



ICE DATA INDICES, LLC
CONFLICTS OF INTEREST POLICY
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CONTENTS

1. Overview	2
2. Application.....	2
3. IOSCO, EU and UK BMR Requirements	3
4. Types of Conflict	3
5. IDI Employees.....	4
6. IDI Governance Committee	5
7. Conflict of Interest Management.....	5
8. Disclosure and Monitoring.....	6
9. Record Keeping.....	6
10. Violations	7
11. Review.....	7
12. Availability of documentation	7
13. Queries.....	7
14. Approval.....	7



1. OVERVIEW

In the Principles for Financial Benchmarks issued by the International Organization of Securities Commissions (IOSCO) in July 2013¹, Principle 3 Conflicts of Interest for Administrators states: “To protect the integrity and independence of Benchmark determinations, Administrators should document, implement and enforce policies and procedures for the identification, disclosure, management, mitigation or avoidance of conflicts of interest. Administrators should review and update their policies and procedures as appropriate”.

In addition, as a third country Benchmark Administrator, IDI must also consider the provisions relating to the Governance and conflict of interest requirements under the European Union and UK Benchmarks Regulations and ensure that the application of the IOSCO Principles is equivalent to compliance with such Regulations. The European Union Benchmarks Regulation (EU BMR)² and UK Benchmarks Regulation (UK BMR)³ conflict of interest requirements (Article 4) states that “Administrators shall take adequate steps to identify and to prevent or manage conflicts of interest between themselves, including their managers, employees or any person directly or indirectly linked to them by control, and contributors or users, and to ensure that, where any judgement or discretion in the benchmark determination process is required, it is independently and honestly exercised.”

This Conflicts of Interest Policy (“Policy”) addresses the above requirements for ICE Data Indices, LLC (“IDI”), a wholly owned subsidiary of Intercontinental Exchange, Inc., and sets out how IDI identifies and manages Conflicts of Interest with respect to its Benchmark determinations.

Terms used but not defined in this document have the meanings given to them in the IOSCO Principles or applicable IDI or ICE policy.

2. APPLICATION

The Policy is applicable to all IDI employees and certain employees of other ICE Group companies in connection with such employees’ activities relating to the IDI Index business, as well as consultants and contractors supporting the IDI Index business. The Policy is in addition to the Intercontinental Exchange, Inc. (ICE) Global Code of Business Conduct (“the Code”), which applies to all IDI employees.

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

² [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.](#)

³ [The Benchmarks \(Amendment and Transitional Provision\) \(EU Exit\) Regulations 2019](https://www.legislation.gov.uk/ukxi/2019/657/contents)
<https://www.legislation.gov.uk/ukxi/2019/657/contents>

3. IOSCO, EU AND UK BMR REQUIREMENTS

The arrangements IDI has in place to address IOSCO Principle 3 and EU and UK BMR Article 4 (the “Framework”), is tailored to the level of existing and potential conflicts of interest identified, the degree of discretion exercised in the Benchmark determination process, and the risks that the Benchmarks pose, and seeks to ensure the following:

- The integrity and independence of Benchmark determinations are protected;
- Benchmark determinations are not inappropriately influenced by existing or potential conflicts of interest;
- IDI’s performance of its functions is not compromised in any way by personal or business interests and/or connections;
- Reporting lines within IDI are clearly defined, where appropriate, in order to delineate respective responsibilities and prevent unnecessary conflicts of interest or the perception of such conflicts;
- IDI Employees and other persons supporting the IDI Index business have the necessary skills, knowledge and experience for the duties assigned to them;
- Adequate supervision by authorized or qualified employees of Benchmark determinations;
- The confidentiality of data, information and other inputs submitted to, received by or produced by IDI, subject to the disclosure obligations of IDI;
- Effective procedures are put in place to control the exchange of information between employees engaged in activities involving a risk of conflicts of interest or between employees and third parties, where that information may reasonably affect any Benchmark determinations; and
- Adequate remuneration policies that ensure all employees who participate in the Benchmark determination are not directly or indirectly rewarded or incentivized by the levels of the Benchmark.

