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**Application for Authorisation

Benchmark Administrator Application Notes**

**Important information you should read before completing this form**

Providing the information requested in the Benchmark Administrator Application Form will enable you to:

1. Comply with your obligation to provide information under the EU Benchmark Regulation (Regulation (EU) 2016/1011)
2. Supply the FCA with everything we need to process the application and to prepare for the supervision of the firm (such as information relating to fees).

Please take time to read these notes carefully. They will help you to fill in the Benchmark Administrator Application Form correctly.

A link to the Handbook is here: <https://www.handbook.fca.org.uk>

A link to the BMR and amending regulations under the EU Withdrawal Act 2018: <https://www.legislation.gov.uk/eur/2016/1011/contents> and <https://www.legislation.gov.uk/uksi/2019/657>

If after reading these notes you need more help you can:

* check the FCA website: [www.fca.org.uk/](http://www.fca.org.uk/)
* call the FCA Customer Contact Centre on 0300 500 0597
* email the FCA Customer Contact Centre: Firm.Queries@fca.org.uk

These notes, while aiming to help you, do not replace the rules and guidance in the Handbook.

**Terms in this application pack**

In this application pack we use the following terms:

* 'you' refers to the person(s) signing the form on behalf of the applicant firm
* 'the applicant firm' refers to the firm applying for authorisation
* ‘we’, ‘us’, ‘our’ or ‘FCA’ refers to the Financial Conduct Authority
* ‘FSMA’ refers to the Financial Services and Markets Act 2000
* ‘the Regulation’ refers to the [UK](https://www.handbook.fca.org.uk/handbook/glossary/G1205.html) version of Regulation (EU) No. 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 and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014, which is part of [UK](https://www.handbook.fca.org.uk/handbook/glossary/G1205.html) law by virtue of the [EUWA](https://www.handbook.fca.org.uk/handbook/glossary/G93529e.html).
* ‘RTS’ means the Regulatory Technical Standards in Commission Delegated Regulation (EU) 2018/1646 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council with regard to regulatory technical standards for the information to be provided in an application for authorisation and in an application for registration, which is part of UK law by virtue of the EUWA (as amended by Technical Standards (Benchmark Regulation) (EU Exit) Instrument 2019). ‘Supervised Entity’ has the meaning set out in the Regulation.
* ‘Significant’, ‘Non-significant’, and ‘Critical’ are terms used (and defined) in the Regulation to describe different categories of benchmark.
* ‘Commodity benchmark’, ‘interest rate benchmark’ and ‘regulated data benchmark’ have the same meanings as in the Regulation.
* ‘Annex I benchmark’ means an interest rate benchmark subject to Annex I of the Regulation.
* ‘Annex II benchmark’ means a commodity benchmark to which the requirements in Annex II to the Regulation apply as a result of Article 19 of the Regulation.

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**Important information**

At the point of authorisation we expect the applicant firm to be ready, willing and organised to start business.

Once authorised the applicant firm is required to pay regulatory fees even if it is not trading.

Firms must notify us immediately if any of their static data changes.

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|  | Reference Material |

**FCA Handbook**

The FCA Handbook sets out our legislative powers and other provisions made under powers given to us by the Financial Services and Markets Act 2000(FSMA).

For more information on the FCA Handbook, please see the Handbook reader’s guide: <http://www.fca.org.uk/your-fca/documents/handbook/handbook-readers-guide>

Applicant firms should be aware that the FCA Handbook will be amended as part of the implementation of Benchmark Regulation.

**Benchmark Documents**

A link to the BMR and amending regulations under the EU Withdrawal Act 2018: <https://www.legislation.gov.uk/eur/2016/1011/contents> and https://www.legislation.gov.uk/uksi/2019/657

A link to the RTS: <https://www.handbook.fca.org.uk/techstandards/BMR/2018/reg_del_2018_1646_oj/?view=chapter>

Throughout this form you will be asked to provide policies and procedures. Please ensure you consider Article 3 of the RTS as set out below:

1. Any policies and procedures established for fulfilling the requirements of Benchmark Regulation (the UK version of regulation (EU) 2016/1011) and described in an application shall contain or be accompanied by:

1. an indication of the identity of the person or persons responsible for the approval and maintenance of the policies and procedures.
2. a description of how compliance with the policies and procedures is monitored and the identity of the person or persons responsible for this monitoring.
3. a description of the measures to be undertaken in the event of a breach of the policies and procedures.

2. An applicant that is part of a group may comply with paragraph 1 by submitting the policies and procedures of its group, to the extent that they relate to the provision of benchmarks.

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| 1 | General Information |

Applicant firm names

For more information about the Company, Limited Liability partnership and Business Names (Sensitive Words and Expressions) Regulations 2014, see <http://www.legislation.gov.uk/uksi/2014/3140/pdfs/uksi_20143140_en.pdf> .

There is also some help on our website at: <https://www.fca.org.uk/firms/standing-data/sensitive-business-names>

 **1.1 Does the applicant firm intend to use any trading names in addition to the legal entity name given on the front of this form?**

See Annex I 1(a) of the RTS. This is important for the applicant firm’s ongoing supervision (if they are authorised) so we can track a firm's activity through any financial promotions, eg adverts. It may also help us in handling any complaints against the applicant firm.

