

CONSULTATION POLICY

Introduction

1. ICE Benchmark Administration Ltd (IBA) was set up to administer systemically important benchmarks. IBA currently administers the following benchmarks:
 - ICE LIBOR™ (LIBOR™) - a widely used benchmark for short term interest rates, providing an indication of the average rates at which LIBOR panel banks could obtain wholesale, unsecured funding for set periods in particular currencies. Used globally, LIBOR is often referenced in derivative, bond and loan documentation, and student loans. It is also used as a gauge of market expectation regarding central bank interest rates, liquidity premiums in the money markets and, during periods of stress, as an indicator of the health of the banking system. LIBOR is the basis for settlement of interest rate contracts on many of the world's major futures and options exchanges;
 - ICE Swap Rate™ - the principal global benchmark for swap rates and spreads for interest rate swaps, it is used as the exercise value for cash-settled swaptions, for close-out payments on early terminations of interest rate swaps, for some floating rate bonds and for valuing portfolios of interest rate swaps;
 - The LBMA Gold and Silver Prices - the benchmark prices for gold and silver respectively, widely used across the globe by participants such as producers, consumers, investors and central banks; and
 - The Tradeweb ICE U.S. Treasury Closing Prices - a benchmark for the daily market mid-price in respect of U.S. Treasury Securities.
2. IBA is authorised under the European Benchmarks Regulation (BMR) and is required in addition to comply with the FCA's rules for benchmark administrators.
3. IBA combines robust regulatory and governance frameworks with advanced technology to ensure that we administer benchmarks to the highest standards. Our governance includes an independent Board with a majority of Independent non-Executive Directors as well as a number of Oversight Committees which provide us with an independently expert perspective.
4. Typically we design evolutionary enhancements to our benchmarks. It is therefore important for us to gain feedback on proposed changes where they are material to the benchmark.
5. This paper outlines IBA's approach to consultation.

BMR requirements

6. Article 13 of the BMR concerns transparency of benchmark methodology and requires an administrator to develop, operate and administer the benchmark and methodology transparently. This includes publishing or making available "the procedures for consulting on any proposed material change in the administrator's methodology and the rationale for such

changes, including a definition of what constitutes a material change and the circumstances in which the administrator is to notify users of any such changes”.

7. The BMR states that the procedures must provide for advance notice with a clear timeframe that gives the opportunity to analyse and comment upon the impact of such proposed material changes. IBA welcomes feedback on proposals for change and generally holds consultations open for several weeks or even months depending on the nature of the change. A standard timeframe would usually be one month.
8. In the case of an urgent matter, IBA would seek to give stakeholders at least two weeks in which to provide feedback. IBA would follow its customary process, as described in this Policy, for the consultation. In the unlikely event that a change were required with even greater urgency, IBA would consider putting the change into effect concurrently with the consultation and making any subsequent adaptation as appropriate.
9. IBA defines a material change as any change requiring an update to the published methodology. Changes which do not require an update to the published methodology are considered non-material.
10. Material changes are subject to approval by IBA’s President after consulting with the relevant Oversight Committee, and are documented accordingly.
11. Non-material changes are subject to approval by IBA’s Management and are documented accordingly.

Consultation process

12. The relevant Oversight Committee is responsible for overseeing any changes to the benchmark methodology and may request IBA to consult on such changes. The relevant Oversight Committee is also responsible for reviewing and approving procedures for cessation of the benchmark, including any consultation about a cessation.
13. In conjunction with the relevant Oversight Committee, IBA prepares a consultation paper after careful consideration of the following points:
 - A description of the key elements of the methodology that would be affected by the proposed change;
 - Any regulatory or legal obligations of the benchmark administrator or of benchmark submitters or users which the proposals are designed to meet;
 - Any other regulatory implications of the proposed changes;
 - Any legal implications of the proposed changes, including any potential consequences for the continuity of existing contracts;
 - Any IT implications of the proposed changes;
 - Any customer implications of the proposed changes;

- Any changes to processes and procedures (for example, the surveillance processes);
 - Any other implications of the proposed changes, for example: risk, budgetary, operational cost, etc;
 - Whether the proposals are clearly articulated and give a balanced view of the likely implications;
 - Whether feedback questions are clear and unambiguous;
 - Whether the consultation period is sufficient;
 - How consultation responses will be analysed and what criteria will be used in evaluating them; and
 - Who will be able to access the consultation responses.
14. Consultation papers are reviewed and agreed by the relevant Oversight Committee, and/or the IBA Board as appropriate before publication or circulation. IBA typically also shares a consultation paper with the FCA before publication.
15. IBA publishes consultation papers on its website and invites interested parties to comment on the proposals by a specified date.
16. When the consultation period closes, IBA prepares a detailed analysis of responses for internal use, circulating it as appropriate to the relevant Oversight Committee and the IBA Board.
17. IBA publishes a feedback statement summarising responses together with the consultation comments received unless confidentiality has been requested by the originator of the comments. The feedback statement is reviewed and agreed with the relevant Oversight Committee before publication.

Review

18. This Consultation Process is reviewed at least annually by the IBA Board.

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