

ICE RFR INDEXES

BENCHMARK STATEMENT

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1 INTRODUCTION

This Benchmark Statement is published by ICE Benchmark Administration Limited (IBA) in compliance with Article 27 of the Benchmarks Regulation (BMR) and the associated Binding Technical Standards (BTS).

The ICE Risk Free Rate (RFR) Indexes are administered by IBA, which is authorised and regulated by the Financial Conduct Authority for the regulated activity of administering a benchmark, and is authorised as a benchmark administrator under the BMR.

The RFR Indexes are based on SOFR, SONIA, €STR and TONA, providing daily values that represent accrued compound interest, relative to the first day value of 100.

Developed to help address the key operational considerations of lenders and borrowers of RFR-based loans, the index values are designed to provide a simple method for calculating compound interest between any two index dates, allowing parties to agree transparently on interest accruals.

2 RESPONSES TO BMR/BTS REQUIREMENTS

BMR / BTS #	BMR / BTS requirement	IBA's Response
BMR Article 27 - Benchmark statement		
BMR Art 27(1)(a)	The benchmark statement shall: (a) clearly and unambiguously define the market or economic reality measured by the benchmark and the circumstances in which such measurement may become unreliable;	<p><i>Underlying Economic reality:</i></p> <p>The ICE RFR Indexes are designed to provide parties with a simple method to calculate compound interest between two dates and agree on their associated interest accruals.</p> <p><i>Circumstances in which such measurement may become unreliable:</i></p> <p>The ICE RFR Indexes are based on the following risk free rates published by Central Banks:</p> <p>SOFR - published by the Federal Reserve Bank of New York.</p> <p>€STR - published by the European Central Bank.</p> <p>SONIA - published by the Bank of England.</p> <p>TONA - published by Quick for the Bank of Japan.</p> <p>If a Central Bank's RFR rates were not available to IBA, IBA's Insufficient Data Policy would apply.</p>
BMR Art 27(1)(b)	The benchmark statement shall: (b) lay down technical specifications that clearly and unambiguously identify the elements of the calculation of the benchmark in relation to which discretion may be exercised, the criteria applicable to the exercise of such discretion and the position of the persons that can exercise discretion, and how such discretion may be subsequently evaluated;	No judgement or discretion is exercised by IBA in the calculation of the ICE RFR Indexes.
BMR Art 27(1)(c)	The benchmark statement shall: (c) provide notice of the possibility that factors, including external factors beyond the control of the administrator, may necessitate changes to, or the cessation of, the benchmark; and	Various factors, including external factors beyond the control of IBA, may necessitate changes to, or the cessation of, the ICE RFR Indexes. The principal factor which could affect publication of the ICE RFR Indexes would be changes to, or the cessation of, an underlying Central Bank RFR rate.

BMR / BTS #	BMR / BTS requirement	IBA's Response
BMR Art 27(1)(d)	The benchmark statement shall: (d) advise users that changes to, or the cessation of, the benchmark may have an impact upon the financial contracts and financial instruments that reference the benchmark or the measurement of the performance of investment funds.	Any change or cessation would be made in accordance with the ICE RFR Indexes Changes and Cessation Policy and IBA's Consultation Policy .
BMR Art 27(2)(a)	A benchmark statement shall contain at least: (a) the definitions for all key terms relating to the benchmark	The Methodology includes the key terms and definitions.
BMR Art 27(2)(b)	A benchmark statement shall contain at least: (b) the rationale for adopting the benchmark methodology and procedures for the review and approval of the methodology;	<p><i>Rationale:</i></p> <p>The ICE RFR Indexes simplify and standardise the calculation of interest for financial contracts referencing an RFR by providing pre-calculated compound interest values for each business day. This makes these indexes ideal for use in certain financial agreements.</p> <p><i>Review and approval:</i></p> <p>IBA has an oversight function in respect of the ICE RFR Indexes (the ICE RFR Indexes Oversight Committee).</p> <p>The Oversight Committee will generally meet every three months and its terms of reference include, where relevant:</p> <ul style="list-style-type: none"> • Reviewing the definition, methodology and setting of the ICE RFR Indexes (the Indexes) at least annually; • Overseeing IBA's adherence to the published Methodologies for the Indexes; • Assessing any audits or reviews insofar as they affect the Indexes and monitoring the implementation of any remedial actions; • Reviewing and approving procedures for the withdrawal of any of the Indexes should such withdrawal have been appropriately decided upon by IBA; • Keeping these Terms of Reference under regular review.