Legal Entity Identifier (LEI)

 **1.2 Applicant firm’s LEI (if applicable)**

See Annex I 1(a) of the RTS.

A LEI is a 20 character reference code. The LEI initiative is designed to create a global reference data system that uniquely identifies every legal entity or structure, in any jurisdiction, that is party to a financial transaction.

Address

 **1.3 Registered Office or other official address**

See Annex I 1(b) of the RTS.

This should be in the Union (see Annex 1, paragraph 1(b) of the RTS, and article 34 of the BMR.

 **1.4 Does the applicant firm have a website address?**

See Annex I 1(d) of the RTS.

If the applicant firm has a website, we may look at it when processing the application for further information. If the applicant firm is developing a website please provide the name and an approximate launch date.

Legal status of the applicant firm

 **1.5 What type of firm is the applicant firm?**

See Annex I 1(c) of the RTS.

The applicant firm must fall into one of the categories listed in the question to apply for authorisation.

 **1.6 Date of incorporation or formation (dd/mm/yyyy)**

We ask for this information to understand whether there is any previous history that could affect the application. To be completed only if the firm is a legal entity. This does not apply to sole trader (natural person)

 **1.7 Where was the applicant firm incorporated or formed?**

We ask for this information to assess possible links to other jurisdictions. To be completed if the firm is a legal entity. This does not apply to sole traders (natural persons).

Please note that only an administrator “located” in the UK can apply for authorisation.

Authorisation status

 **1.8 Is the applicant firm an FCA Authorised Person?**

This does not apply to sole traders (natural persons).

 **1.9 Is the applicant firm a “supervised entity”, other than an FCA Authorised Person?**

See definition of “supervised entity” in Article 3 (1)(17) of the Regulation.

See Annex I 1(f) of the RTS.

This does not apply to sole traders (natural persons).

Legal Documents

 **1.10 You must attach the following:**

See Annex I 1(h) of the RTS.

This does not apply to sole traders (natural persons).

Group structure

 **1.11 Is the applicant firm a member of a group?**

See Annex I 1(i) of the RTS.

This does not apply to sole traders (natural persons).

The group structure chart can include a summary of information for parts of the group not involved with activities of the applicant firm.

Operations

**1.12 You must provide a description of the operations of the applicant firm in the UK, whether or not subject to financial regulation, that are relevant for the activity of provision of benchmarks.**

See Annex I 1(g) of the RTS.

Good repute

**1.13 You must confirm that the applicant firm is of good repute**

See Annex I 1(j) of the RTS.

**1.14 Please provide the following details in relation to the applicant firm:**

* **any proceedings of a disciplinary nature against it (unless dismissed)?**
* **any refusal authorisation or registration by a financial authority?**
* **any withdrawal authorisation or registration by a financial authority?**

See Annex I 1(j) of the RTS.

We request this information for the assessment of the suitability of the applicant firm.

Administering a Benchmark

**1.15 You must confirm that the applicant firm requests permission to carry on this activity.**

No additional notes.

Details of professional advisers

Some applicant firms seek professional help in completing the application (eg from a compliance consultant or lawyer). Questions 1.16 to 1.19 ask if the applicant firm has had such help, and if so, requests details of its adviser.

 **1.16 Has the applicant firm used a professional adviser to help with this application?**

No additional notes.

**1.17 Name of professional adviser's firm**

No additional notes.

**1.18 Do you want us to copy all correspondence to the professional adviser?**

Please note that while we will copy correspondence to the applicant firm's professional advisers, we will always deal directly with the applicant firm when processing the application.

 **1.19 Name and contact details of professional adviser**

You do not need to complete the question if you do not want correspondence to be copied to the professional adviser.

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|  2 | Organisational structure and governance |

Internal organisational structure

 **2.1 You must attach an organisational chart showing the internal organisational structure with respect to the board of directors, senior management committees, oversight function and any other internal body exercising significant management functions involved in the provision of the benchmarks.**

See Annex I 2(a) of the RTS.

It is not necessary to provide the full internal structure. We require the Benchmark structure from the front office up-to board level. If there is more than one governance route, please provide a structure chart.

Annex II benchmark administrators do not need to provide information in relation to the oversight function.

 2.2 You must attach the terms of reference, or provide a summary below of the terms of reference applicable to the bodies listed above.

See Annex I 2(a)(i) of the RTS.

Annex II benchmark administrators should refer to BMR Annex II (14).

 2.3 Please give details of how the applicant firm’s board of directors, senior management committees, oversight function and any other internal body exercising significant management functions are going to adhere to any governance codes or similar provisions eg industry codes.

See Annex I 2(a)(ii) of the RTS.

Annex II benchmark administrators do not need to provide information in relation to the oversight function.

 **2.4 You must attach the procedures for ensuring that the employees of the administrator and any other natural persons whose services are placed at its disposal or under its control and who are directly involved in the provision of a benchmark have the necessary skills, knowledge and experience for the duties assigned to them and operate in respect of the provisions under Article 4(7) of the Regulation.**

See Annex I 2(b) of the RTS.

This should not include any outsourced functions.

Please ensure you cover the points in RTS Article 3.

