

# Benchmark Regulation FAQ

Refinitiv Benchmark Services (UK) Limited (RBSL)

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LSEG offers benchmark and index solutions through FTSE Russell. FTSE Russell is a global index provider of benchmarks, analytics, and data with capabilities across asset classes. FTSE Russell’s indices are used by clients to inform asset allocation decisions, support portfolio construction and conduct risk and performance analysis. FTSE Russell has two authorised benchmark administrators:

- FTSE International Limited (“FIL”) is authorised in the UK by the FCA under the UK Benchmark Regulation (“UK BMR”); and
- RBSL is authorised in the UK by the FCA under the UK BMR and designated as a benchmark administrator for CDOR under the Canadian Securities Administrators Benchmark Rule (“CSA Benchmark Rule”) and Ontario Securities Commission Rule 25-101 (“OSC Rule”). For the list of benchmarks currently administered by RBSL please visit [FTSE Russell benchmarks](#) (the “RBSL Benchmarks”).

## What is UK Benchmark Regulation (UK BMR)?

The FCA describes UK BMR as:

*Legislation that regulates the provision of, contribution to and use of a wide set of benchmarks.*

The Benchmarks Regulation (BMR) aims to ensure benchmarks are robust and reliable, and to minimise conflicts of interest in benchmark-setting processes. UK BMR is the onshored EU regulation (EU BMR), which builds on the IOSCO Principles for Financial Benchmarks and applies to any benchmark used within the UK.

The legislation affects three broad groups:

- Benchmark Administrators – a company that provides benchmarks
- Supervised Contributors – a company provides data specifically for the calculation of a benchmark
- Benchmark Users – a market participant using a benchmark for one of the uses defined below. Benchmark Users must not use benchmarks in the UK unless the benchmark is provided by an authorised/registered UK administrator or has been endorsed, recognised, or an equivalence decision has been adopted.

More information is available on [FCA website](#).

## What does UK BMR affect?

UK BMR affects all published indices ‘used’ in the UK in financial instruments, financial contracts, or by funds.

UK BMR makes a distinction between an Index and Benchmark. An Index is any figure that is published or made available to the public and which is regularly determined by the application of a formula or other method of calculation on the basis of the value of one or more underlying assets or prices. A Benchmark is a specific subset of Indices, and in addition to fulfill the requirements to be



an Index, must fulfill certain requirements to be caught by the Regulation. An Index is considered a Benchmark if and only if it is 'used' to:

- Determine the amount payable under a financial instrument or financial contract;
- Determine the value of a financial instrument;
- Measure the performance of an investment fund for the purpose of:
  - tracking the return;
  - defining the asset allocation or a portfolio; or
  - computing the performance fees.

For more definition and guidance on the definition of usage under the UK BMR, please refer to Article 3(7) of the onshored EU BMR as well as [ESMA's Q&As](#).

## Does UK BMR affect more than just benchmarks?

UK BMR affects all data points that fulfill the definition of an Index and that are used for one of the cases defined as a Benchmark.

Those using an Index as a Benchmark in the UK must ensure that it is administered by an authorised Benchmark Administrator.

Entities providing an Index that will be considered a Benchmark must ensure the benchmarks can be used in the UK. If an entity that owns or calculates a benchmark is not authorised, we are happy to discuss options to ensure that the benchmark is UK BMR compliant.

## What does UK BMR mean for Benchmark Users?

As a Benchmark User, the regulation may mean you need to look for alternative indices and benchmarks to continue your investments, trading or investment processes.

Our guidance is to conduct an inventory of all the benchmarks or data points you use as a benchmark for transactional purposes within the UK. Then look to the [FCA Register](#) for confirmation on whether the provider of the data is approved as an authorised Benchmark Administrator.

## Does the legislation only affect the UK?

No, the definition of benchmarks and their usage is not region specific thus creating two categories based on where the administrator is located, namely UK benchmarks and third-country benchmarks.

Therefore, if a third-country benchmark is used within the UK it also needs to adhere to the regulation.

