Instrument, respectively..

4. ***Subsection 36(1) with the heading of “Assurance report for designated interest rate benchmark” is changed by replacing the first paragraph with the following:***

Subsection 36(1) of the Instrument provides that a designated benchmark administrator must engage a public accountant to provide a reasonable assurance report on controls, relating to the designated benchmark administrator's compliance with certain sections of the Instrument and following the methodology of each designated interest rate benchmark it administers..

5. ***Part 8.1 is changed***

- (a) ***in the sixth bullet of the first paragraph under the heading of “Publication of information” by replacing “limited assurance report or a reasonable assurance report” with “reasonable assurance report on controls”.***

- (b) ***in the second paragraph under the heading “Subsections 40.1(3) and (4) – Dual designation as a commodity benchmark and a regulated-data benchmark” by replacing “an assurance report” with “a reasonable assurance report on controls”.***

6. ***Section 40.13 with the heading of “Assurance report on designated benchmark administrator” is deleted.***

7. These changes become effective on ●.