 **2.5 If you administer commodity benchmarks subject to Annex II of the Regulation, you must attach information to show how the applicant firm will comply with Annex II paragraph 9(a) of the Regulation.**

[ ] This question is only applicable if you are applying to administer an Annex II or if you operate commodity benchmarks.

 2.6 How many employees (temporary and permanent) are involved in the provision of a benchmark(s) that the applicant firm administers or will administer?

See Annex I 2(c) of the RTS.

Senior Managers functions

 2.7 For benchmark administrators, the Senior Managers Regime applies.

1. You must provide the name of the senior manager who is the most senior person responsible for the firm’s performance of its obligations under the senior managers regime.

Not applicable to benchmark administrators which are limited scope firms and which have no other permissions other than administering a benchmark as there are no prescribed responsibilities for limited scope firms (see SYSC 24.1.1(2)R).

1. You must provide the name of the senior manager who is the most senior person responsible for performance by the firm of its obligations in respect of notifications and training of the Conduct Rules;

Not applicable to benchmark administrators which are limited scope firms and which have no other permissions other than administering a benchmark as there are no prescribed responsibilities for limited scope firms (see SYSC 24.1.1(2)R).

1. You must provide the name of the senior manager who is the most senior person responsible for the firm’s policies and procedures for countering the risk that the firm might be used to further financial crime

Not applicable to benchmark administrators which are limited scope firms and which have no other permissions other than administering a benchmark as there are no prescribed responsibilities for limited scope firms (see SYSC 24.1.1(2)R).

1. If you are not a pure benchmark SMCR firm, you must provide the name of the most senior manager(s) who has responsibility for the firm’s compliance with the UK regulatory system applicable to the firm (in accordance with SYSC 24.2.1 and SYSC 24.2.6(16)).

No additional notes

1. If you are an Annex II administrator you must provide the name of the most senior manager(s) responsible for ensuring that the firm satisfactorily implements the requirements of the Regulation (in accordance with paragraph 14(a) of Annex II to the Regulation).

The senior manager with responsibility for benchmarks should be a Senior Manager Function.

Administrators who are UK SMCR firms are subject to the requirement to allocate overall responsibility for each of the activities, business areas and management functions of the firm in 26.3.1. (SYSC 25 Annex 1 (Examples of the business activities and functions of an SMCR firm) refers to administering a benchmark at paragraph 27). UK SMCR firms should include those responsibilities in the senior manager’s statement of responsibilities.

 **2.8 Who will perform the following senior managers functions in the applicant firm? Provide their names in the relevant table below.**

No additional notes

 **2.9 You must fill in a ‘Form A - Application to perform controlled functions under the senior managers regime’ (**[**https://www.fca.org.uk/publication/forms/long-form-a-solo-regulated.docx**](https://www.fca.org.uk/publication/forms/long-form-a-solo-regulated.docx) **) for each person who will be performing a Senior Manager Function that you have listed in Question 2.8 and attach it to your application in Connect (unless this is a VOP and the individual already holds a governing function for the authorised firm).**

See Annex I 2(b) of the RTS.

You may use a Short Form A (<https://www.fca.org.uk/publication/forms/short-form-a-solo-regulated.docx>) if the candidate currently holds, or has held a FCA controlled function that is a significant influence function, an FCA designated senior management function, or a PRA controlled function within another authorised firm in the last six months.

If you hold an existing SMF, and you want to change an Activity, Prescribed Responsibility or an Overall Responsibility, you need to complete a:

Notification of Significant Changes in Responsibilities of a Senior Management Function Manager (Form J) (<https://www.handbook.fca.org.uk/form/sup/SUP_10C_ann_6D_Form_J_20160307.pdf> )

For each Form J submitted you must also submit a Statement of Responsibilities

[UK RAPs Statement of Responsibilities form](https://www.handbook.fca.org.uk/form/sup/SUP_10C_ann_5D_SOR_20160307.pdf)

Please note that a Form A is not required if the individual is already a controlled function in the firm with the same role.

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| 3 | Conflicts of interest |

Please indicate in the comments boxes provided where you are complying with a requirement of a BMR Annex in addition to, or in substitution for a provision in Title II.

Annex II benchmark administrators should refer to the requirements set out in BMR Annex II (12), (13), (14) and (15) when answering the questions in Section 3.

**3.1 You must attach the policies and procedures that address:**

**3.1.1 how the current and potential conflicts of interest are or will be identified, recorded, managed, mitigated, prevented, disclosed and remedied.**

See Annex I 3(a)(i) of the RTS.

Please ensure you cover the points in RTS Article 3.

**3.1.2 the controls put in place in respect of current or potential conflicts of interest, including the controls implemented through information systems, along with any other part of the conflicts of interest management framework.**

See Annex I 3(a)(ii) of the RTS.

Please include controls implemented through information systems, along with any other part of the conflicts of interest management framework.

Please ensure you cover the points in RTS Article 3.

**3.1.3 particular circumstances which apply to the applicant or to any particular benchmark provided by the applicant, in relation to which conflicts of interest are most likely arise, including where expert judgment or discretion is exercised in the benchmark’s determination process, where the applicant is within the same group as a user of a benchmark and where the applicant is a participant in the market or economic reality that the benchmark intends to measure.**

See Annex I 3(a)(ii) of the RTS.

