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# Skytra Benchmark Cessation Policy

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## **DISCLAIMER**

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## Document History

Revision	Date Published	Author(s)	Summary of Changes
1.0	13/11/2020	TRINGHAM	First draft
1.1	24/11/2020	TRINGHAM	Reviewed with Chairman of SIOC

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## 1 Scope and Objectives

This policy applies to the Skytra Price Indices family of benchmarks which are licensed by Skytra to be used as Benchmarks and are governed by the Skytra Index Oversight Committee (SIOC). This policy does not apply to any other data products that are licensed by Skytra for purposes other than use as a benchmark as defined under the EU Benchmarks Regulation.

Skytra is a registered Benchmark Administrator<sup>1</sup>. As per regulatory expectations, Skytra is required to make public its procedures for the cessation of its benchmarks, as approved by the SIOC.

Skytra acknowledges that it may become appropriate to cease publication one or more of its benchmarks, for example should they no longer be representative of the underlying market.

This document describes the process which Skytra will follow in such an event.  
This document is reviewed and approved by the SIOC on an annual basis.

## 2 Policy and Process

### A. Circumstances leading to a cessation of Benchmarks

There are a number of scenarios which may lead to a cessation of benchmarks that are part of the Skytra Price Indices. These scenarios include where there is no market established for the indices use as a Benchmark or where the benchmark is no longer representative of the underlying market that it seeks to measure and its methodology cannot be adjusted to make it suitably representative.

### B. Proposals for cessation of benchmarks

A proposal for cessation will be commissioned by the Skytra Chief Strategy and Product Officer. Proposals are internally assessed and initially signed off for evaluation by the Skytra Executive Committee.

These elements will then be assembled and the SIOC consulted as to the completeness and appropriateness of the analyses, cessation plan and proposed consultation process.

As part of this process Skytra will perform an analysis as to the potential impacts on any users of the benchmarks including:

- Identification of the known Users of the benchmarks
- Type of use of the benchmark
- Known value of the use of such benchmarks in financial instruments, contracts and measuring the performance of investment funds
- Anticipated market and consumer impact of ceasing the benchmarks
- Identification of any alternative indices or benchmarks that Skytra provides which could be used as a substitute

Following the assessment and sign off of the evaluation by the Executive Committee, approval will also be sought from the Skytra Audit and risk committee. Upon approval Skytra will then initiate a

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<sup>1</sup> Skytra holds a Part 4A Permission to administer non-significant or significant benchmarks. The Skytra Price Indices family of benchmarks are categorised as non-significant benchmarks.

consultation phase.

## C. Consultation phase and paper

A Consultation Paper will be drafted including a tailored consultation process with users of the benchmarks being considered for cessation. The consultation paper shall outline the rationale for the proposed cessation, identified use and value of the benchmarks as well as the anticipated market and consumer impact. The Consultation Paper will also suggest, where available, alternative indices that Skytra supplies that could be available for use as a substitute for the benchmarks that are proposed to be ceased. The Consultation timeframe for responses, will be determined in proportion to the anticipated impact on users. As a guide:

Anticipated impact on Users	Anticipated timeframe for consultation
No impact as no Users or value identified	N/A
Low impact (under 50 Users or under \$1bn in value of benchmarks)	Four weeks
Medium impact (between 50 and 100 Users or value under \$25bn)	Five weeks
High impact (over 100 Users or value above \$25bn)	Six weeks

## D. Skytra Oversight Committee (SIOC)

Should Skytra conclude that they wish to proceed with the cessation of the benchmark(s) they shall consult with the SIOC with the draft Consultation Paper (including cessation plan) and timelines. As appropriate, SIOC may advise Skytra to change the timeline for consultation and may object to the cessation.

## E. Stakeholder Engagement

Skytra will launch the period of consultation through posting a notice and the consultation paper on its website.

In addition it shall contact its known users to inform them of the consultation paper.

The consultation paper will be open to responses from all interested stakeholders. Responses will be accepted on a response form that is to be submitted to the email address in the Consultation Paper by 5:30pm (UK time) on the consultation closing date. Responses received outside of these rules will not be assessed.

## F. Stakeholder Feedback

All feedback received as per the specification in paragraph E will be analysed by Skytra. Should a stakeholder wish for their identity to be kept confidential, they should declare this in their responses. Skytra aims to analyse the stakeholder feedback within the period of one month. Skytra may publish the non-confidential feedback given to it either in full or as a summary.

Skytra will take into consideration the stakeholder feedback and determine if they wish to proceed with the cessation or maintain the production of the benchmark(s).

Where Skytra wishes to cease the benchmark(s), Skytra may, at its discretion, amend the cessation plan to take into consideration the feedback that has been given by the stakeholders.

## G. Decision to maintain the benchmark(s)

If following the consultation Skytra determines that they wish to continue providing the benchmark(s), Skytra shall publish a notice and inform the SIOC.

## H. Decision to cease the benchmark(s)

If following the consultation Skytra determines that they wish to cease the benchmark(s), Skytra shall publish a notice on its website. The non-confidential results of the full consultation process with the SIOC and the users will be published on the Skytra website alongside any implementation plan and the supporting rationale for the decision taken by Skytra. A full report will also be made to the SIOC at the next committee meeting.

The decision taken by Skytra to cease the benchmark shall be the final decision with no appeals accepted.