

## **REGULATION 25-102 RESPECTING DESIGNATED BENCHMARKS AND BENCHMARK ADMINISTRATORS**

Securities Act

(chapter V-1.1, s. 331.1, par. (9.2.1), (9.3), (9.5) and (9.6), and s. 331.2)

*A text box in this Regulation located below subsection 1(5) refers to terms defined in securities legislation. This text box does not form part of this Regulation.*

### **PART 1 DEFINITIONS AND INTERPRETATION**

#### **Definitions and interpretation**

**1. (1) In this Regulation**

“benchmark individual” means any DBA individual who participates in the provision of, or overseeing the provision of, a designated benchmark;

“board of directors” means, in the case of a person that does not have a board of directors, a group that acts in a capacity similar to a board of directors;

“contributing individual” means an individual who contributes input data for a benchmark contributor;

“CSAE 3000” means Canadian Standard on Assurance Engagements 3000 *Attestation Engagements Other than Audits or Review of Historical Financial Information*, as amended from time to time;

“CSAE 3001” means Canadian Standard on Assurance Engagements 3531 *Direct Engagements*, as amended from time to time;

“CSAE 3530” means Canadian Standard on Assurance Engagements 3530 *Attestation Engagements to Report on Compliance*, as amended from time to time;

“CSAE 3531” means Canadian Standard on Assurance Engagements 3531 *Direct Engagements to Report on Compliance*, as amended from time to time;

“DBA individual” means an individual who is

(a) a director, officer or employee of a designated benchmark administrator,  
or

(b) an agent who provides services directly to the designated benchmark administrator;

“designated benchmark” means a benchmark that is designated by an order or a decision of the regulator, except in Québec, or securities regulatory authority;

“designated benchmark administrator” means a benchmark administrator that is designated by an order or a decision of the regulator, except in Québec, or securities regulatory authority;

“designated critical benchmark” means a benchmark that is designated as a “critical benchmark” by an order or a decision of the regulator, except in Québec, or securities regulatory authority;

“designated interest rate benchmark” means a benchmark that is designated as an “interest rate benchmark” by an order or a decision of the regulator, except in Québec, or

securities regulatory authority;

“designated regulated-data benchmark” means a benchmark that is designated as a “regulated-data benchmark” by an order or a decision of the regulator, except in Québec, or securities regulatory authority;

“expert judgment” means the discretion exercised by

(a) a designated benchmark administrator with respect to the use of input data in determining a benchmark, and

(b) a benchmark contributor with respect to the contribution of input data;

“input data” means the data in respect of the value or price of one or more underlying assets, interests or elements that is used by a designated benchmark administrator to determine a designated benchmark;

“limited assurance report on compliance” means

(a) a public accountant’s limited assurance report on management’s statement that a person complied with specified requirements prepared in accordance with CSAE 3000 and CSAE 3530, or

(b) a public accountant’s limited assurance report on the compliance of a person with specified requirements prepared in accordance with CSAE 3001 and CSAE 3531;

“management’s statement” means, as applicable, a statement of management of a designated benchmark administrator or a benchmark contributor;

“methodology” means a document specifying how a designated benchmark administrator determines a designated benchmark;

“reasonable assurance report on compliance” means

(a) a public accountant’s reasonable assurance report on management’s statement that a person complied with specified requirements prepared in accordance with CSAE 3000 and CSAE 3530, or

(b) a public accountant’s reasonable assurance report on the compliance of a person with specified requirements prepared in accordance with CSAE 3001 and CSAE 3531;

“specified requirements” means, as applicable, the requirements referred to in

(a) subparagraphs 24(2)(g)(i) and (ii),

(b) paragraphs 33(1)(a), (b), and (c),

(c) paragraphs 34(1)(a), (b) and (c),

(d) paragraphs 37(1)(a) and (b),

(e) paragraphs 38(1)(a) and (b), and

(f) paragraphs 39(1)(a), (b) and (c);

“transaction data” means the data in respect of a price, rate, index or value representing transactions between unaffiliated counterparties in an active market subject to competitive supply and demand forces.

(2) Terms defined in Regulation 21-101 respecting Marketplace Operation

(chapter V-1.1, r. 5) and used in this Regulation have the respective meanings ascribed to them in that Regulation.

(3) For the purposes of this Regulation

(a) input data is considered to have been contributed if

(i) it is not reasonably available to

(A) the designated benchmark administrator, or

(B) another person for the purpose of providing the input data to the designated benchmark administrator, and

(ii) is provided to the designated benchmark administrator or the other person referred to in subparagraph (i)(B) for the purpose of determining a benchmark, and

(b) the provision of a designated benchmark is considered to occur through one or more of the following means:

(i) the administration of the arrangements for determining the benchmark;

(ii) the collection, analysis or processing of input data for the purposes of determining the benchmark;

(iii) determining the benchmark through the application of a formula or other method of calculation or by an assessment of input data.

(4) For the purposes of this Regulation, the definitions in Appendix A apply.