Where a Benchmark Administrator has a benchmark which includes expert judgment or discretion and the Benchmark is used by either the applicant firm or other entities within the group the applicant firm must have separate conflicts of interest procedures to cover these.

Please ensure you cover the points in RTS Article 3.

**3.2 If the applicant firm administers a critical benchmark you must attach an up-to-date inventory of actual, potential and material conflicts of interest along with the respective mitigation measures.**

See Annex I 3(b) of the RTS.

**3.3 If the applicant firm does not administer a critical benchmark you must attach a list of any material conflicts of interests identified, along with the respective mitigation measures for the benchmark or a family of benchmarks?**

See Annex I 3(b) of the RTS.

**3.4 You must provide details of the structure of the remuneration policy, specifying the criteria used to determine the remuneration of the persons involved directly or indirectly in the activity of provision of benchmarks.**

See Annex I 3(c) of the RTS.

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| 4 | Internal control structure, oversight and accountability framework |

 **4.1 If the applicant firm is a critical benchmark administrator, you must complete and attach a Detailed IT Controls Form.**

This will be provided on Connect.

 **4.2 You must attach policies and procedures for monitoring the activities of the provision of a benchmark or a family of benchmarks, including those relating to:**

Annex II Benchmark Administrators should refer to BMR Annex II (6),(7),(8),(9),(10),(11),(16),(17).

If you administer an Annex I benchmark or an Annex II benchmark, your responses to the questions should reflect where you are complying with a requirement of Annex I or II instead of a provision in Title II.

 **4.2.1 and 4.2.2**

See Annex I 4(a)(i) and 4(a)(ii) of the RTS.

Please ensure you cover the points in RTS Article 3.

As a guide your answer should include the following points as relevant:

* the physical security over the computers.
* The logical access controls for accessing the benchmark application (user ids, passwords and their issuance and monitoring).
* How will any changes be controlled in the application or system implementation, this may include data and hardware. You should detail the processes to follow including documentation, the authorisation and verification processes.
* What procedures will be taken to address a business continuity and disaster recovery situation, ie the Business Continuity Plan or the Disaster Recovery Plan.
* The procedures in place to operate the computer and application to produce the benchmark(s).

**4.2.3 the constitution, role and functioning of the oversight function, as described in Article 5 of the Regulation and further specified in the Commission Delegated Regulation (EU) 2018/1637 on procedures and characteristics of the oversight function**[[1]](#footnote-2)**, including procedures for the appointment substitution or removal of individuals within the oversight function.**

See Annex I 4(a)(iii) of the RTS.

Please ensure you cover the points in RTS Article 3.

Interest rate benchmark administrators should refer to BMR Annex 1 (3).

Annex II benchmark administrators do not need to answer this question.

 **4.2.4 the constitution, role and functioning of the control framework, as described in Article 6 of the Regulation, including procedures of the appointment, substitution or removal of individuals responsible for this framework.**

See Annex I 4(a)(iv) of the RTS.

Please ensure you cover the points in RTS Article 3.

Annex II benchmark administrators should refer to BMR Annex II (9)(b),(c) and (d).

 **4.2.5 the accountability framework as described in Article 7 of the Regulation, including procedures for the appointment, substitution or removal of individuals who are responsible for this framework.**

See Annex I 4(a)(v) of the RTS.

Please ensure you cover the points in RTS Article 3.

Annex II benchmark administrators should refer to BMR Annex II (9)(b),(c) and (d).

Annex I interest rate benchmark administrators should comply with Article 7 in addition to Annex I (4).

 **4.3 You must attach a copy of the policies and procedures of the fall-back systems and arrangements for determining and publishing a benchmark on a temporary basis.**

See Annex I 4(b) of the RTS.

This should include Business Continuity Procedures and contingency.

Please ensure you cover the points in RTS Article 3.

Annex II benchmark administrators should refer to BMR Annex II (9)(b),(c) and (d).

 **4.4 You must attach a copy of the policies and procedures for the internal reporting of infringements of the Regulation by managers, employees and any other natural persons who services are placed at the applicant’s disposal or under the control of the applicant.**

See Annex I 4(c) of the RTS.

Please ensure you cover the points in RTS Article 3.

Annex II benchmark administrators should refer to BMR Annex II (8)(d), and 9(d).

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| 5 | Description of benchmarks provided |

 **5.1 How many benchmarks or families of benchmarks will the applicant firm provide at the point of authorisation?**

See Annex I 1(k) of the RTS.

 **5.2 You must provide a description of each benchmark or family of benchmarks provided or that the applicant is intending to provide, including:**

 **i) an indication of the type of benchmark, (the indication should be provided to the best of the applicant’s knowledge, taking into the account the provisions of the Regulation.**

 **iii) an indication of the sources used to determine the type of the benchmark**

See Annex I 5(a) of the RTS.

This description should include high level information detailing the types of Benchmarks the applicant firm provides or intends to provides and the sources used. This should not be a Benchmark by Benchmark description.