The Framework seeks to mitigate existing or potential conflicts created by IDI’s corporate organization structure or ICE’s control of IDI, or due to other interests IDI employees or the wider ICE group, or other persons that may exercise influence or control may have in relation to Benchmark determinations. To this end, the Framework:

- Includes measures to avoid, mitigate or disclose conflicts of interest that may exist between its Benchmark determination business (including all employees who perform or otherwise participate in Benchmark production responsibilities), and any other business of IDI or any of its affiliates; and
- Requires that IDI discloses conflicts of interest arising from the corporate organization structure or ICE’s control of IDI to its Stakeholders and any relevant Regulatory Authority in a timely manner.

4. TYPES OF CONFLICT

A conflict of interest occurs when competing obligations, interests or motivations result in, or are likely to result in, material risk of damage to the interests of another person or entity.

The types of conflicts of interest that may occur and which may carry a material risk of damage to IDI or IDI clients include, but are not limited to, circumstances in which IDI or any employee, affiliate or person linked to IDI:

- will benefit financially, either on a personal basis from remuneration or transactions entered into, or on an inter-company basis from increased revenues from the sale or listing of Benchmark related products;
- is motivated or incentivized to favor ICE commercial interests or the interests of the clients in other business areas over the interests of IDI and its clients (for example, by offering clients influence over Benchmark administration or determination);
- deals with the same clients as IDI affiliates;
- is providing oversight of the Index business when they also hold a commercial role within IDI or an affiliate;
- is physically located in an ICE office near to employees involved in commercial roles who are not involved in the Benchmark determination process;
- is involved in both the offer or sale of Benchmark related products and the Benchmark determination process;
- receives from or gives to a Business Partner⁴ any gift, meal or entertainment that may be intended to, or appear to be intended to influence business decisions;
- has personal interests or connections or business connections that may compromise IDI's performance of its functions or may give an impression that IDI may be influenced by such connections;
- may be incentivised or motivated financially, or otherwise, by their own holdings in the Benchmarks or related products.

It is important that actual and potential conflicts of interest in IDI are identified and managed. Anyone who identifies a new conflict of interest must immediately report it to IDI management, Legal or Compliance.

IDI will conduct internal reviews no less than once per calendar year to ensure that actual and potential conflicts of interest are identified and managed in compliance with this Policy and update this Policy as necessary. The identification and management of conflicts will form part of the ongoing IDI compliance monitoring program.

5. IDI EMPLOYEES

The Code also deals with conflicts of interest and applies to IDI employees. The Code includes policies and procedures for the identification, reporting, disclosure, management, mitigation and avoidance of conflicts of interest. The Code is published on the ICE web site and can be found at:

<https://ir.theice.com/governance/governance-overview/default.aspx>

⁴ As defined in the ICE Global Business Gifts, Meals and Entertainment Policy ("the GME Policy")

6. IDI GOVERNANCE COMMITTEE

As employees, members of the IDI Governance Committee (“IGC Members”) are required to comply with this Policy and all applicable ICE policies at all times. They are expected to act in the interests of IDI as the Administrator when dealing with matters they are responsible for, which includes overseeing the management and operation of the Benchmark determination process, and identification, management and disclosure of existing and potential conflicts of interest. In the event that an IGC Member faces a conflict of interest, for example they are involved in a commercial arrangement that conflicts with the Benchmark administration business, they must promptly declare this to the IDI Governance Committee Chairperson, Legal or Compliance (as appropriate).

IGC Members that have declared a conflict of interest may have restricted voting rights in relation to certain methodology-related decisions, and will be required, in those circumstances, to substantiate statements of market or internal practice in connection with such decisions.

On appointment to the IDI Governance Committee and on an annual basis, IGC Members shall be required to attest to this Policy and be required to immediately notify the IDI Governance Committee Chairperson, Legal or Compliance (as appropriate) if the IGC Member becomes aware of any conflicts of interest.