(5) Subsection (4) does not apply in •.

*Note: In • [Note: At the time of the final regulation, we plan to insert a list of jurisdictions that have included the defined terms in Appendix A in their securities legislation], the terms in Appendix A are defined in securities legislation.*

(6) In this Regulation, a person is considered to be an affiliated entity of another person if either of the following apply:

(a) one of them is the subsidiary of the other;

(b) each of them is controlled by the same person.

(7) For the purposes of paragraph (6)(b), a person (first person) is considered to control another person (second person) if any of the following apply:

(a) the first person beneficially owns, or controls or directs, directly or indirectly, securities of the second person carrying votes which, if exercised, would entitle the first person to elect a majority of the directors of the second person, unless that first person holds the voting securities only to secure an obligation;

(b) the second person is a partnership, other than a limited partnership, and the first person holds more than 50% of the interests of the partnership;

(c) the second person is a limited partnership and the general partner of the limited partnership is the first person.

**PART 2**  
**DELIVERY REQUIREMENTS**

**Information on a designated benchmark administrator**

2. (1) In this section, the following terms have the same meaning as in subsection 1.1 of Regulation 52-107 respecting Acceptable Accounting Principles and Auditing Standards (chapter V-1.1, r. 25):

- (a) “accounting principles”;
- (b) “auditing standards”;
- (c) “U.S. GAAP”;
- (d) “U.S. PCAOB GAAS”.

(2) In this section, “parent issuer” means an issuer of which a designated benchmark administrator is a subsidiary.

(3) A designated benchmark administrator must deliver to the regulator, except in Québec, or securities regulatory authority

(a) information that a reasonable person would conclude fully describes its organization and structure and its administration of benchmarks, including, but not limited to, its policies and procedures required under this Regulation, its conflicts of interest, its outsourced service providers referred to in section 14, its benchmark individuals, the officer referred to in section 7 and its revenue, and

(b) annual financial statements for its most recently completed financial year that include:

(i) a statement of comprehensive income, a statement of changes in equity, and a statement of cash flows for

(A) the most recently completed financial year, and

(B) the financial year immediately preceding the most recently completed financial year, if any;

(ii) a statement of financial position at the end of each of the periods referred to in subparagraph (i);

(iii) notes to the annual financial statements.

(4) For purposes of paragraph (3)(b), if the designated benchmark administrator is a subsidiary of a parent issuer, the designated benchmark administrator may instead deliver consolidated annual financial statements for the most recently completed financial year of the parent issuer that include all of the following:

(a) a statement of comprehensive income, a statement of changes in equity, and a statement of cash flows for

(i) the most recently completed financial year, and

(ii) the financial year immediately preceding the most recently completed financial year, if any;

(b) a statement of financial position at the end of each of the periods referred to in paragraph (a);

(c) notes to the annual financial statements.

(5) The annual financial statements delivered under paragraph (3)(b) or subsection (4) must be audited.

(6) The notes to the annual financial statements delivered under paragraph (3)(b) or subsection (4) must identify the accounting principles used to prepare the annual financial statements.

(7) The annual financial statements delivered under paragraph (3)(b) or subsection (4) must

(a) be prepared in accordance with one of the following accounting principles:

(i) Canadian GAAP applicable to publicly accountable enterprises;

(ii) Canadian GAAP applicable to private enterprises, if

(A) the financial statements consolidate any subsidiaries and account for significantly influenced investees and joint ventures using the equity method, and

(B) the designated benchmark administrator or parent issuer, as applicable, is a “private enterprise” as defined in the Handbook;

(iii) IFRS;

(iv) U.S. GAAP,

(b) be audited in accordance with one of the following auditing standards:

(i) Canadian GAAS;

(ii) International Standards on Auditing;

(iii) U.S. PCAOB GAAS, and

(c) be accompanied by an auditor’s report that:

(i) if subparagraph (b)(i) or (ii) applies, expresses an unmodified opinion;

(ii) if subparagraph (b)(iii) applies, expresses an unqualified opinion;

(iii) identifies the auditing standards used to conduct the audit.

(8) The information required under subsection (3) must be provided for the periods set out in, and in accordance with, Form 25-102F1 and delivered

(a) initially, within 30 days after the designation unless previously provided, and

(b) subsequently, no later than 90 days after the end of each completed financial year of the designated benchmark administrator.

(9) If any of the information delivered by a designated benchmark administrator under paragraph (3)(a) becomes significantly inaccurate, the designated benchmark administrator must promptly deliver a completed amended Form 25-102F1 with updated information.

### **Information on a designated benchmark**

3. (1) A designated benchmark administrator must, for each designated

benchmark that it administers, deliver to the regulator, except in Québec, or securities regulatory authority

(a) information about the provision and distribution of the designated benchmark, including, but not limited to, its procedures, methodologies and distribution model, and

(b) any code of conduct for the relevant benchmark contributors.