 **5.3 You must provide a description of the underlying market or economic reality that the benchmark or family of benchmarks is intended to measure, along with an indication of the sources used to provide this description.**

See Annex I 5(b) of the RTS.

This only needs to be a high level description of the market or economic reality.

 **5.4 You must provide a description of contributors (where applicable) to the benchmark or family of benchmarks along with the code of conduct as described in Article 15 of the Regulation and for critical benchmarks, the identity of contributors (ie name and location) should also be included.**

See Annex I 5(c) of the RTS.

The identity of individual contributors is only required for critical benchmarks. The identity should include the name and the address.

 **5.5 You must provide information on measures to deal with corrections to the determination or publication of a benchmark or family of benchmarks?**

See Annex I 5(d) of the RTS.

These could include re-fix policies or error policies.

 **5.6 You must provide information on the procedure to be undertaken by the administrator in the event of changes to or the cessation of a benchmark or a family of benchmarks in compliance with Article 28(1) of the Regulation.**

See Annex I 5(e) of the RTS.

Schedule of benchmarks

 **5.7 You must complete and attach to your application on Connect the Schedule of benchmarks**

Notes can be found in the Schedule of benchmarks under the ‘Guidance Notes’ tab, see <https://www.fca.org.uk/publication/forms/benchmark-schedule-form.xlsx>.

Exemptions

 **5.8 Is the applicant firm applying any exemptions at this stage?**

You will find notes in the Schedule of benchmarks under the ‘Guidance Notes’ tab.

Please refer to Article 25 and 26 of the Benchmark Regulation (the UK version of Regulation (EU) No. 2016/1011). Exemptions do not apply to Annex I benchmarks, Annex II benchmarks, critical or single regulated data benchmarks. They apply only to the provision of an contribution to, regulated data benchmarks that are used directly or indirectly within a combination of benchmarks.

For any Annex II benchmark administrators or Annex I interest rate benchmarks administrators you are unable to apply for any exemptions.

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| 6 | Input data and methodology |

Input Data

 **6.1 For each benchmark or family of benchmarks, you must attach policies and procedures with respect to input data including those relating to:**

 **6.1.1 the type of input data used, their priority of use and any exercise of discretion or expert judgment.**

See Annex I 6(a)(i) of the RTS.

An applicant may submit for any non-significant benchmark it provides the information required in the form of a summary (see RTS Article 2(1)).

Please ensure you cover the points in RTS Article 3.

Annex II benchmark administrators should refer to BMR Annex II (1) and (6)Interest rate benchmark administrators must comply with Annex I (1).

 **6.1.2 any processes for ensuring that input data is sufficient, appropriate and verifiable.**

See Annex I 6(a)(ii) of the RTS.

An applicant may submit for any non-significant benchmark it provides the information required in the form of a summary (see RTS Article 2(1)).

Please ensure you cover the points in RTS Article 3.

Annex II benchmark administrators should refer to BMR Annex II (6c).

 **6.1.3 the criteria that determine who may contribute input data to the administrator and the selection process of the contributors.**

See Annex I 6(a)(iii) of the RTS.

An applicant may submit for any non-significant benchmark it provides the information required in the form of a summary (see RTS Article 2(1)).

Please ensure you cover the points in RTS Article 3.

Annex II benchmark administrators should refer to BMR Annex II (8).

 **6.1.4 the evaluation of the contributor’s input data and the process of validating input data.**

See Annex I 6(a)(iv) of the RTS.

An applicant may submit for any non-significant benchmark it provides the information required in the form of a summary (see RTS Article 2(1)).

Please ensure you cover the points in RTS Article 3.

Annex II benchmark administrators should refer to BMR Annex II (6c)(6d) and (8c).

Methodology

 **6.2 For each benchmark or family of benchmarks you must provide a description of the methodology highlighting the key elements of the methodology in accordance with Article 13 of the Regulation and further specified in the Commission Delegated Regulation (EU) 2018/1641 specifying the information to be provided on the key elements of the methodology, the details of the internal review and the approval of a methodology and the procedures for consulting on any proposed material change in the benchmark administrator's methodology** [[2]](#footnote-3)**.**

An applicant may submit for any non-significant benchmark it provides the information required in the form of a summary (see RTS Article 2(1)).

Annex II benchmark administrators should refer to BMR Annex II (1) and (2).

 **6.3 You must attach the policies and procedures with respect to the methodology including those relating to:**

 **6.3.1 the measures taken to provide validation and review of the methodology, including any trials or back-testing performed.**

See Annex I 6(b)(ii)(1) of the RTS.

An applicant may submit for any non-significant benchmark it provides the information required in the form of a summary (see RTS Article 2(1)).

Please ensure you cover the points in RTS Article 3.

Annex II benchmark administrators should refer to BMR Annex II (3b), (3c), (4) and (5).

 **6.3.2 the consultation process on any proposed material change in the methodology.**

See Annex I 6(b)(ii)(2) of the RTS.

Please ensure you cover the points in RTS Article 3.

Annex II benchmark administrators should refer to BMR Annex II (4) and (5).

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| 7 | Outsourcing |

**7.1 Are any activities forming a part of the process of administering a benchmark or family of benchmarks outsourced?**

No additional notes.

 **7.2 You must provide details of the outsourcing arrangements.**

See Annex I 7(a) of the RTS.

