



**Reinventing risk management for air travel**

# **Disclosure of Conflicts of Interest**

## **Conflicts relating to Skytra's regulated benchmarks**

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### **DISCLAIMER**

Skytra Limited is a regulated benchmark administrator under the UK Financial Conduct Authority (FCA). Skytra Limited is a wholly-owned subsidiary of Airbus SE, and is a company incorporated in England and Wales under registered number 11984828. VAT number: 335130145 and LEI 254900Y389SLBTPDX711. The content in this document is for information purposes only. None of the information concerning the services or products described constitutes advice or a recommendation of any product or service. To the extent that the information provided constitutes a financial promotion as defined by section 21 of the Financial Services and Markets Act 2000, it is only directed at persons who qualify as Professional clients as classified by MiFID II.

## Introduction

Skytra Ltd is a non-significant Benchmark Administrator regulated by the Financial Conduct Authority.

In line with the Benchmarks Regulation as applicable to Skytra Ltd's regulated Benchmarks, this document serves as disclosure of the relevant conflicts as appropriate under the Benchmarks Regulation. When assessing conflicts, Skytra has regard to both potential and actual conflicts.

This document does not relate to any conflicts that are solely related to any unregulated products that Skytra provides to its clients.

## How are conflicts of interest managed at Skytra?

Skytra proactively manages the actual and potential conflicts of interest it detects through the implementation of policies, processes and the undertaking of other measures as necessary to manage and mitigate the risks posed by conflicts of interest. Examples of the potential conflicts detected are listed below:

### Conflicts with the Ownership structure

Skytra is 100% owned by Airbus SE. Airbus staff form part of the governance arrangements of Skytra. Some senior staff of Skytra are also seconded Airbus employees.

Skytra has mitigated these potential conflicts as it has its own Board of Directors so the Airbus SE Board members do not serve as part of the Skytra Board. In addition to the Airbus employees who are members of Skytra's Board. Skytra also has appointed an Independent Non-Executive Director as well as its CEO as an Executive Director.

### Conflicts within Skytra

Skytra's current business model is to provide both Benchmarks and other data products related to the air travel industry. As such there is a potential conflict with the resourcing of both activities due to them being undertaken by the same team. Other potential internal conflicts could arise as the result of staff having outside business interests or as the result of staff incentivisation. Skytra also has in place third party contracts including outsourcing arrangements.

Skytra has mitigated these potential conflicts by putting in place robust governance around the internal resourcing for the team responsible for the calculation of the benchmarks and provision of other data products. All staff are required to declare their conflicts, including outside business interests. Skytra also has in place a Remuneration Committee and Remuneration Policy to govern the potential conflicts around staff incentivisation. All outsourcing and third party service providers are subject to due diligence and governance at Skytra.

### Conflicts with Users of the benchmarks

Skytra targets a wide range of Users for its benchmarks. Within the BMR definition of 'use', the targeted Users would be financial services firms. As financial services firms are not involved in the setting of Skytra's benchmarks, there is no potential conflict detected with this group of clients. There is a potential conflict with regards to some end users of products as Skytra's benchmarks rely on air travel ticket transactions and the sellers of those tickets may be targeted as end users of the Skytra benchmark linked products.

Skytra also could have a conflict with Users should the Users request exclusivity of the

benchmark data or preferential rates.

Skytra has mitigated these potential conflicts by putting in place robust independent monitoring of the benchmarks for the detection and prevention of market abuse and also for the monitoring of data quality.

Skytra has also committed to treat all benchmark customers fairly in line with regulatory expectations so does not give exclusivity or preferential pricing on benchmark products. Skytra publishes its fees for the benchmark data.

## Conflicts with Contributors

Skytra currently has two data contributors; IATA and Kiwi. IATA is an industry body who represents Airlines. Kiwi is a travel agent. Conflicts could occur should any of the Contributors wish to become a User of the indices that they provide to or as a result of the Contributors being part of the Skytra Index Oversight Committee (SIOC).

Skytra has mitigated these potential conflicts as it has implemented a rigorous due diligence process for the onboarding of customers. Should any Contributor wish to become a client, Skytra will assess the potential conflict and mitigations of that relationship prior to onboarding. The Skytra calculation process includes a number of data quality and surveillance controls to prevent and detect manipulative or disruptive behaviour. The SIOC is also structured to ensure that Contributors do not have a simple majority of the membership. Conflicts are managed in the SIOC so that conflicted members are able to be excluded from voting as appropriate.

### ***How are conflicts managed at Skytra?***

All Skytra staff are required to report conflicts of interest observed to their managers. All conflicts are recorded and managed in line with Skytra's Conflicts of Interest Policy.

### ***How often is this document updated?***

This document is updated annually, or as required should a material conflict of interest be added into Skytra's Conflict of Interest Register.