7. CONFLICT OF INTEREST MANAGEMENT

Each conflict of interest identified must be managed and monitored. The following types of procedures and measures may be appropriate when managing conflicts of interest:

- **Control of Information:** Preventing/controlling the exchange of information between opposing sides of a conflict of interest (e.g. by physically segregating such employees). IDI employees are physically and logistically separated from ICE employees and functions where they may be on opposing sides of a conflict.
- **Removal of remuneration links:** Removing direct links between the remuneration of individuals on opposite sides of a conflict of interest, or remuneration links that may influence an individual to favor a particular product, service or customer. IDI employees’ remuneration is not directly or indirectly linked to the levels or performance of any of IDI’s indices.
- **Distinct Separation of Duties:** Preventing/controlling the simultaneous/sequential involvement of individuals in separate tasks or services that may present conflicts of interest. IDI employees involved in the administration of the Benchmarks are not involved in the offer or sale of any Benchmark related products and policies and procedures have been adopted to ensure the “separateness” of pricing discussions.
- **Personal Account Dealing:** All employees involved in the administration of Benchmarks are bound by the requirements under [ICE’s Global Personal Trading Policy](#) (the “PTP”) relating to IDI Benchmarks. All transactions undertaken are monitored on a regular basis.
- **Business Gifts, Meals and Entertainment:** All employees involved in the administration of the Benchmarks are bound by the requirements under ICE’s Global Business Gifts, Meals and Entertainment Policy (the “GME Policy”). All disclosures are monitored on submission.

- **Training:** Employees are trained on an annual basis on the PTP and the Code which addresses Conflicts of Interest and Outside Business Activities.
- **Disclosure:** Where the measures implemented to manage conflicts described above are insufficient then the nature of the conflicts of interest arising must be disclosed as appropriate.

8. DISCLOSURE AND MONITORING

IDI's senior management and Governance Committee engage fully with the conflicts of interest identification, management and disclosure process and take responsibility for the active ownership of conflicts of interest.

All IDI employees must declare to their line manager, and/or IDI's senior management, Legal or Compliance as appropriate, any potential conflict of interest that arises in the course of their work. This may include, for example, a potential conflict which arises at a meeting or during discussions; during the course of their employment at IDI or from external factors (such as outside or family associations).

IDI employees must, in addition to disclosing a conflict of interest to IDI management, Legal or Compliance, report it to Global Corporate Compliance (GCC) if it relates to an outside business activity or a Business Gift, Meal or Entertainment for review. Such disclosures should be made in the Compliance Reporting System (CRS) in accordance with the Code and the GME Policy and will be sent to the employee's manager for review and approval. Depending on the disclosure, approval may also be required from Compliance.

All Conflicts of Interest, either potential or actual, including the disclosures made in the CRS will be included in the IDI Conflicts of Interest Register ("the Conflicts Register"). The Conflicts Register will be shared with the IDI Governance Committee for review and resolution. Any material conflicts of interest shall also be disclosed to Subscribers and any relevant Regulatory Authority.

9. RECORD KEEPING

The Conflicts Register and associated records are maintained by IDI's Compliance Officer and are used to record:

- conflicts and potential conflict situations;
- the appropriate mitigation strategy in each case;
- ownership of the ongoing management of the conflict, and
- where appropriate, an assessment of how effective the mitigation strategy proves.

Regular reviews of conflicts situations will be undertaken to maintain effective and appropriate management.

IDI retains:

- all versions of and changes to this Policy;

- management information provided in relation to the conflicts procedures, including any breaches of the Policy and subsequent remedial action, and
- all versions of the Conflicts Register and associated records.

All of the other records mentioned above will be kept for a minimum of five years.

10. VIOLATIONS

Violations of law, the Code and ICE policies are always taken seriously. Should a violation be identified through compliance monitoring or from reports made by employees, the consequences may extend as far as termination of employment.

Employees may report a violation directly to HR, Compliance or Legal, or they can make a report via the EthicsPoint Hotline. Anonymous reporting is available in some countries. More information is available in [ICE's Global Reporting and Anti-Fraud Policy](#)

11. REVIEW

This Policy 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.

12. AVAILABILITY OF DOCUMENTATION

This Policy shall be published on IDI's website www.theice.com/market-data/indices/regulation.

13. QUERIES

This Policy does not address every possible scenario that may arise. If you are unsure of whether this Policy applies in a particular situation, or you have any questions, please consult with the IDI compliance officer or legal department at Legal&Regulatory-ICEDataIndices@Theice.com.

14. APPROVAL

This Policy has been approved by the IDI Governance Committee.