 **7.3 You must provide details of the outsourced functions (unless this information is already included in the relevant contracts).**

See Annex I 7(b) of the RTS.

 **7.4 You must attach the policies and procedures regarding the oversight of the outsourced activities.**

See Annex I 7(c) of the RTS.

Please ensure you cover the points in RTS Article 3.

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| 8 | Additional information |

 **8.1 Is the applicant firm an Annex II benchmark administrator?**

No additional notes.

Surveillance

 **8.2 You must describe the surveillance procedures and processes that the applicant firm uses in order to ensure the integrity of the benchmark. Please provide any supporting documentation.**

We appreciate that different types of both firms and benchmarks will need to have differing levels of monitoring and compliance oversight functions. Please describe how the surveillance function that you have ensures that there is adequate monitoring of participant behaviours, in order to ensure that the benchmark is not susceptible to manipulated.

Annex II benchmarks administrators should refer to Annex II (6)(d) and (f).

 **8.3 You must provide details of any analysis that you may have undertaken that demonstrates how you have mitigated the potential market abuse risks that your benchmark could be susceptible to.**

Please show which abuse types you believe your benchmark could be vulnerable to, and what measures you have taken to ensure the integrity of the benchmark.

See 4(a)(ii) of the RTS.

 **8.4 You must attach an organogram of the surveillance function.**

Please provide an organisational chart for the department that are responsible for the surveillance and monitoring oversight of the benchmark. Please show the reporting lines to senior management and provide details of how the members of the department have the appropriate knowledge and experience to ensure the integrity of the benchmark.

 **8.5 You must provide details of the escalation procedures that you have in place for reporting suspected market abuse, both internally to senior management and externally to the regulator.**

Please provide information that describes the processes should a member of the surveillance or monitoring department suspect market abuse. Please provide details of how a case of suspected market abuse would be managed and either reported to the FCA or recorded as a near miss.

 **8.6 You must provide details of any other market surveillance or monitoring processes that are appropriate to your application.**

For example, this could be details of any interactions that you have with participants that you may consider to be pertinent to the application.

 **8.7 You must confirm that the applicant firm has established and employed procedures to identify anomalous or suspicious transaction data and keep records of decisions to exclude transaction data from the administrator’s benchmark calculation process.**

Refer to Annex II BMR 6(d).

Financial resources

This section asks how the applicant firm will meet its financial resources/capital resources requirement.

 **8.8 Is the applicant firm a critical benchmark administrator?**

No additional notes.

Financial resources

 **8.9 What type of firm is the applicant firm?**

No additional notes.

Limited Company

 **8.10 You must state the amounts of the different sources of the applicant firm's capital**

We need to know the sources of the capital in the applicant firm and how these amounts are made up. Capital is the money or assets in your business. The different types are described briefly below.

* Fully paid-up ordinary shares: These are ordinary shares that the applicant firm has been paid for in full. Ordinary shares are the most common type of share. They carry full voting and dividend rights and their owners are the owners of the company.
* Share premium account: This is a reserve of money set up in the applicant firm's accounts to account for the issue of new shares above their par value. ie if you issue some shares at £1 each, and you keep some back which you then sell at £1.50 each, you put the extra 50p into the share premium account.
* Preference shares: These are shares that pay a fixed dividend. Holders of preference shares receive their dividend before holders of ordinary shares. For our defined term, please see the Handbook Glossary entry for preference share at: <https://www.handbook.fca.org.uk/handbook/glossary/G1587.html> .
* Audited reserves: These are past earnings that the applicant firm has retained, as verified by its auditors. For firms not required to appoint an auditor for their accounts under the Companies Act 1985, these will be unaudited.
* Verified interim net profits: These are the net profits made after the applicant firm's last annual financial statement, as verified by its auditor. For firms not required to appoint an auditor, under the Companies Act 1985, these will be interim profits which have not been verified by an auditor.
* Revaluation reserves: These are reserves kept to allow for the depreciation of any assets.
* Subordinated loans: These are loans that rank below other unsubordinated debt in the queue for repayment if the applicant firm is wound up. They can only count as part of its capital if they satisfy the conditions laid out in the relevant prudential rules in our Handbook (such as in GENPRU 2.2 or in IPRU (INV)). We require more details about subordinated loans in Question 8.17.

Where assets are included in the applicant firm's financial resources and they are subject to depreciation, you should take this into account when calculating the value of those assets.

 **8.11 You must attach the following:**

Companies House Form SH01 specifies how the applicant firm's shares are allotted.

Sole trader

 **8.12 You must attach the following:**

You need to send us a statement of your personal assets and liabilities, together with a statement of your business assets and liabilities. The statement of assets and liabilities should detail all assets (ie anything with a positive value including money, property and investments) and all liabilities (anything with a negative value) (see below).

Where assets are included in the applicant firm's financial resources and they are subject to depreciation, you should take this into account when calculating the value of those assets.

Partnership

 **8.13 You must attach the following:**

You need to send us a statement of personal assets and liabilities for each partner. You also need to send us a statement of business assets and liabilities for each partner. The statement of assets and liabilities should detail all assets (ie anything with a positive value including money, property and investments) and all liabilities (anything with a negative value) (see below).