BMR / BTS #	BMR / BTS requirement	IBA's Response
BMR Art 27(2)(c)	A benchmark statement shall contain at least: (c) the criteria and procedures used to determine the benchmark, including a description of the input data, the priority given to different types of input data, the minimum data needed to determine a benchmark, the use of any models or methods of extrapolation and any procedure for rebalancing the constituents of a benchmark's index;	<p>The ICE RFR Indexes meet operational and economic requirements of certain lenders and borrowers, by simplifying and standardising the calculation of interest for financial contracts referencing an RFR.</p> <p>The minimum data needed to determine the ICE RFR Indexes is the RFR published by the relevant Central Banks and the calculation methodology published by IBA in the Methodology document. IBA uses no models or methods of extrapolation or any rebalancing of constituents¹.</p>
BMR Art 27(2)(d)	A benchmark statement shall contain at least: (d) the controls and rules that govern any exercise of judgement or discretion by the administrator or any contributors, to ensure consistency in the use of such judgement or discretion;	No judgement is exercised by IBA in the calculation of the ICE RFR Indexes.
BMR Art 27(2)(e)	A benchmark statement shall contain at least: (e) the procedures which govern the determination of the benchmark in periods of stress or periods where transaction data sources may be insufficient, inaccurate or unreliable and the potential limitations of the benchmark in such periods;	<p>IBA has back-up and continuity arrangements and disaster recovery procedures, including for where there is market disruption or infrastructure failure impacting the provision of information, calculation and publication of the benchmark.</p> <p>IBA has published an Insufficient Data Policy for the ICE RFR Indexes.</p>
BMR Art 27(2)(f)	A benchmark statement shall contain at least: (f) the procedures for dealing with errors in input data or in the determination of the benchmark, including when a redetermination of the benchmark is required; and	IBA has published an Error and Republication Policy for the ICE RFR Indexes.
BMR Art 27(2)(g)	A benchmark statement shall contain at least: (g) the identification of potential limitations of the benchmark, including its operation in illiquid or fragmented markets and the possible concentration of inputs.	See the response to BMR Art 27(1)(a), above.

¹ IBA uses interpolation when calculating the index values for non-business days.

BMR / BTS #	BMR / BTS requirement	IBA's Response
BTS Article 1 - General disclosure requirements		
BTS Art (1)(1)(a)	The benchmark statement shall state: (a) the date of publication of the statement and, where applicable, the date of its last update;	This is on the title page of this document.
BTS Art (1)(1)(b)	The benchmark statement shall state: (b) where available, the international securities identification number (ISIN) of the benchmark or benchmarks; alternatively, for a family of benchmarks, the statement may provide details of where the ISINs are publicly accessible free of charge;	The benchmark does not have ISINs.
BTS Art (1)(1)(c)	The benchmark statement shall state: (c) whether the benchmark, or any benchmark in the family of benchmarks, is determined using contributions of input data;	The benchmark is not determined using contributions of input data, and nor is any benchmark in the family of benchmarks.
BTS Art (1)(1)(d)	The benchmark statement shall state: (d) whether the benchmark or any benchmark in the family of benchmarks qualifies as one of the types of benchmarks listed under Title III of Regulation (EU) 2016/1011, including the specific provision by virtue of which the benchmark qualifies as that type.	The ICE RFR Indexes are not of the types of benchmarks listed under Title III of the BMR. They are not regulated-data benchmarks, interest rate benchmarks or commodity benchmarks.
BTS Art (1)(2)(a)	In defining the market or economic reality, the benchmark statement shall include at least the following information: (a) a general description of the market or economic reality;	See the response to BMR Art 27(1)(a), above.
BTS Art (1)(2)(b)	In defining the market or economic reality, the benchmark statement shall include at least the following information: (b) the geographical boundaries, if any, of the market or economic reality;	<p>Whilst each RFR is produced onshore by its respective Central Bank (i.e. SONIA by the Bank of England, SOFR by the Federal Reserve Bank of New York, €STR by the European Central Bank and TONA published by Quick for the Bank of Japan) there are no geographical boundaries.</p> <p>The RFR Indexes are based on SOFR, SONIA, €STR and TONA, providing daily values that represent accrued compound interest, relative to the first day value of 100.</p>

