

BENCHMARK REGULATION FAQ

Refinitiv Benchmark Services (UK) Limited (RBSL) is an authorised Benchmark Administrator under the UK Benchmark Regulation. RBSL administers several benchmarks used globally.

We have a long history of creating robust benchmarks with integrity, transparency and trust.

What is UK BMR?

The FCA describes UK BMR as:

Legislation that regulates the provision of, contribution to and use of a wide set of benchmarks.

The Benchmarks Regulation (BMR) aims to ensure benchmarks are robust and reliable, and to minimise conflicts of interest in benchmark-setting processes. UK BMR is the onshored EU regulation (EU BMR), which builds on the IOSCO Principles for Financial Benchmarks and applies to any benchmark used within the UK.

The legislation affects three broad groups:

- Benchmark Administrators – a company that provides benchmarks
- Supervised Contributors – a company provides data specifically for the calculation of a benchmark
- Benchmark Users – a market participant using a benchmark for one of the uses defined below. Benchmark Users must not use benchmarks in the UK unless the benchmark is provided by an authorised/registered UK administrator or has been endorsed, recognised, or an equivalence decision has been adopted.

More information is available on [FCA website](#).

What does UK BMR affect?

UK BMR affects all published indices 'used' in the UK in financial instruments, financial contracts, or by funds.

UK BMR makes a distinction between an Index and Benchmark. An Index is any figure that is published or made available to the public and which is regularly determined by the application of a formula or other method of calculation on the basis of the value of one or more underlying assets or prices. A Benchmark is a specific subset of Indices, and in addition to fulfill the requirements to be an Index, must fulfill certain requirements to be caught by the Regulation. An Index is considered a Benchmark if and only if it is 'used' to:

- Determine the amount payable under a financial instrument or financial contract;
- Determine the value of a financial instrument;
- Measure the performance of an investment fund for the purpose of:

- tracking the return;
- defining the asset allocation or a portfolio; or
- computing the performance fees.

For more definition and guidance on the definition of usage under the UK BMR, please refer to Article 3(7) of the onshored EU BMR as well as [ESMA's Q&As](#).

Does UK BMR affect more than just benchmarks?

UK BMR affects all data points that fulfill the definition of an Index and that are used for one of the cases defined as a Benchmark.

Those using an Index as a Benchmark in the UK must ensure that it is administered by an authorised Benchmark Administrator.

Entities providing an Index that will be considered a Benchmark must ensure the benchmarks can be used in the UK. If an entity that owns or calculates a benchmark is not authorised, we are happy to discuss options to ensure that the benchmark is UK BMR compliant.

What does UK BMR mean for you?

As a Benchmark User, the regulation may mean you need to look for alternative indices and benchmarks to continue your investments, trading or investment processes.

Our guidance is to conduct an inventory of all the benchmarks or data points you use as a benchmark for transactional purposes within the UK. Then look to the [FCA Register](#) for confirmation on whether the provider of the data is approved as an authorised Benchmark Administrator.

Does the legislation only affect the UK?

No, the definition of benchmarks and their usage is not region specific thus creating two categories based on where the administrator is located, namely UK benchmarks and third-country benchmarks.

Therefore, if a third-country benchmark is used within the UK it also needs to adhere to the regulation.

Both the EU BMR and UK BMR provide third country transition periods during which third country (non-EU and non-UK, respectively) administrators can continue providing benchmarks for use by EU and UK supervised entities, respectively. Currently, the EU BMR and UK BMR transition periods are due to expire after 31 December 2023 and 31 December 2025, respectively.

Please note that UK BMR is an onshored EU regulation (EU BMR), which is similar legislation but for the EU.

How can Refinitiv help?

Central banks, national regulators and local authorities around the world look to Refinitiv as the pre-eminent provider of benchmarks services. Our RBSL (Refinitiv Benchmark Services (UK) Limited) entity is approved as an authorised Benchmark Administrator under the UK Benchmark Regulation.

By becoming an authorised administrator in July 2018, initially under EU BMR, we were one of the first index and benchmark service providers able to provide BMR compliant benchmarks and BMR compliant solutions.

If you need to find an alternative to your existing indices, benchmarks or data points to continue to carry out your investments in the UK we are happy to provide information on [our solutions](#).

What is RBSL?

Refinitiv Benchmark Services (UK) Limited has been designated as the Administrator of regulated benchmarks for Refinitiv. RBSL is an authorised administrator under the UK Benchmark Regulation and currently administers the following benchmarks:

- WM/Refinitiv London 4pm Closing Spot Rates, WM/Reuters Spot, Forward and NDF benchmark rates;
- Canadian Dollar Offered Rate (“CDOR”);
- Saudi Arabian Interbank Offered Rate (“SAIBOR”) and Saudi Arabian Interbank Bid Rate (“SAIBID”);
- Refinitiv/CoreCommodity CRB® Index;
- Refinitiv Convertible Indices;
- Refinitiv Term SONIA (“RTS”);
- Tokyo Swap Rates; and
- Refinitiv USD IBOR Cash Fallbacks

What is the Transition Provision?

Since authorisation in 2018, RBSL was listed on the ESMA Register for Benchmark Administrators. In accordance with ESMA's public statement on 1 October 2020, at the end of the Brexit transition period (31 December 2020), UK Benchmark Administrators (including RBSL) have been removed from the ESMA register and are now third country administrators under the EU Benchmark Regulation ('EU BMR').

However, EU BMR provided a third-country transition period during which third country administrators (including RBSL) can continue providing benchmarks (including all RBSL benchmarks) for use by EU supervised entities. The EU transition period currently expires on 31 December 2023 and the European Commission has proposed an extension to the transitional arrangements of a period of two years until 31 December 2025.

This does not affect RBSL's authorisation with the UK FCA as a UK Benchmark Administrator, and RBSL will continue to appear on the UK FCA Register. In accordance to the FCA's public statement on 1 December 2020, at the end for the Brexit transition period (31 December 2020), UK benchmark administrators (including RBSL) are now listed on the FCA's new [Benchmark Register](#).

Similarly, UK BMR provided a third-country transition period during which third country administrators can continue providing benchmarks for use by UK supervised entities. The UK transition period is currently until 31 December 2025.

What about BMR compliance for other third party benchmarks that Refinitiv distributes?

Refinitiv does offer a BMR compliance inventory via the DataScope platform which labels compliance for a broad range of benchmarks. More details on this offering can be found [here](#).

What do we mean by ‘measure the performance of an investment fund’ in the BMR disclaimer?

As the BMR indicates, the measurement of the performance of an investment fund should be understood as a measurement for the purpose of tracking the return of an index, defining the asset allocation of a portfolio or computing performance fees.

What is RBSL’s commitment post Brexit?

RBSL intends to make its FCA regulated benchmarks available to supervised users in the EU following the end of the Brexit transitional period, currently until 31 December 2023 (and which the European Commission has proposed is extended by a period of two years until 31 December 2025).

RBSL maintains a clear commitment to its users of its benchmarks that it shall continue to provide benchmarks within the EU post Brexit. The transition period will enable RBSL to execute its Brexit strategy and ensure regulatory permission is gained under EU BMR before the end of the period.

More Questions?

For any generic BMR related questions, please email: EUBMR1@lseg.com.

For any specific queries regarding the [BMR](#) disclaimer, please email: EUBMRdisclaimerqueries@lseg.com