(2) The information required under subsection (1) must be provided for the periods set out in, and in accordance with, Form 25-102F2 and delivered

(a) initially, within 30 days of the designation unless previously provided, and

(b) subsequently, no later than 90 days after the end of each completed financial year of the designated benchmark administrator.

(3) If any of the information in a Form 25-102F2 delivered by a designated benchmark administrator in respect of a designated benchmark it administers becomes significantly inaccurate, the designated benchmark administrator must promptly deliver a completed amended Form 25-102F2 Designated Benchmark Annual Form in respect of the designated benchmark with updated information.

#### **Submission to jurisdiction and appointment of agent for service of process**

4. (1) A designated benchmark administrator must, if the benchmark administrator is incorporated or organized under the laws of a foreign jurisdiction or does not have an office in Canada, submit to the non-exclusive jurisdiction of tribunals in the applicable jurisdictions of Canada and appoint an agent for service of process in Canada.

(2) The submission to jurisdiction and appointment required under subsection (1) must, unless previously provided, be provided in accordance with Form 25-102F3 and delivered within 30 days after the designation.

(3) A designated benchmark administrator must deliver an amended Form 25-102F3 with updated information at least 30 days before the earlier of

(a) the termination date of the Form, and

(b) the effective date of any amendments to the Form.

(4) Subsection (3) applies until the date that is 6 years after the date on which the designated benchmark administrator ceased to be designated in the jurisdiction.

### **PART 3 GOVERNANCE**

#### **Board of directors**

5. (1) A designated benchmark administrator must not distribute information relating to a designated benchmark unless the designated benchmark administrator has a board of directors.

(2) For the purposes of subsection (1), the board of directors of a designated benchmark administrator must not have fewer than 3 members.

(3) For the purposes of subsection (1), at least one-half of the members of the designated benchmark administrator's board of directors must be independent of the designated benchmark administrator and any affiliated entity of the designated benchmark administrator.

(4) For the purposes of subsection (3), a director of the board of directors of a

designated benchmark administrator is not independent if any of the following apply:

(a) other than as compensation for acting as a member of the board of directors or a board committee, the director accepts any consulting, advisory or other compensatory fee from the designated benchmark administrator or any affiliated entity of the designated benchmark administrator;

(b) the director is a DBA individual or an employee or agent of any affiliated entity of the designated benchmark administrator;

(c) the director has served on the board of directors for more than 5 years in total;

(d) the director has a relationship with the designated benchmark administrator that may, in the opinion of the board of directors, be reasonably expected to interfere with the exercise of the director's independent judgment.

(5) For the purposes of paragraph (4)(d), in forming its opinion, the board of directors is not required to conclude that a member of a board of directors is not independent solely on the basis that the member is, or was, a benchmark user of a designated benchmark administered by the designated benchmark administrator.

### **Accountability framework requirements**

6. (1) In this section, "accountability framework" means the policies and procedures referred to in subsection (2).

(2) A designated benchmark administrator must establish, document, maintain and apply policies and procedures that are reasonably designed to

(a) ensure and evidence compliance with this Regulation, and

(b) ensure and evidence that the designated benchmark administrator follows the methodology for each designated benchmark it administers.

(3) The accountability framework must specify how the designated benchmark administrator complies with each of the following:

(a) the record-keeping requirements in this Regulation;

(b) the requirements in this Regulation relating to internal review or audit, or a public accountant's limited assurance report on compliance or reasonable assurance report on compliance;

(c) the complaint handling procedures in this Regulation.

### **Compliance officer**

7. (1) A designated benchmark administrator must designate an officer that monitors and assesses compliance by the designated benchmark administrator and its DBA individuals with securities legislation in relation to benchmarks.

(2) A designated benchmark administrator must not prevent the officer referred to in subsection (1) from directly accessing the designated benchmark administrator's board of directors or a member of the board of directors.

(3) An officer referred to in subsection (1) must do all of the following:

(a) monitor and assess compliance by the designated benchmark administrator and its DBA individuals with the designated benchmark administrator's accountability framework referred to in section 6, control framework referred to in section 9, policies and procedures applicable to benchmarks, and securities legislation in relation to

benchmarks;

(b) at least once every 12 months, submit a report to the designated benchmark administrator's board of directors for the purpose of reporting on

(i) the officer's activities referenced in paragraph (a),

(ii) compliance by the designated benchmark administrator and its DBA individuals with securities legislation in relation to benchmarks, and

(iii) compliance by the designated benchmark administrator with the methodology for each designated benchmark it administers;

(c) report to the designated benchmark administrator's board of directors as soon as reasonably possible if the officer becomes aware of any circumstances indicating that the designated benchmark administrator or its DBA individuals might not be in compliance with securities legislation in relation to benchmarks and any of the following apply:

(i) the suspected non-compliance is reasonably expected to create a significant risk of financial loss to a benchmark user or to any other person;

(ii) the suspected non-compliance is reasonably expected to create a significant risk of harm to the integrity of the capital markets;

(iii) a reasonable person would conclude that the suspected non-compliance is part of a pattern of non-compliance.

