

Statement regarding the IOSCO Principles for Financial Benchmarks

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1.0	GRC	April 2022	Initial Draft
2.0	GRC	April 2022	Uploaded to website
3.0	GRC	January 2024	Review including rebranding exercise

1. General

1.1 Overview

1.1.1 ICAP Information Services Limited trading as Parameta Solutions ("Parameta Solutions") is a benchmark administrator as defined within the International Organisation of Securities Commissions (IOSCO) "Principles for Financial Benchmarks" ("the IOSCO Principles").

1.2 Proportionality and Extent of Compliance with the IOSCO Principles

1.2.1 Parameta Solutions administers and calculates indices. Various indices provided by Parameta Solutions are used as the indices underlying financial instruments and/or financial contracts, which are described within the IOSCO Principles as benchmarks ("Benchmarks").

1.2.2 The Benchmarks, are managed by its Index Governance Forum ("IGF"), comprised of Parameta Solutions staff, and overseen by the Parameta Solutions Oversight Committee.

1.2.3 Parameta Solutions is compliant with the IOSCO Principles for Financial Benchmarks, with respect to the use of its Benchmarks. This document details its compliance.

1.2.4 The governance and control frameworks for Parameta Solutions benchmarks are covered by ICAP Information Services Limited who undertakes the role as Administrator within the meaning of Annex A of the IOSCO Principles for Financial Benchmarks. For North America, the role of Administrator is covered by ICAP Information Services Limited, however, the licensing is undertaken by ICAP Information Services Inc.

1.3 Parameta Solutions' Policies and Procedures

1.3.1 Parameta Solutions' policies and procedures comply with IOSCO's recommended practices regarding the establishment, operation and oversight of the Benchmarks.

1.3.2 Parameta Solutions has in place a control and oversight framework which is designed to promote the quality and integrity of the determination process for the Benchmarks. The standards that have been set by Parameta Solutions are designed to ensure that:

- Potential conflicts of interests which arise out of the Benchmarks are appropriately identified and addressed.
- Each Benchmark will adequately reflect the interest for which it has been established.
- There are procedures designed to mitigate the market impact of methodology changes or cessations of any Benchmark.

2. Governance

2.1 Principle 1 - Overall responsibility of the Administrator

2.1.1 Parameta Solutions recognises it holds the ultimate responsibility for its Benchmarks. Parameta Solutions' Index Governance Forum has responsibility for making decisions regarding the Benchmark calculation methodologies, modifications to the existing methodologies as well as general guidelines for the maintenance of any Benchmarks.

2.1.2 Parameta Solutions is the dedicated benchmark administrator entity within TP ICAP Group, responsible for the provision of the two families of benchmarks.

2.1.3 Parameta Solutions has an established Oversight Committee who is responsible for overseeing the provisioning of the benchmark including the review and approval of new benchmark methodologies. Further there is a documented Benchmark Design policy which outlines the considerations to be made when developing a new methodology to ensure compliance with the IOSCO Principles. The Committees' Terms of Reference is available on its website.



2.1.4 As administrator of the Benchmarks, Parameta Solutions recognises its responsibility for the benchmark development, calculation, publication, maintenance and licensing.

2.2 Principle 2 - Oversight of third parties

2.2.1 Parameta Solutions is the Benchmark Administrator of the ICAP Markets Benchmarks Family ("eight benchmarks" or ICAP Benchmarks) and the Tullett Prebon (TP) Ltd Benchmarks Family ("one benchmark" or "TP Benchmark"), (together the "benchmarks"). TP ICAP (Europe) SA is the Index Calculation Agent (the 'Index Calculation Agent') providing outsourced Index Calculation Agent and dissemination services. Appropriate written agreements have been established defines the relationship, roles and responsibilities between the parties. Parameta Solutions undertakes detailed monitoring of the performance of these services. Parameta Solutions maintains control over the provision of the benchmarks and remains fully responsible for discharging all IOSCO Principles' administrator obligations.

2.3 Principle 3 - Conflicts of interest for Administrators Policies

2.3.1 Parameta Solutions has put in place a number of policies and procedures that address how current and potential conflicts of interest are or will be identified, recorded, managed, mitigated, prevented and disclosed. These controls include the Conflicts of Interest Policy and Register.

2.3.2 Parameta Solutions is segregated from those parts of TP ICAP business who may use or may have an interest in the benchmark rate. The published TP ICAP Europe Conflict of Interest [Policy](#) outlines the processes in place for the identification and management of conflicts of interest; including conflicts of interest arising from the ownership or control of the administrator.