BMR / BTS #	BMR / BTS requirement	IBA's Response
BTS Art (1)(2)(c)	<p>In defining the market or economic reality, the benchmark statement shall include at least the following information:</p> <p>(c) any other information that the administrator reasonably considers to be relevant or useful to help users or potential users of the benchmark to understand the relevant features of the market or economic reality, including at least the following elements insofar as reliable data on these elements is available:</p> <p>(i) information on actual or potential participants in the market;</p> <p>(ii) an indication of the size of the market or economic reality.</p>	<p>See the response to BMR Art 27(1)(a) and BTS Art (1)(2)(b), above.</p> <p>The ICE RFR Indexes simplify and standardise the calculation of interest for financial contracts referencing an RFR by providing pre-calculated compound interest values for each calendar day. This makes these indexes ideal for use in certain financial agreements.</p> <p>Many lenders and borrowers would like to be able to determine the total interest due on a loan before the end of the accrual period, allowing the borrower and lender to agree on the interest amount that is to be paid and ensure that payment is made and clears on the appropriate day. One way that the interest amount can be calculated before the end of an accrual period is by using a lookback., IBA provides RFR Indexes calculated using a lookback without an observation shift, also known as a “lag”.</p> <p>Specifically, the ICE RFR Indexes include indexes calculated using a lag of either 2 or 5 business days.</p> <p>Certain lenders do not wish to lend at negative interest rates. The ICE RFR Indexes include indexes with a 0% floor. If the daily RFR value is below 0%, the ICE RFR Index is calculated using 0% instead of the actual RFR value.</p> <p>Some borrowers would like an RFR Index that provides settings on weekends and bank holidays to facilitate accounting for loan accruals on reporting dates that may not be business days (e.g. quarter-end, or year-end). This will be an important systems issue as these RFRs become the dominant benchmarks in lending markets.</p> <p>IBA publishes the SOFR Index at 13.30 London time throughout the year. The SONIA, €STR and TONA Indexes are published at 09:30 London time throughout the year.</p>

BMR / BTS #	BMR / BTS requirement	IBA's Response
BTS Art (1)(3)(a)	In defining the potential limitations of the benchmark and the circumstances in which the measurement of the market or economic reality may become unreliable, the benchmark statement shall include at least: (a) a description of the circumstances in which the administrator would lack sufficient input data to determine the benchmark in accordance with the methodology;	See the response to BMR Art 27(1)(a), above.
BTS Art (1)(3)(b)	In defining the potential limitations of the benchmark and the circumstances in which the measurement of the market or economic reality may become unreliable, the benchmark statement shall include at least: (b) where relevant, a description of instances when the accuracy and reliability of the methodology used for determining the benchmark can no longer be ensured, such as when the administrator deems the liquidity in the underlying market as insufficient;	See the response to BMR Art 27(1)(a), above.
BTS Art (1)(3)(c)	In defining the potential limitations of the benchmark and the circumstances in which the measurement of the market or economic reality may become unreliable, the benchmark statement shall include at least: (c) any other information that the administrator reasonably considers to be relevant or useful to help users and potential users to understand the circumstances in which the measurement of the market or economic reality may become unreliable, including a description of what might constitute an exceptional market event.	See the response to BMR Art 27(1)(a), above.
BTS Art (1)(4)	In specifying the controls and rules that govern any exercise of judgement or discretion by the administrator or any contributors in calculating the benchmark or benchmarks, the benchmark statement shall include an outline of each step of the process for any ex post evaluation of the use of discretion, together with a clear indication of the position of any person(s) responsible for carrying out the evaluations.	See the response to BMR Art 27(1)(b), above.