Both the EU BMR and UK BMR provide third country transition periods during which third country (non-EU and non-UK, respectively) administrators can continue providing benchmarks for use by EU and UK supervised entities, respectively. Currently, the EU BMR and UK BMR transition periods are due to expire after 31 December 2025 and 2030, respectively.

Please note that UK BMR is an onshored EU regulation (EU BMR), which is similar legislation but for the EU.

## How can FTSE Russell help?

Central banks, national regulators and local authorities around the world look to FTSE Russell as the pre-eminent provider of benchmarks. RBSL is one of FTSE Russell's authorised benchmark administrators under the UK Benchmark Regulation.

By becoming an authorised administrator in July 2018, initially under EU BMR, we were one of the first index and benchmark service providers able to provide BMR compliant benchmarks and BMR compliant solutions.

## What is RBSL?

RBSL is a benchmark administrator and currently administers the following benchmarks:

- WMR London 4pm Closing Spot Rates, WMR Spot, Forward and NDF benchmark rates;
- Canadian Dollar Offered Rate (“CDOR”);
- Saudi Arabian Interbank Offered Rate (“SAIBOR”) and Saudi Arabian Interbank Bid Rate (“SAIBID”);
- FTSE/CoreCommodity CRB® Index;
- FTSE Convertible Indices;
- FTSE Term SONIA (“RTS”);
- Tokyo Swap Rates;
- FTSE USD IBOR Cash Fallbacks; and
- FTSE Term €STR.

## What are the Transition Provisions?

Since authorisation in 2018, RBSL was listed on the ESMA Register for Benchmark Administrators. In accordance with ESMA’s public statement on 1 October 2020, at the end of the Brexit transition period (31 December 2020), UK Benchmark Administrators (including RBSL) have been removed from the ESMA register and are now third country administrators under the EU Benchmark Regulation (‘EU BMR’).

However, EU BMR provided a third-country transition period during which third country administrators (including RBSL) can continue providing benchmarks (including all RBSL benchmarks) for use by EU supervised entities. The EU transition period expires on 31 December 2025.

This does not affect RBSL’s authorisation with the UK FCA as a UK Benchmark Administrator, and RBSL will continue to appear on the UK FCA Register. In accordance to the FCA’s public statement on 1 December 2020, at the end for the Brexit transition period (31 December 2020), UK benchmark administrators (including RBSL) are now listed on the FCA’s new [Benchmark Register](#).

Similarly, UK BMR provided a third-country transition period during which third country administrators can continue providing benchmarks for use by UK supervised entities. The UK transition period is currently until 31 December 2030.

## What do we mean by ‘measure the performance of an investment fund’ in the BMR disclaimer?

As the BMR indicates, the measurement of the performance of an investment fund should be understood as a measurement for the purpose of tracking the return of an index, defining the asset allocation of a portfolio or computing performance fees.

## What is RBSL’s commitment post Brexit?

RBSL intends to make its FCA regulated benchmarks available to supervised users in the EU following the end of the third country transitional period, which expires on until 31 December 2025.

RBSL maintains a clear commitment to its users of its benchmarks that it shall continue to provide benchmarks within the EU post Brexit. The transition period will enable RBSL to ensure regulatory permission is gained under EU BMR before the end of the period.

## More Questions?

For any generic BMR related questions, please email: [EUBMR1@lseg.com](mailto:EUBMR1@lseg.com).

For any specific queries regarding the [BMR](#) disclaimer, please email: [EUBMRdisclaimerqueries@lseg.com](mailto:EUBMRdisclaimerqueries@lseg.com)

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For over 35 years we have been at the forefront of driving change for the investor, always innovating to shape the next generation of benchmarks and investment solutions that open up new opportunities for the global investment community.

## CONTACT US

To learn more, visit [lseg.com/ftse-russell](https://www.ftserussell.com); email [info@ftserussell.com](mailto:info@ftserussell.com); or call your regional Client Service team office:

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