



ICE DATA INDICES, LLC

TRANSITION POLICY

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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.

IDI adheres to the Principles for Financial Benchmarks¹ published by the International Organization of Securities Commissions (“IOSCO”) in July 2013. In addition, as a third country Benchmark Administrator, IDI must also consider the provisions relating to the Changes to and cessation of a benchmark requirements under the European Union Benchmarks Regulation (“EU BMR”)² and the UK Benchmarks Regulation (UK BMR)³ 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 and UK BMRs (Article 28) state 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.”

The separate 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 (including a currency or tenor of a Benchmark).

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>

<https://www.theice.com/market-data/indices/regulation>

This Transition Policy addresses other aspects of Principle 13, including that:

“Administrators should encourage Subscribers and other Stakeholders who have financial instruments that reference a Benchmark to take steps to make sure that:

- a) Contracts or other financial instruments that reference a Benchmark, have robust fall-back provisions in the event of material changes to, or cessation of, the referenced Benchmark; and
- b) Stakeholders are aware of the possibility that various factors, including external factors beyond the control of the Administrator, might necessitate material changes to a Benchmark.”

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

2. DISCONTINUATION OF A BENCHMARK

In accordance with IOSCO’s Principle 13, Administrators’ transition policies and procedures should be proportionate to the estimated breadth and depth of contracts and financial instruments that reference a Benchmark and the economic and financial stability impact that might result from the cessation of the Benchmark. The Administrator should take into account the views of Stakeholders, Subscribers and any relevant Regulatory and National Authorities in determining what policies and procedures are appropriate for a particular Benchmark.

Principle 13 further provides that Administrators’ written policies and procedures to address the possibility of Benchmark cessation could include the following factors, if determined to be reasonable and appropriate by the Administrator:

- a) Criteria to guide the selection of a credible, alternative Benchmark such as, but not limited to, criteria that seek to match to the extent practicable the existing Benchmark’s characteristics (e.g., credit quality, maturities and liquidity of the alternative market), differentials between Benchmarks, the extent to which an alternative Benchmark meets the asset/liability needs of Stakeholders, whether the revised Benchmark is investable, the availability of transparent transaction data, the impact on Stakeholders and impact of existing legislation;
- b) The practicality of maintaining parallel Benchmarks (e.g., where feasible, maintain the existing Benchmark for a defined period of time to permit existing contracts and financial instruments to mature and publish a new Benchmark) in order to accommodate an orderly transition to a new Benchmark;

- c) The procedures that the Administrator would follow in the event that a suitable alternative cannot be identified;
- d) In the case of a Benchmark or a tenor of a Benchmark that will be discontinued completely, the policy defining the period of time in which the Benchmark will continue to be produced in order to permit existing contracts to migrate to an alternative Benchmark if necessary; and
- e) The process by which the Administrator will engage Stakeholders and relevant Market and National Authorities, as appropriate, in the process for selecting and moving towards an alternative Benchmark, including the timeframe for any such action commensurate with the tenors of the financial instruments referencing the Benchmarks and the adequacy of notice that will be provided to Stakeholders.

Each of the above factors is considered further below.

3. ALTERNATIVE BENCHMARK(S)

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 policy. However, information on each of the Benchmarks currently administered by IDI is available on the IDI website and Index Platform www.theice.com/indices and <https://indices.theice.com/> and can assist users in considering any alternative Benchmarks.

IOSCO's Principle 13 refers to a Benchmark Administrator's procedures in the absence of a suitable alternative Benchmark. Should IDI not have a suitable alternative Benchmark, IDI's Benchmark Cessation Procedure would be applicable.

4. PARALLEL BENCHMARKS

IDI has assessed the practicality of maintaining parallel Benchmarks to the Benchmarks covered under this Policy but, at this time, has concluded that this would not be a feasible proposition in respect of any of these Benchmarks. However, in the event of discontinuation, where practical and feasible, a parallel production period will be contemplated based upon feedback on the current usage of the Benchmark by Subscribers and other Stakeholders with the goal of accommodating an orderly transition to a new Benchmark.

5. TIMING OF CESSATION AND MIGRATION

In the event of discontinuation of part or all of an IDI Benchmark, the considerations in terms of timing and migration are set out in the Benchmark Cessation Procedure.

6. ENGAGING WITH STAKEHOLDERS

IDI is committed to open and transparent communication with stakeholders. If the cessation of an IDI Benchmark were under consideration, the Governance Committee would invoke a consultation process with Subscribers and Stakeholders, as appropriate

7. STAKEHOLDER AWARENESS AND FALL-BACK PROVISIONS

Parties to contracts that reference a Benchmark are encouraged to review on a periodic basis the suitability of such Benchmark and in particular to take into consideration factors such as whether:

- the methodology and construct of the Benchmark, as well as the underlying market interest it seeks to represent, are appropriate for the relevant contracts. Detail on Benchmarks administered by IDI can be found at www.theice.com/indices and <https://indices.theice.com/>
- for users located in the EU or UK, that the administrator is recognized or endorsed by an EU Competent Authority or the UK's Financial Conduct Authority.
- for users located in the EU or the UK, that the Benchmark itself is available on the ESMA or FCA Register (as applicable) and qualified for use in the EU or UK
- the Benchmark Administrator adheres to the Principles for Financial Benchmarks published by the International Organization of Securities Commissions (IOSCO) in July 2013, as evidenced for IDI in the published IDI IOSCO Compliance Statement
- the integrity of the Benchmark calculation is sufficient for the purposes of the contract.
- the governance and oversight of the Benchmark is sufficient
- the Benchmark Administrator is independent and can take an appropriately neutral approach without distorting conflicts of interest
- any changes have been made in the construction of the Benchmark that may impact the suitability of its use in the contract

- any changes are necessary or desirable in the way in which the relevant benchmark is described in the contractual arrangements (for example, whether there has been a change in the Benchmark Administrator or the method/time of publication of the Benchmark)
- one or more possible alternative Benchmarks exists or is available in the event that the relevant Benchmark ceases to be suitable for whatever reason, and/or
- contracts or other financial instruments that reference the Benchmark contain a sufficient fall-back mechanism in the event that the Benchmark ceases, on temporary or permanent basis, to be published or available.

Users of a Benchmark are strongly encouraged by IDI to:

- consider how they might be affected if any factors, including external factors beyond the control of the administrator, necessitated material changes to a Benchmark or its cessation, and
- ensure that their contracts and any other financial instruments that reference a Benchmark have robust fall-back provisions in the event of material changes to, or cessation of, the Benchmark.

8. REVIEW

The need for the possible cessation of an Benchmark will be considered as part of the periodic Benchmark review process.

This Transition 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.

9. AVAILABILITY OF DOCUMENTATION

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

10. QUERIES

If you have any questions regarding this Policy, you should consult with the IDI compliance officer or legal department on Legal&Regulatory-ICEDataIndices@TheIce.com

11. APPROVAL

This Transition Policy has been approved by the Governance Committee of IDI.