BMR / BTS #	BMR / BTS requirement	IBA's Response
BTS Art (1)(5)	In specifying the procedures for review of the methodology, the benchmark statement shall at least outline the procedures for public consultation on any material changes to the methodology.	IBA's Consultation Policy outlines the considerations that inform public consultations and the steps that IBA takes when seeking feedback on proposals.
BTS Article 2 - Specific disclosure requirements for regulated-data benchmarks		
BTS Art 2(a)	In addition to the information to be included pursuant to Article 1, for a regulated-data benchmark or, where applicable, family of regulated-data benchmarks, the benchmark statement shall state at least the following in its description of the input data: (a) the sources of the input data used	Not applicable.
BTS Art (2)(b)	In addition to the information to be included pursuant to Article 1, for a regulated-data benchmark or, where applicable, family of regulated-data benchmarks, the benchmark statement shall state at least the following in its description of the input data: (b) for each source, the relevant type, as listed in Article 3(1)(24) of Regulation (EU) 2016/1011	Not applicable.
BTS Article 3 - Specific disclosure requirements for interest rate benchmarks		
BTS Art (3)	In addition to the information to be included pursuant to Article 1, for an interest rate benchmark or, where applicable, family of interest rate benchmarks, the benchmark statement shall include at least the following information: (a) a reference alerting users to the additional regulatory regime applicable to interest rate benchmarks under Annex I to Regulation (EU) 2016/1011; (b) a description of the arrangements that have been put in place to comply with that Annex.	Not applicable

BMR / BTS #	BMR / BTS requirement	IBA's Response
BTS Article 4 - Specific disclosure requirements for commodity benchmarks		
BTS Art (4)(a)	<p>In addition to the information to be included pursuant to Article 1, for a commodity benchmark or, where applicable, family of commodity benchmarks, the benchmark statement shall at least:</p> <p>(a) indicate whether the requirements of Title II of, or Annex II to, Regulation (EU) 2016/1011 apply to the benchmark, or family of benchmarks as prescribed by Article 19 of that Regulation;</p>	Not applicable.
BTS Art (4)(b)	<p>In addition to the information to be included pursuant to Article 1, for a commodity benchmark or, where applicable, family of commodity benchmarks, the benchmark statement shall at least:</p> <p>(b) include an explanation as to why Title II of or, as the case may be, Annex II to that Regulation applies;</p>	Not applicable
BTS Art (4)(c)	<p>In addition to the information to be included pursuant to Article 1, for a commodity benchmark or, where applicable, family of commodity benchmarks, the benchmark statement shall at least:</p> <p>(c) include in the definitions of key terms a concise description of the criteria that define the relevant underlying physical commodity.</p>	Not applicable
BTS Art (4)(d)	<p>In addition to the information to be included pursuant to Article 1, for a commodity benchmark or, where applicable, family of commodity benchmarks, the benchmark statement shall at least:</p> <p>(d) where applicable, indicate where the explanations are published that the administrator is required to publish under paragraph 7 of Annex II to that Regulation.</p>	Not applicable

BMR / BTS #	BMR / BTS requirement	IBA's Response
BTS Article 5 - Specific disclosure requirements for critical benchmarks		
BTS Art (5)(a) Art (5)(b)	<p>In addition to the information to be included pursuant to Article 1, for a critical benchmark, or, where applicable, a family of benchmarks that contains at least one critical benchmark, the benchmark statement shall include at least the following information:</p> <ul style="list-style-type: none"> • a reference alerting users to the enhanced regulatory regime applicable to critical benchmarks under Regulation (EU) 2016/1011; • a statement indicating how users will be informed of any delay in the publication of the benchmark or of any re-determination of the benchmark, and indicating the (expected) duration of measures. 	Not applicable
BTS Article 6 - Updates		
BTS Art (6)(a) Art (6)(b)	<p>In addition to the cases referred to in the third subparagraph of Article 27(1) of Regulation (EU) 2016/1011, an update of the benchmark statement shall be required whenever the information contained in the statement ceases to be correct or sufficiently precise, and including in any event in the following cases:</p> <ul style="list-style-type: none"> • whenever there is a change in the type of the benchmark; • whenever there is a material change in the methodology used for determining the benchmark or, if the benchmark statement is for a family of benchmarks, in the methodology used for determining any benchmark within the family of benchmarks. 	<p>This Benchmark Statement is subject to review by the Oversight Committee at least annually.</p> <p>The Oversight Committee will hold no less than one meeting every four months and shall keep minutes of each meeting.</p>