(4) An officer referred to in subsection (1) must not participate in any of the following:

(a) the provision of a designated benchmark, including, but not limited to,

(i) the administration of the arrangements for determining the benchmark,

(ii) the collection, analysis or processing of input data for the purposes of determining the benchmark, or

(iii) determining the benchmark through the application of a formula or other method of calculation or by an assessment of input data;

(b) the establishment of compensation levels for any DBA individuals, other than for a DBA individual that reports directly to the officer.

(5) An officer referred to in subsection (1) must certify that a report submitted under paragraph (3)(b) is accurate and complete.

(6) The designated benchmark administrator must not provide a payment or other financial incentive to the officer referred to in subsection (1), or any DBA individual that reports directly to the officer, if that payment or incentive is linked to either of the following:

(a) the financial performance of the designated benchmark administrator or an affiliated entity of the designated benchmark administrator;

(b) the financial performance of a designated benchmark administered by the designated benchmark administrator.

(7) The designated benchmark administrator must not provide a financial incentive to an officer referred to in subsection (1), or any DBA individual that reports directly to the officer, in a manner that a reasonable person would determine compromises the

independence of the officer or the DBA individual.

(8) A designated benchmark administrator must establish, document, maintain and apply policies and procedures reasonably designed to ensure compliance with subsections (6) and (7).

(9) A designated benchmark administrator must deliver to the regulator, except in Québec, or securities regulatory authority, promptly after it is submitted to the board of directors, a report referred to in paragraph (3)(b) or (c).

### **Oversight committee**

**8.** (1) A designated benchmark administrator must establish and maintain an oversight committee to oversee the provision of a designated benchmark.

(2) The oversight committee must not include individuals that are members of the board of directors of the designated benchmark administrator.

(3) The oversight committee must assess the decisions of the board of directors of the designated benchmark administrator with regards to compliance with securities legislation in relation to a designated benchmark and raise any concerns with those decisions with the board of directors of the designated benchmark administrator.

(4) The oversight committee must provide a copy of its recommendations on benchmark oversight to the board of directors of the designated benchmark administrator.

(5) A designated benchmark administrator must establish, document, maintain and apply policies and procedures regarding the structure and mandate of the oversight committee.

(6) The board of directors of the designated benchmark administrator must appoint the members of the oversight committee.

(7) A designated benchmark administrator must not distribute information relating to a designated benchmark unless its board of directors has

(a) approved the policies and procedures referred to in subsection (5), and

(b) approved the procedures referred to in paragraph (8)(d).

(8) The oversight committee must, for each designated benchmark that the designated benchmark administrator administers, do all of the following:

(a) review the methodology of the designated benchmark at least once in every 12-month period;

(b) oversee any changes to the methodology of the designated benchmark, including requesting that the designated benchmark administrator consult with benchmark contributors or benchmark users on any significant changes to the methodology of the designated benchmark;

(c) oversee the management and operation of the designated benchmark, including the designated benchmark administrator's control framework referred to in section 9;

(d) review and approve procedures for any cessation of the designated benchmark, including procedures governing a consultation about a cessation of the designated benchmark;

(e) oversee any service provider involved in the provision or distribution of the designated benchmark, including calculation agents or dissemination agents;

(f) assess any report resulting from an internal review or audit, or any public accountant's limited assurance report on compliance or reasonable assurance report on compliance;

(g) monitor the implementation of any remedial actions relating to an internal review or audit, or any public accountant's limited assurance report on compliance or reasonable assurance report on compliance;

(h) keep minutes of each meeting;

(i) if the designated benchmark is based on input data from a benchmark contributor,

(i) oversee the designated benchmark administrator's establishment, implementation, maintenance and application of the code of conduct referred to in section 24,

(ii) monitor each of the following:

(A) the input data;

(B) the contribution of input data by a benchmark contributor;

(C) the actions of the designated benchmark administrator in challenging or validating contributions of input data,

(iii) take reasonable measures regarding any significant breach of the code of conduct referred to in section 24 to mitigate the impact of the breach and prevent additional breaches in the future, and

(iv) promptly notify the board of directors of the designated benchmark administrator of any breach of the code of conduct referred to in section 24.

(9) If the oversight committee becomes aware that the board of directors of the designated benchmark administrator has acted or intends to act contrary to any recommendations or decisions of the oversight committee, the oversight committee must record that fact in the minutes of its next meeting.

(10) If the oversight committee becomes aware of any of the following, the oversight committee must promptly report it to the regulator, except in Québec, or securities regulatory authority:

(a) any significant misconduct by the designated benchmark administrator in relation to the provision of a designated benchmark;

(b) any significant misconduct by a benchmark contributor in respect of a designated benchmark that is based on input data from the benchmark contributor;

(c) any input data that

(i) a reasonable person would conclude is anomalous or suspicious, and

(ii) is used in determining the benchmark or is contributed by a benchmark contributor.