2.3.3 Parameta Solutions maintains a Conflict-of-Interest Register, documenting potential and actual conflicts of interest with respect to the administration of the benchmarks, including any potential conflict of interest that arises due to ownership structure, controlling interests or other activities conducted by any entity owning or controlling the administrator or by an entity that is owned or controlled by the administrator as well as the controls in place to mitigate these.

2.3.4 The Parameta Solutions' Conflict-of-Interest Register is reviewed and approved by the Parameta Solutions' Board of Directors annually.

2.4 Principle 4 - Control Framework for Administrators

2.4.1 Parameta Solutions' control framework for the administration of the Benchmarks was developed to meet the requirements of the IOSCO Principles while promoting the highest ethical business standards within Parameta Solutions.

2.4.2 It seeks to ensure that staff are competent, appropriately trained and supervised, that conflicts of interest are managed, and that systems and procedures ensure compliance at both an individual and company level.

2.4.3 It details the bodies responsible for the management, quality and integrity of the indices and for the management of operational risk (including conflicts of interest).

2.4.4 It incorporates an effective whistleblowing mechanism that allows both early internal reporting of possible, known or intended misconduct, and for external whistleblowing if necessary.

2.4.5 All directors and employees are responsible for reading, understanding and complying with all procedures applicable to them. The TP ICAP Code of Conduct makes clear the serious consequences of failing to do so.

2.4.6 In addition, Parameta Solutions maintains plans for controlling and managing operational, business continuity, disaster recovery and other risks.

The Benchmarks are not based on submissions.

2.5 Principle 5 - Internal Oversight

2.5.1 The ultimate responsibility of the lies with the directors of ICAP Information Services Limited with the day-to-day management undertaken by the relevant employees involved in the provision of a benchmark.

2.5.2 The governance framework is available on the Parameta Solutions' website which highlights the different forums available who are responsible for the day-to-day provision of the Benchmarks. Each forum's terms of reference set out all relevant



aspects of its procedures have been documented and will be made available to relevant regulatory authorities on request and the main features of these procedures will be made available on request to stakeholders.

- 2.5.3 Parameta Solutions has established an Oversight Committee. The Committee is responsible for overseeing the provision of the benchmarks. Persons directly involved in the provision of the benchmark that may be members of Oversight Committee have no voting rights. Representatives of the management body and/or Board of Directors shall not be members or observers but may be invited to attend meetings by the Oversight Committee in a non-voting capacity. The Board of Directors determines membership of the Oversight Committee. Members of this Oversight Committee shall not include persons who have been subject to sanctions of administrative or criminal nature relating to financial services, in particular manipulation or attempted manipulation under Regulation (EU) No 596/2014.
- 2.5.4 Oversight is provided by the Parameta Solutions' Oversight Committee, whose members are independent of the day-to-day management of the Benchmarks and may not be voting members of the Index Governance Forum.
- 2.5.5 The Oversight Committee responsibilities as detailed in its terms of reference including:
- The definition and methodologies of the Benchmarks.
 - Supporting and advising the Index Governance Forum as required in carrying out its supervisory and decision-making functions in order to maintain a proper governance over the administration of the Benchmarks.
 - Reviewing the benchmark's definition and methodology at least annually.
 - Overseeing any changes to the methodology, and where it deems appropriate, requesting Parameta Solutions consults on such changes.
 - Overseeing Parameta Solutions' control framework and the management and operation of the indices
 - Reviewing and approving procedures for cessation of any benchmark, including any consultation about a cessation.
 - Assessing any internal and external audits or reviews and monitoring the implementation of identified remedial actions.

3. Quality of the benchmarks.

3.1 Principle 6 - Benchmark design

- 3.1.1 Parameta Solutions ensures that the Benchmarks are designed to ensure an accurate and reliable representation of the relevant economic interest and ensure that Benchmark components are sufficiently liquid to provide transparent, accurate pricing.
- 3.1.2 Key points regarding Benchmark designs:
- Parameta Solutions methodologies are continually developed to reflect best practice. The methodologies are reviewed by the Index Governance Forum and Oversight Committee on at least an annual basis, or more often as circumstances require.
 - Various constituent weighting methodologies may be used to provide Benchmarks fit for the purpose to which they will be put. However, Parameta Solutions always looks to ensure its Benchmarks provide an accurate and reliable representation of the relevant interest.
- 3.1.3 Parameta Solutions methodologies are public documents available on its website.