Where assets are included in the applicant firm's financial resources and they are subject to depreciation, you should take this into account when calculating the value of those assets.

Statements of assets and liabilities – for completion by partnerships and sole traders

Before completing the statement of personal assets and liabilities or the statement of business assets and liabilities please note:

* Only include your share of any assets and liabilities that are jointly owned by another party, such as your wife/husband.
* Current market value (not the price paid or nominal value) of quoted investments – only include readily realisable securities, unit trusts and other packaged products.
* Where applicable current market value (eg property) should be estimated.
* Guarantees – include the maximum liability of a personal guarantee given to a third party.

**STATEMENT OF PERSONAL ASSETS AND LIABILITIES**

|  |  |
| --- | --- |
| For  |  (full personal name) |
|  |
| as at \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  |  (date) |
|  |  |  |  |
| **Assets** |  | **Liabilities** |  |
|  |  |  |  |
| House | \_\_\_\_\_\_\_ | Mortgage(s) | \_\_\_\_\_\_\_ |
|  |  |  |  |
| Other real property | \_\_\_\_\_\_\_ | Loan(s) | \_\_\_\_\_\_\_ |
|  |  |  |  |
| Contents | \_\_\_\_\_\_\_ |  | \_\_\_\_\_\_\_ |
|  |  |  |  |
| Motor vehicles | \_\_\_\_\_\_\_ |  | \_\_\_\_\_\_\_ |
|  |  |  |  |
| Investments (specify) | \_\_\_\_\_\_\_ |  | \_\_\_\_\_\_\_ |
|  |  |  |  |
| Bank balance(s) | \_\_\_\_\_\_\_ | Overdraft(s) | \_\_\_\_\_\_\_ |
|  |  |  |  |
| Cash deposits | \_\_\_\_\_\_\_ | Credit card balance(s) | \_\_\_\_\_\_\_ |
|  |  |  |  |
| Other assets (specify) | \_\_\_\_\_\_\_ | Other liabilities (specify) | \_\_\_\_\_\_\_ |
|  |  |  |  |
|  |  |  |  |
| **TOTAL** | **=======** | **TOTAL** | ======= |
|  |  |  |  |
|  |  | Guarantees (specify) | \_\_\_\_\_\_\_ |
|  |  |  |  |
|  |  | **TOTAL** | **=======** |
| Signed  |  |  |  |
|  |  |  |  |
| Date  |  |  |  |

**STATEMENT OF BUSINESS ASSETS AND LIABILITIES**

|  |  |
| --- | --- |
| For |  (full trading name) |
|  |
| as at  |  (date) |
|  |  |  |  |
| **Assets** |  | **Liabilities** |  |
|  |  |  |  |
| Bank/cash deposits | \_\_\_\_\_\_\_\_\_\_ | Taxation | \_\_\_\_\_\_\_\_\_\_\_ |
|  |  |  |  |
| Commission due within 90 days | \_\_\_\_\_\_\_\_\_\_ | Credit cards | \_\_\_\_\_\_\_\_\_\_\_ |
|  |  |  |  |
| Other investments | \_\_\_\_\_\_\_\_\_\_ | Bank overdraft balance | \_\_\_\_\_\_\_\_\_\_\_ |
|  |  |  |  |
| Property | \_\_\_\_\_\_\_\_\_\_ | Indemnity commission | \_\_\_\_\_\_\_\_\_\_\_ |
|  |  |  |  |
| Motor vehicles | \_\_\_\_\_\_\_\_\_\_ | Unsecured loans | \_\_\_\_\_\_\_\_\_\_\_ |
|  |  |  |  |
| Office equipment | \_\_\_\_\_\_\_\_\_\_ | Hire purchase/secured loans | \_\_\_\_\_\_\_\_\_\_\_ |
|  |  |  |  |
|  | \_\_\_\_\_\_\_\_\_\_ | Other liabilities (please specify) | \_\_\_\_\_\_\_\_\_\_\_ |
|  |  |  |  |
| Other assets (specify) | \_\_\_\_\_\_\_\_\_\_ | Mortgage | \_\_\_\_\_\_\_\_\_\_\_ |
|  |  | Contingent liabilities | \_\_\_\_\_\_\_\_\_\_\_ |
|  |  | Guarantees | \_\_\_\_\_\_\_\_\_\_\_ |
|  |  |  |  |
| **TOTAL** | **=========** | **TOTAL** | ========== |
|  |  |  |  |
| Goodwill | \_\_\_\_\_\_\_\_\_\_ | Bank overdraft limit | \_\_\_\_\_\_\_\_\_\_\_ |
|  |  |  |  |
|  |  | **TOTAL** | **==========** |
| Signed |  |  |  |
| Date |  |  |  |

Limited Liability Partnership

 **8.14 You must state the amounts of the different sources of the applicant firm's capital**

An LLP is a vehicle incorporated under the Limited Liability Partnership Act 2000, which limits the liability of each of the partners to their respective capital contributions.