(11) The oversight committee, and each of its members, must operate with integrity in carrying out its, and their, actions and duties in this Regulation.

(12) A member of the oversight committee must disclose in writing to the oversight committee the nature and extent of any conflict of interest involving the designated benchmark or the designated benchmark administrator.

## **Control framework**

**9.** (1) In this section, “control framework” means the policies, procedures and controls referred to in subsections (2) and (4).

(2) A designated benchmark administrator must establish, document, maintain and apply policies, procedures and controls that are reasonably designed to ensure that a designated benchmark is provided in accordance with this Regulation.

(3) Without limiting the generality of subsection (2), the designated benchmark administrator must ensure that its control framework includes controls relating to all of the following:

(a) management of operational risk, including any risk of financial loss, disruption or damage to the reputation of the designated benchmark administrator from any failure of its information technology systems;

(b) business continuity and disaster recovery plans;

(c) contingency procedures in the event of a disruption to the provision of the designated benchmark or the process applied to provide the designated benchmark.

(4) A designated benchmark administrator must establish, document, maintain and apply policies, procedures and controls reasonably designed to

(a) ensure that benchmark contributors comply with the code of conduct referred to in section 24 and the standards for input data in the methodology of the designated benchmark,

(b) monitor input data before any publication relating to the designated benchmark, and

(c) validate input data after publication to identify errors and anomalies.

(5) A designated benchmark administrator must promptly provide written notice to the regulator, except in Québec, or securities regulatory authority describing any significant security incident or any significant systems issue relating to any designated benchmark it administers.

(6) A designated benchmark administrator must review and update its control framework on a reasonably frequent basis and at least once in every 12-month period.

(7) A designated benchmark administrator must make its control framework available, on request and free of charge, to any benchmark user.

## **Governance requirements**

**10.** (1) A designated benchmark administrator must establish and document a clear organizational structure.

(2) The organizational structure referred to in subsection (1) must establish well-defined and transparent roles and responsibilities for each person involved in the provision of a designated benchmark administered by the designated benchmark administrator.

(3) A designated benchmark administrator must establish, document, maintain and apply policies and procedures reasonably designed to ensure that each of its benchmark individuals

(a) has the necessary skills, knowledge, experience, reliability and integrity for the duties assigned to them, and

(b) is subject to adequate management and supervision.

(4) A designated benchmark administrator must ensure that any information published by the benchmark administrator relating to a designated benchmark is internally approved by management of the designated benchmark administrator.

### **Conflict of interest requirements**

**11.** (1) A designated benchmark administrator must establish, document, maintain and apply policies and procedures that are reasonably designed to

(a) identify and avoid conflicts of interest, or mitigate risks resulting from conflicts of interest, involving the designated benchmark administrator and its managers, benchmark contributors, benchmark users, DBA individuals and any affiliated entity of the designated benchmark administrator,

(b) ensure that any expert judgment used by the benchmark administrator or DBA individuals in the benchmark determination process is independently and honestly exercised,

(c) protect the integrity and independence of the provision of a designated benchmark, and

(d) ensure that each of its benchmark individuals is not subject to undue influence or conflicts of interest, including ensuring that each of the benchmark individuals

(i) is not subject to compensation or performance evaluations from which conflicts of interest arise or that otherwise impinge on the integrity of the benchmark determination process,

(ii) does not have any financial interests, relationships or business connections that compromise the activities of the designated benchmark administrator,

(iii) does not contribute to a determination of a designated benchmark by way of engaging in bids, offers and trades on a personal basis or on behalf of market participants, except in accordance with explicit requirements of the methodology of the designated benchmark, and

(iv) is subject to procedures to control the exchange of information that may affect a designated benchmark with either of the following:

(A) other DBA individuals involved in activities that may create a risk of conflicts of interest,

(B) benchmark contributors or other third parties.

(2) A designated benchmark administrator must establish, document, maintain and apply policies and procedures that are reasonably designed to keep separate, operationally, the business of a designated benchmark and its benchmark individuals from any other part of the business of the designated benchmark administrator if the designated benchmark administrator becomes aware of a conflict of interest or a risk of a conflict of interest between the business of the designated benchmark and the other part of the business.

(3) A designated benchmark administrator must promptly publish a description of a significant conflict of interest, or a risk of a significant conflict of interest, in respect of a designated benchmark on becoming aware of the conflict or risk, including, but not limited to, a conflict or risk arising from the ownership or control of the designated benchmark administrator.

(4) The designated benchmark administrator must ensure that the policies and procedures referred to in subsection (1)

(a) take into account the nature of the designated benchmark and the risks that the designated benchmark poses to markets and benchmark users,

(b) protect the confidentiality of information provided to or produced by the designated benchmark administrator, subject to the disclosure and transparency obligations under this Regulation, and

(c) identify and avoid conflicts of interest, or mitigate risks resulting from conflicts of interest, including, but not limited to, those that arise as a result of

(i) expert judgment or other discretion exercised in the benchmark determination process,

(ii) the ownership or control of the designated benchmark administrator or any affiliated entity of the designated benchmark administrator, and

(iii) any other person exercising control or direction over the designated benchmark administrator in relation to determining the designated benchmark.