ANNEX I

CLIMATE-RELATED DISCLOSURES	
SECTION 1 – CONSIDERATION OF ESG FACTORS	
Item 1. Name of the benchmark administrator.	ICE Benchmark Administration Ltd
Item 2. Type of benchmark. <i>Choose from the list provided in Annex II.</i>	Other Benchmarks
Item 3. Name of the benchmark.	ICE RFR Indexes
Item 4. Does the benchmark pursue ESG objectives?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Item 5. Where the response to Item 4 is negative, is any EU Climate Transition Benchmark or EU Paris-aligned Benchmark available in the portfolio of the benchmark administrator or does the benchmark administrator have benchmarks that pursue ESG objectives or take into account ESG factors?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<p>Item 6. Where the response to Item 4 is positive, provide details on ESG factors, in accordance with Article 27(2a) of Regulation (EU) 2016/1011, including on the ESG factors listed in Annex II to this Regulation, depending on the type of benchmark concerned.</p> <p>The ESG factors shall not be disclosed for each constituent of the benchmarks but shall be disclosed at an aggregated weighted average value of the benchmark.</p>	
a) List of combined ESG factors:	Details on each ESG factor: Not applicable
b) List of environmental factors:	Details on each ESG factor: Not applicable
c) List of social factors:	Details on each ESG factor: Not applicable
d) List of governance factors:	Details on each ESG factor: Not applicable
Item 7. Data and standards used.	
a) Description of data sources used to provide information on the ESG factors in the benchmark statement.	Not applicable

CLIMATE-RELATED DISCLOSURES	
<i>Describe how the data used to provide information on the ESG factors in the benchmark statement are sourced and whether, and to what extent, data are estimated or reported.</i>	
b) Reference standards. <i>List the supporting standards used for the reporting under item 6.</i>	Not applicable
SECTION 2 – ADDITIONAL DISCLOSURE REQUIREMENTS	
Item 8. Where a benchmark is labelled as ‘EU Climate Transition Benchmark’ or ‘EU Paris-aligned Benchmark’, benchmark administrators shall also disclose the following information:	
a) forward-looking year-on-year decarbonisation trajectory;	Not applicable
b) degree to which the IPCC decarbonisation trajectory (1,5°C with no or limited overshoot) has been achieved on average per year since creation;	Not applicable
c) overlap between those benchmarks and their investable universe, as defined in Article 2, point (c), of Commission Delegated Regulation (EU) .../..., using the active share at asset level.	Not applicable
SECTION 3 – DISCLOSURE OF THE ALIGNMENT WITH THE OBJECTIVES OF THE PARIS AGREEMENT	
Item 9. For significant equity benchmarks, significant bond benchmarks, EU Climate Transition Benchmarks and EU Paris-aligned Benchmarks, benchmark administrators shall also disclose the following information:	
a) the temperature scenario, in accordance with international standards, used for the alignment with the target of reducing GHG emissions or the attainment of the objectives of the Paris Agreement;	Not applicable
b) the name of the provider of the temperature scenario used for the alignment with the target of reducing GHG emissions or the	Not applicable

CLIMATE-RELATED DISCLOSURES	
attainment of the objectives of the Paris Agreement;	
c) the methodology used for the measurement of the alignment with the temperature scenario;	Not applicable
d) the hyperlink to the website of the temperature scenario used.	Not applicable
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