3.2 Principle 7 - Data sufficiency

- 3.2.1 The methodologies describe how data used in the Benchmark calculation.
- 3.2.2 Benchmarks are administered and determined in accordance with a systematic and formulaic set of rules that are set out in the relevant methodology.
- 3.2.3 Wherever practicable, the benchmarks will be based on transactions and trading interests in market size. Where expert judgement is exercised in determining the benchmark, it shall do so in accordance with the Data Sufficiency Policy, the Data Hierarchy Policy and the Methodology Guide.
- 3.2.4 To the extent that (i) a market event is not fully anticipated or addressed in the Methodology or (ii) any necessary data input is unavailable or considered to be unreliable for any reason, then (after applying any applicable fall-back provision specified in the relevant Methodology Guide) Expert Judgment may be used in determining the Benchmark.



3.2.5 Expert Judgment will be exercised (i) in good faith and in a commercially reasonable manner, (ii) to the extent practicable, reflecting the commercial objective of the relevant Benchmark and market practice, and (iii) to the extent practicable, in a manner which promotes consistency in the exercise of Expert Judgment and the making of determinations in respect of the benchmarks.

3.2.6 Any exercise of Expert Judgment in non-routine circumstances and which could have a material effect on the Benchmark shall be escalated to the Index Governance Forum for review and approval in advance wherever possible.

3.3 Principle 8 - Hierarchy of data inputs

3.3.1 Parameta Solutions has established and will make available clear guidelines on the hierarchy of data inputs and the exercise of expert judgement used in the determination of the Benchmarks.

3.3.2 In addition, the Benchmark Design Policy outlines the considerations to be made when designing and reviewing a methodology which includes;

- the adequacy of the sample used to represent the Interest;
 - the size and liquidity of the relevant market (e.g. whether there is sufficient trading to provide observable, transparent pricing);
 - the relative size of the underlying market in relation to the volume of trading in the market that references the Benchmark;
 - the distribution of trading among market participants (market concentration);
 - market dynamics (e.g. to ensure that the Benchmark reflects changes to the assets underpinning a Benchmark);
 - what constitutes an active market for the purpose of the proposed Benchmarks; and
 - the priority given to different types of input data.
- The Benchmarks are not based on submissions.

3.4 Principle 9 - Transparency of benchmark determinations

3.4.1 Parameta Solutions publishes the methodologies externally on the website. The methodology includes details of the calculation, input data, publication, methodology review and consultation processes.

3.4.2 The methodologies are reviewed at least annually by the administrator and the Oversight Committee. Methodology changes that are deemed material will be subject to a formal public consultation, in line with the Cessation and Transition Policy.

3.4.3 In the event material changes are needed to a methodology, Parameta Solutions will assess the potential impact of such changes on stakeholders and (if it believes necessary) consult with stakeholders in line with the Cessation and Transition Policy.

3.4.4 The Oversight Committee may direct Parameta Solutions to consult on changes to this methodology with stakeholders or the wider market. The Index Governance Forum will then approve any material amendments to this methodology before publication. Following approval, Parameta Solutions shall notify stakeholders of its determination to amend any methodology. Such notification shall where reasonable, detail the proposed changes in the control sheet of the applicable methodology.

3.4.5 The Cessation and Transition Policy is approved by the Index Governance Forum.

3.5 Principle 10 - Periodic review

3.5.1 Parameta Solutions periodically reviews the Benchmarks and determines whether each Benchmark continues to provide a calculation of the underlying interest. The Index Governance Forum and the Oversight Committee review each methodology at least annually.

3.5.2 If the Index Governance Forum or Index Oversight Committee determines that a particular Benchmark may require modification or termination, it will consult with stakeholders as per the processes detailed within its Cessation and Transition Policy and, if a decision is taken to modify or terminate a Benchmark, it will notify stakeholders accordingly, and in the case of a modification, maintain a record of the changes within the Benchmark methodology.