(5) In the event of a significant failure to apply or follow policies and procedures to which paragraph (4)(b) applies, a designated benchmark administrator must promptly provide written notice of the significant failure to the regulator, except in Québec, or securities regulatory authority.

### **Reporting of infringements**

**12.** (1) A designated benchmark administrator must establish, document, maintain and apply systems and controls reasonably designed for the purposes of detecting and reporting to the regulator, except in Québec, or securities regulatory authority any conduct by a DBA individual or a benchmark contributor that might involve manipulation or attempted manipulation of a designated benchmark.

(2) A designated benchmark administrator must establish, document, maintain and apply policies and procedures for its DBA individuals to report any contravention of this Regulation to the officer referred to in section 7.

(3) A designated benchmark administrator must promptly provide written notice to the regulator, except in Québec, or securities regulatory authority describing any conduct that it, or any of its DBA individuals, becomes aware of that might involve manipulation or attempted manipulation of a designated benchmark.

### **Complaint procedures**

**13.** (1) A designated benchmark administrator must establish, document, maintain, apply and publish policies and procedures reasonably designed for receiving, handling, investigating and resolving complaints relating to a designated benchmark, including, without limitation, complaints in respect of each of the following:

(a) whether a determination of a designated benchmark accurately represents that part of the market or economy the benchmark is intended to record;

(b) whether a determination of a designated benchmark was made in accordance with the methodology of the designated benchmark;

(c) the methodology of a designated benchmark or any proposed change to the methodology.

(2) A designated benchmark administrator must do all of the following:

- (a) provide a written copy of the complaint procedures at no cost to a complainant on request;
- (b) investigate a complaint in a timely and fair manner;
- (c) communicate the outcome of the investigation of a complaint to the complainant within a reasonable period of time;
- (d) conduct the investigation of a complaint independently of persons who may have been involved in the subject-matter of the complaint.

## **Outsourcing**

**14.** (1) A designated benchmark administrator must not outsource a function, service or activity relating to the administration of a designated benchmark in such a way as to significantly impair either of the following:

- (a) the designated benchmark administrator's control over the provision of the designated benchmark;
- (b) the ability of the designated benchmark administrator to comply with securities legislation in relation to benchmarks.

(2) A designated benchmark administrator that outsources to a service provider a function, service or activity in the provision of a designated benchmark must establish, document, maintain and apply policies and procedures reasonably designed to ensure

- (a) the service provider has the ability, capacity, and any authorization required by law, to perform the outsourced function, service or activity reliably and effectively,

- (b) the designated benchmark administrator maintains records documenting the identity and the tasks of each service provider that participates in the provision of a designated benchmark and makes those records available to the regulator, except in Québec, or securities regulatory authority promptly on request,

- (c) the designated benchmark administrator and the service provider to which a function, service or activity is outsourced enter into a written contract that

- (i) imposes service level requirements on the service provider,
- (ii) allows the designated benchmark administrator to terminate the agreement when reasonably appropriate,

- (iii) requires the service provider to disclose to the designated benchmark administrator any development that may have a significant impact on its ability to carry out the outsourced function, service or activity in compliance with applicable law,

- (iv) requires the service provider to cooperate with the regulator, except in Québec, or securities regulatory authority regarding the outsourced function, service or activity,

- (v) includes a provision allowing the designated benchmark administrator to access

- (i) the books, records and data related to the outsourced function, service or activity, and

- (ii) the business premises of the service provider,

- (vi) includes a provision requiring the service provider to provide the

regulator, except in Québec, or securities regulatory authority with the same access to the books, records and data related to the outsourced function, service or activity that the regulator or securities regulatory authority would have if the function, service or activity were not outsourced, and

(vii) includes a provision requiring the service provider to provide the regulator, except in Québec, or securities regulatory authority with the same rights to access the business premises of the service provider that the regulator or securities regulatory authority would have if the function, service or activity was not outsourced,

(d) the designated benchmark administrator takes reasonable measures if the administrator becomes aware of any circumstances indicating that the service provider might not be carrying out the outsourced function, service or activity in compliance with this Regulation or with the contract referenced in paragraph (c),

(e) the designated benchmark administrator conducts reasonable supervision of the outsourced function, service or activity and manages the risks associated with the outsourcing,

(f) the designated benchmark administrator retains the expertise that a reasonable person would consider to be necessary to conduct reasonable supervision of the outsourced function, service or activity and to manage the risks associated with the outsourcing, and

(g) the designated benchmark administrator takes steps, including developing contingency plans, that a reasonable person would consider to be necessary to avoid or mitigate operational risk related to the participation of the service provider in the provision of the designated benchmark.

