



**ICE DATA INDICES, LLC**  
**BENCHMARK CESSATION PROCEDURE**  
November 2020

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## 1. INTRODUCTION

ICE Data Indices, LLC (“IDI”), a wholly owned subsidiary of Intercontinental Exchange, Inc., is the Benchmark Administrator for certain Equity, Commodity, Fixed Income and Currency indices (each, a “Benchmark” and together, the “Benchmarks”). A list of the Benchmarks currently administered by IDI is available on the ICE website at [www.theice.com/market-data/indices](http://www.theice.com/market-data/indices).

IDI adheres to the Principles for Financial Benchmarks<sup>1</sup> published by the International Organization of Securities Commissions (“IOSCO”) in July 2013. In addition, as a Recognised Benchmark Administrator located in a third country, IDI must also consider the provisions relating to the Changes to and cessation of a benchmark requirements under the European Union Benchmarks Regulation<sup>2</sup> and ensure that application of the IOSCO Principles is equivalent to compliance with such Regulation.

IOSCO’s Principle 13 (Transition) states that:

“Administrators should have clear written policies and procedures, to address the need for possible cessation of a Benchmark, due to market structure change, product definition change, or any other condition which makes the Benchmark no longer representative of its intended Interest.”

The EU BMR (Article 28) states that:

“An administrator shall publish, together with the benchmark statement referred to in Article 27, a procedure concerning the actions to be taken by the administrator in the event of changes to or the cessation of a benchmark which may be used in the Union in accordance with Article 29(1). The procedure may be drafted, where applicable, for families of benchmarks and shall be updated and published whenever a material change occurs.”

This Benchmark Cessation Procedure sets out the steps that IDI would take in the event of discontinuation in whole or in part of a benchmark we administer.

The separate Transition Policy addresses other aspects of Principle 13 <https://www.theice.com/market-data/indices/regulation>.

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<sup>1</sup> Available at <http://www.iosco.org/library/pubdocs/pdf/IOSCOPD415.pdf>.

<sup>2</sup> *Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds.*

Details of the cessation planning would be reviewed and agreed with the IDI Governance Committee, which would have an important role in monitoring the execution of the plan.

**Terms used but not defined in this document have the meanings given to them in the IOSCO Principles.**

## 2. CESSATION TRIGGERS

The proposed cessation of a benchmark may be triggered in a number of ways, including:

- Inability on the part of the benchmark administrator to continue to produce the benchmark for whatever reason including, for example, an inability to source appropriate data
- Action by a regulatory body
- Change in the underlying interest that the benchmark seeks to represent or where the benchmark can no longer serve its purposes, for example, as no longer being representative of a particular sector
- Insufficient demand for a benchmark to warrant its continuation, whether through the emergence of an alternative benchmark or otherwise
- Based on the request of the client (but always subject to IDI's approval).

Where the cessation is triggered by regulatory action, it is likely that the regulatory body would determine what actions should be taken by IDI. Where there is insufficient demand for a benchmark to warrant its continuation, alternative measures are unlikely to need to be identified. The scenarios that a cessation plan needs to consider are therefore where the benchmark administrator cannot continue to produce the benchmark, there is a fundamental change in the underlying interest that the benchmark seeks to represent or where the benchmark can no longer serve its purposes, for example, as no longer being representative of a particular sector.

The relevant business unit may propose a termination; the Governance Committee is responsible for approving any such termination.

## 3. CESSATION STEPS

The factors to be considered in the context of the cessation of a benchmark are as follows:

- The timing of cessation, taking into account the likely impact of the cessation, such as the breadth and depth of contracts and financial instruments that reference the benchmark and the additional factors set forth in Section 4 below
- The notice period
- Whether any transitional measures should or could be implemented
- Feedback from Subscribers and other Stakeholders, as appropriate, and
- Identification of possible alternative benchmarks and migration thereto.

These factors are considered further below.

## 4. TIMINGS

The timing of cessation must take into consideration several factors:

- The urgency, if any, of ceasing the benchmark;
- The amount of notice that should be given to stakeholders to allow them to take a number of actions: to identify alternative arrangements; to put such alternatives in place; to ensure that contractual documentation is amended as necessary; and to update promotional or other material;
- The timing of any transitional measures;
- The extent of any likely IT or operational issues;
- Whether there are any important dates or milestones in the near future (including but not limited to expiries of financial instruments referencing the benchmark);
- Whether there are any clear timing implications for migration to any identified alternative to the benchmark; and

- Whether there are any regulatory, legal or other provisions that might affect the timing.

Where there are likely to be at least some outstanding contracts or financial instruments referencing the benchmark, immediate cessation of the benchmark could have disruptive implications. A sufficient notice period should be allowed to facilitate an orderly transition to alternative arrangements, as determined by IDI and approved by the Governance Committee in accordance with its charter, consultation process and other IDI policies. Generally, any termination will be subject to a notice period determined by IDI and approved by the Governance Committee; IDI shall notify Stakeholders and Subscribers of the termination by posting an announcement on the primary IDI distribution platform for the applicable index<sup>3</sup>. In addition, other communication channels may also be utilized, including the following: market data portal; press release; specific client communications; social media including LinkedIn and Twitter; and other such forms of communication.

## 5. TRANSITIONAL MEASURES

Where cessation of a benchmark is under consideration, the relative advantages and disadvantages of putting in place any transitional measures should be assessed by the Governance Committee, in accordance with its charter, consultation process and other IDI policies, including the Transition Policy referred to above.

## 6. ENGAGING WITH EXTERNAL STAKEHOLDERS

If cessation of a benchmark were under consideration, IDI would engage closely with the relevant stakeholders and other interested parties, which may include, as appropriate:

- Any relevant regulatory body
- Users of the benchmark – directly (for example, by email to registered licensees and by conference calls where appropriate), through any relevant association(s) and/or through paid advertisements or through a consultation process
- Benchmark Submitters, if any, associated with the benchmark

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<sup>3</sup> IDI Website: <https://www.theice.com/market-data/indices> or the ICE Index Platform <https://indices.theice.com/>

- Redistributors of the benchmark, and
- The media.

IDI would also include relevant information and relevant contact details on its website.

## 7. IDENTIFICATION OF POSSIBLE ALTERNATIVE BENCHMARKS

IDI's Transition Policy sets out a number of factors related to IDI benchmarks that users may wish to consider when seeking to identify alternative benchmarks.

The suitability of any alternative benchmark would depend on, among other things, the particular needs and circumstances of Subscribers and other Stakeholders. As such, IDI does not pre-identify any default alternative for any benchmark covered by this procedure.

However, IDI would seek as far as possible to accommodate migration to an alternative benchmark into the planning for the cessation of a benchmark in whole or in part, where such information were made known to IDI in sufficient time for it to be incorporated into the cessation plan.

## 8. REVIEW

This Benchmark Cessation Procedure is subject to review on a periodic basis, and at least annually. This Policy may be subject to more frequent review and revision based on business and/or regulatory changes.

## 9. AVAILABILITY OF DOCUMENTATION

This Benchmark Cessation Procedure shall be published on IDI's website [www.theice.com/market-data/indices/regulation](http://www.theice.com/market-data/indices/regulation).

## 10. QUERIES

If you have any questions regarding this Procedure, you should consult with the IDI compliance officer or legal department on [Legal&Regulatory-ICEDataIndices@TheIce.com](mailto:Legal&Regulatory-ICEDataIndices@TheIce.com).

## 11. APPROVAL

This Benchmark Cessation Procedure has been approved by the Governance Committee of IDI.