You must tell us how the capital in the partnership is sourced. Capital is the money or property or other assets owned in by the business. The different types of sources are described below:

* Members' capital agreement. This is the legal agreement between the members of the LLP, showing the make-up and value of the capital that they have invested in the LLP.
* Members' reserves. These are the past earnings of the applicant firm that have been retained by it on its balance sheet.
* Subordinated loan. These are loans that rank below other unsubordinated debt in the queue for repayment if the applicant firm is wound up. They can only count as part of your capital if they satisfy the conditions laid down in the relevant prudential rules in our Handbook. (We require more details about subordinated loans in Question 3.13.

Where assets are included in the applicant's financial resources and they are subject to depreciation, this should be taken into account when calculating the value of those assets.

 **8.15 You must attach the following:**

A copy of the members' capital agreement with this form. For an example of a members’ capital agreement, please see the next page.

Members’ Capital Agreement

XYZ LLP

**EXAMPLE OF A MEMBERS' CAPITAL AGREEMENT**

* **IPRU (INV) sets out the financial resources requirements.**
* **XYZ LLP will meet these requirements as the Members of the LLP will transfer into the LLP the following assets as long-term capital:**

 **£**

**Cash**

**Other assets (list)**

 **……….**

 **TOTAL INITIAL CAPITAL**

 **……….**

* **We confirm that this initial capital is intended as long-term capital (ie not to be withdrawn within two years).**
* **We also confirm that the value of the other assets (listed above) is not less than the market value of those assets.**

**Signed by the Members:**

**………………………………………**

**………………………………………**

**………………………………………**

**………………………………………**

**Date …………………………**

Other applicant firms

 **8.16 You must provide details of the applicant firm's constitution and the different sources of the applicant firm's capital.**

You must tell us how the capital in the applicant firm is sourced. Capital is the money, property or other assets in your business.

Subordinated loans

**8.17 Does the applicant firm have any subordinated loans?**

A subordinated loan is a loan that ranks below other unsubordinated debt in the queue for repayment should the applicant firm be wound up.

The financial resources requirements permit certain types of borrowings or facilities to be treated as part of a firm's capital resources. The most common example is that of a subordinated loan.

For subordinated loan agreement forms see IPRU (INV) Annex D Requirement Forms – Chapter 3.

Other funding

 **8.18 Does the applicant firm have other external funding?**

Examples of external finance would include a business loan.

Other documents

 **8.19 All critical benchmark administrators must provide the following:**

No additional notes.

 **8.20 Is the applicant firm currently trading?**

No additional notes.

Any additional information

 **8.21 Please provide details of any other information the applicant considers relevant to your application**

Annex II benchmark administrators should refer to BMR Annex II (18).

 **8.22 If you have not provided any of the requested information in this form, please specify which information you have not supplied and explain why you have not provided that information.**

See RTS Article 1(3).

|  |  |
| --- | --- |
|  9 | Fees and levies |

If you need further help with completing Section 9, please contact the FCA Customer Contact Centre on 0300 500 0597.

If we authorise the applicant firm to administer one or more [regulated](https://www.handbook.fca.org.uk/handbook/glossary/G3020.html) benchmarks then it will be allocated to FCA fee blocks B:

The fee for this fee block is based on tariff data submitted within this supplement. We use your answers to calculate the applicant firm's invoice for the first fee period and may also use them for the following fee period. Please ensure the data you submit is accurate as we will only accept changes to the data provided here in exceptional cases; for instance where the business plan has been revised.

When reporting monetary fee tariff data, firms should provide a projected valuation, covering the first 12 months from the date of authorisation (measured according to the relevant tariff base(s)). Monetary figures should be denominated in **GB pounds**. Please do not leave any section blank, if relevant enter **Nil**. FEES 4 Annex 1A of the Handbook has detailed notes on the fee blocks and tariff bases and this is located at: <https://www.handbook.fca.org.uk/handbook/FEES/4/Annex1A.html>

All authorised firms pay a minimum fee to cover the annual costs of being regulated. Where a firm’s business in any fee-block exceeds the amount covered by the minimum fee, the firm will be subject to an additional fee.
If you need further help with completing Section 9, please contact the FCA Customer Contact Centre on 0300 500 0597.

FCA fees

 9.1 Fee block B – Benchmark Administrators

**How much annual income does the applicant firm estimate for the first year of authorisation in relation to the regulated activity of administering a benchmark?**

A benchmark administrator should report the income relating specifically to the activity of administering a regulated benchmark, excluding income from any other activities in the B fee-block on which they pay FCA fees, but including the relevant income from any separate legal entity which undertakes the sales and marketing of its benchmark/s.

See our handbook FEES4 annex 11A for the definition of annual income and annex 13 for guidance.

<https://www.handbook.fca.org.uk/handbook/FEES/4/Annex11A.html>

<https://www.handbook.fca.org.uk/handbook/FEES/4/Annex13.html>

Declaration of ongoing FCA fees liability

**9.2 You must confirm that the applicant firm understands that it is liable and remains liable to pay fees until such time as the FCA cancels its permission. This is irrespective of whether it is trading, or even if it has notified us of intention to cease trading or submitted an application to cancel.**

No additional notes.

1. Set out in the technical standards under the Benchmarks Regulations [↑](#footnote-ref-2)
2. Set out in thetechnical standards under the Benchmarks Regulation [↑](#footnote-ref-3)