## **PART 4 INPUT DATA AND METHODOLOGY**

### **Input data**

**15.** (1) A designated benchmark administrator must establish, document, maintain and apply policies and procedures reasonably designed to ensure that each of the following are satisfied in respect of input data used in the provision of a designated benchmark:

(a) the input data, in aggregate, is sufficient to provide a designated benchmark that accurately represents that part of the market or economy the designated benchmark is intended to record;

(b) the input data will continue to be available on a reliable basis;

(c) if appropriate transaction data is available to satisfy paragraphs (a) and (b), the input data is transaction data;

(d) if appropriate transaction data is not available to satisfy paragraphs (a) and (b), the designated benchmark administrator uses, in accordance with the methodology of the designated benchmark, relevant and appropriate estimated prices, quotes or other values as input data;

(e) the input data is capable of being verified as being accurate and complete.

(2) A designated benchmark administrator must establish, document, maintain and apply policies, procedures and controls that are reasonably designed to ensure that input data for a designated benchmark is accurate and complete and that include all of the following:

(a) criteria that determine who may contribute input data to the designated benchmark administrator;

- (b) a process for determining benchmark contributors;
  - (c) a process for assessing a benchmark contributor's compliance with the code of conduct referred to in section 24;
  - (d) a process for applying measures that a reasonable person would consider to be appropriate in the event of non-compliance by a benchmark contributor with the code of conduct referred to in section 24;
  - (e) if appropriate, a process for stopping a benchmark contributor from contributing further input data;
  - (f) a process for verifying input data to ensure its accuracy and completeness.
- (3) If a reasonable person would consider that the input data results in a designated benchmark that does not accurately represent that part of the market or economy the designated benchmark is intended to record, the designated benchmark administrator must do either of the following:
- (a) within a reasonable time, change the input data, the benchmark contributors or the methodology of the designated benchmark in order to ensure that the designated benchmark accurately represents that part of the market or economy the designated benchmark is intended to record;
  - (b) cease to provide the designated benchmark.
- (4) A designated benchmark administrator must promptly provide written notice to the regulator, except in Québec, or securities regulatory authority if the designated benchmark administrator is required to take an action set out in paragraph (3)(a) or (b).
- (5) A designated benchmark administrator must publicly disclose each of the following:
- (a) the policies and procedures referred to in subsection (1) regarding the types of input data, the priority of use of the different types of input data and the exercise of expert judgment in the determination of a designated benchmark;
  - (b) the methodology of the designated benchmark.

### **Contribution of input data**

**16.** (1) For the purpose of paragraph 15(1)(a) in respect of a designated benchmark that is based on input data from benchmark contributors, the designated benchmark administrator must obtain, if a reasonable person would consider it to be appropriate, input data from a representative sample of benchmark contributors.

(2) A designated benchmark administrator must not use input data from a benchmark contributor if the designated benchmark administrator has any indication that the benchmark contributor does not adhere to the code of conduct referred to in section 24, and in such a case, if a reasonable person would consider it to be appropriate, must obtain alternative representative data in accordance with the guidelines referred to in paragraph 17(3)(a).

(3) If input data is contributed from any front office of a benchmark contributor or an affiliate that performs any activities that relate to or might impact the input data, the designated benchmark administrator must

- (a) obtain information from other sources that confirms the accuracy and completeness of the input data in accordance with its policies and procedures, and
- (b) ensure that the benchmark contributor has in place adequate internal

oversight and verification procedures.

(4) For the purpose of subsection (3), “front office” means any department, division, group or personnel that performs any pricing, trading, sales, marketing, advertising, solicitation, structuring or brokerage activities.

### **Methodology**

**17.** (1) A designated benchmark administrator must not use a methodology for determining a designated benchmark unless all of the following apply:

(a) the methodology is sufficient to provide a designated benchmark that accurately and reliably represents that part of the market or economy the designated benchmark is intended to record;

(b) the methodology clearly identifies how and when expert judgment may be exercised in the determination of the designated benchmark;

(c) the accuracy and reliability of the methodology is capable of being verified including, if appropriate, by back-testing;

(d) the methodology is reasonably designed to ensure that a determination under the methodology can be made in all reasonable circumstances, without compromising the accuracy and reliability of the methodology;

(e) a determination under the methodology can be verified as being accurate and complete.

(2) A designated benchmark administrator must not implement a methodology for a designated benchmark unless the designated benchmark administrator

(a) takes into account, in the preparation of the methodology, all of the applicable characteristics of that part of the market or economy the designated benchmark is intended to record,

(b) if applicable, determines what constitutes an active market for the purposes of the designated benchmark, and

(c) establishes the priority given to different types of input data.

(3) A designated benchmark administrator must establish, document, maintain, apply and publish guidelines that

(a) identify the circumstances in which the quantity or quality of input data falls below the standards necessary for the methodology to provide a designated benchmark that accurately and reliably represents that part of the market or economy the designated benchmark is intended to record, and

(b) indicate whether and how the designated benchmark is to be calculated in those circumstances.