4. Quality of Methodologies

4.1 Principle 11 - Content of the methodology

- 4.1.1 Benchmarks are administered and determined in accordance with a systematic and formulaic set of rules that are set out in the relevant Methodology.
- 4.1.2 Wherever practicable, the benchmarks will be based on transactions and trading interests in market size. Where expert judgement is exercised in determining the benchmark, it shall do so in accordance with the Data Sufficiency Policy, the Data Hierarchy Policy and the Methodology.
- 4.1.3 To the extent that (i) a market event is not fully anticipated or addressed in the Methodology or (ii) any necessary data input is unavailable or considered to be unreliable for any reason, then (after applying any applicable fall-back provision specified in the relevant Methodology Guide) Expert Judgment may be used in determining the Benchmark.
- 4.1.4 Expert Judgment will be exercised (i) in good faith and in a commercially reasonable manner, (ii) to the extent practicable, reflecting the commercial objective of the relevant Benchmark and market practice, and (iii) to the extent practicable, in a manner which promotes consistency in the exercise of Expert Judgment and the making of determinations in respect of the benchmarks.
- 4.1.5 Any exercise of Expert Judgment in non-routine circumstances and which could have a material effect on the Benchmark shall be escalated to the Index Governance Forum (IGF) for review and approval in advance wherever possible.
- 4.1.6 Data integrity is maintained through validation checks performed by both the Index Calculation Agent and Parameta Solutions

4.2 Principles 12 and 13 - Changes to the methodology and possible cessation of benchmarks

- 4.2.1 Parameta Solutions publishes the methodologies externally on the website. The methodology includes details of the calculation, input data, publication, methodology review and consultation processes.
- 4.2.2 The benchmark methodologies are reviewed at least annually by the administrator and the Oversight Committee. Methodology changes that are deemed material will be subject to a formal public consultation, in line with the Cessation and Transition Policy.
- 4.2.3 In the event material changes are needed to a methodology, Parameta Solutions will assess the potential impact of such changes on stakeholders and (if it believes necessary) consult with stakeholders in line with the Cessation and Transition Policy.
- 4.2.4 The published methodologies outline that in the event material changes are needed to this methodology, Parameta Solutions will assess the potential impact of such changes on stakeholders and (if it believes necessary) consult with stakeholders as set out below. The Oversight Committee may direct Parameta Solutions to consult on changes to this methodology with stakeholders or the wider market. The Index Governance Forum (will then approve any material amendments to the methodology before publication. Following approval, Parameta Solutions shall notify stakeholders of its determination to amend any methodology. Such notification shall where reasonable, detail the proposed changes in the control sheet of the methodology. A "Material Change" shall mean any changes which might significantly affect the Benchmark's representation of its intended Interest, including the composition including construction rules, market structure changes and/or eligibility rules
- 4.2.5 The Oversight Committee may direct Parameta Solutions to consult on changes to this methodology with stakeholders or the wider market. The Index Governance Forum will then approve any material amendments to this methodology before publication. Following approval, Parameta Solutions shall notify stakeholders of its determination to amend any methodology. Such notification shall where reasonable, detail the proposed changes in the control sheet of the applicable methodology.

4.3 Principle 14 - Submitter Code of Conduct

- 4.3.1 Parameta Solutions' Benchmarks are not based on submissions, and therefore Principle 14 does not apply.

4.4 Principle 15 - Internal controls over data collection

- 4.4.1 Parameta Solutions uses regulated and unregulated data.



4.4.2 If Parameta Solutions creates Benchmarks for which non-regulated pricing data is required, suitable monitoring procedures will be put into place to ensure the reliability of that input data.

5. Accountability

5.1 Principle 16 - Complaints procedures

5.1.1 Parameta Solutions has established and published a Complaints Policy that can be obtained from Parameta Solutions' website. The Policy sets out:

- What constitutes a complaint.
- How a complaint can be made.
- How it will be investigated.
- What actions may follow its investigation.
- How a complainant can request that the results of the investigation are reviewed, if considered unsatisfactory.

5.1.2 Any changes to a methodology that are considered as a result of a complaint will be subject to the engagement processes and approvals processes detailed as per Principles 12 and 13.

5.2 Principle 17 - Audits

5.2.1 Parameta Solutions will arrange a yearly assessment of its compliance with the IOSCO Principles.

5.3 Principle 18 - Audit trail

5.3.1 Parameta Solutions retains a record of input data, supporting documentation, benchmark review and benchmark calculation decisions made.

5.3.2 Benchmark reviews are reviewed by the Index Governance Forum and the Oversight Committee.

5.3.3 Parameta Solutions retains a record of all decisions taken by the Index Governance Forum and the Oversight Committee, including any exercise of expert judgement or deviations from the published methodology. Changes to methodologies will be recorded within the methodology documents.

5.3.4 Parameta Solutions' records are retained for a period of five years.

5.4 Principle 19 - Cooperation with Regulatory Authorities

5.4.1 Where required by applicable laws and regulations, Parameta Solutions shall make available all information or documentation readily available to regulatory authorities.

For further information please email: benchmarkqueries@parametasolutions.com

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