### **Proposed significant changes to methodology**

**18.** (1) A designated benchmark administrator must establish, document, maintain and apply procedures that provide for all of the following:

(a) public notice of a proposed significant change to the methodology of a designated benchmark;

(b) the provision of comments by benchmark users and other members of the public on the proposed significant change and its effect on the designated benchmark;

(c) the publication of any comments received unless the commenter has requested that their comments be held in confidence, and the designated benchmark administrator's response to the comments that are published;

(d) public notice of an implemented significant change to the methodology of the designated benchmark.

(2) For the purposes of subsection (1),

(a) the procedures in relation to the public notice under paragraph (1)(a) must provide that notice of the proposed change be published on or before a date that provides benchmark users and other members of the public with reasonable time to consider and comment on the proposed change,

(b) the procedures in relation to the publication of comments under paragraph (1)(c) may permit a part of a written comment to be excluded from publication if both of the following apply:

(i) the designated benchmark administrator considers that disclosure of that part of the comment would be seriously prejudicial to the interests of the designated benchmark administrator or would contravene privacy laws;

(ii) the designated benchmark administrator includes, with the publication, a description of the nature of the comment, and

(c) the procedures in relation to the public notice under paragraph (1)(d) must provide that notice of the implemented change be published on or before an effective date that provides benchmark users and other members of the public with reasonable time to consider the implemented change.

## **PART 5 DISCLOSURE**

### **Disclosure of methodology**

**19.** (1) A designated benchmark administrator must publish all of the following in respect of the methodology of a designated benchmark:

(a) the information that

(i) a reasonable benchmark contributor may need in order to carry out its responsibilities as a benchmark contributor, and

(ii) a reasonable benchmark user may need in order to evaluate whether the designated benchmark accurately and reliably represents that part of the market or economy the designated benchmark is intended to record;

(b) a complete explanation of all of the elements of the methodology, including, but not limited to, the following:

(i) a description of the designated benchmark and of the part of the market or economy the designated benchmark is intended to record;

(ii) the currency or other unit of measurement of the designated benchmark;

(iii) the criteria used by the designated benchmark administrator for selecting the sources of input data used to determine the designated benchmark;

(iv) the types of input data used to determine the designated benchmark and the priority given to each type;

(v) the benchmark contributors and the criteria used to determine eligibility of a benchmark contributor;

(vi) a description of the constituents of the designated benchmark and the criteria used for selecting and giving weight to them;

(vii) any minimum liquidity requirements for the constituents of the designated benchmark;

(viii) any minimum requirements for the quantity of input data, and any minimum standards for the quality of input data, used to determine the designated benchmark;

(ix) provisions identifying how and when expert judgment may be exercised in the determination of the designated benchmark;

(x) whether the designated benchmark takes into account any reinvestment of dividends paid on securities that are included in the designated benchmark;

(xi) if the methodology may be changed periodically to ensure the designated benchmark continues to accurately represent that part of the market or economy the designated benchmark is intended to record, all of the following:

(A) any criteria to be used to determine when such a change is necessary;

(B) any criteria to be used to determine the frequency of such a change;

(C) any criteria to be used to rebalance the constituents of the designated benchmark as part of making such a change;

(xii) the potential limitations of the methodology and details of any methodology to be used in exceptional circumstances, including in the case of an illiquid market or in periods of stress or where transaction data sources may be insufficient, inaccurate or unreliable;

(xiii) a description of the roles of any third parties involved in data collection for, or in calculation or dissemination of, the designated benchmark;

(xiv) the model or method used for the extrapolation and any interpolation of input data;

(c) the process for the internal review and the approval of the methodology and the frequency of such reviews;

(d) the procedures referred to in section 18;

(e) examples of the types of changes that may constitute a significant change to the methodology.

(2) A designated benchmark administrator must provide written notice to the regulator, except in Québec, or securities regulatory authority of a proposed significant change to the methodology of a designated benchmark at least 45 days before its implementation.

### **Benchmark statement**

**20.** (1) No later than 15 days following the designation of a designated benchmark, the designated benchmark administrator of the designated benchmark must publish a benchmark statement.

(2) For the purpose of subsection (1), a “benchmark statement” means a statement that includes all of the following:

(a) a description of the part of the market or economy the designated benchmark is intended to record, including all of the following information:

(i) the geographical area, if any, of the part of the market or economy the designated benchmark is intended to record;

(ii) any other information that a reasonable person would believe to be relevant or useful to help existing or potential benchmark users to understand the relevant features of the part of the market or economy the designated benchmark is intended to record, including both of the following to the extent that reliable information is available:

(A) information on existing or potential participants in the part of the market or economy the designated benchmark is intended to record;

(B) an indication of the dollar value of the part of the market or economy the designated benchmark is intended to record;

(b) an explanation of the circumstances in which the designated benchmark might, in the opinion of a reasonable person, no longer represent the part of the market or economy the designated benchmark is intended to record;

(c) technical specifications that set out

(i) the elements of the calculation of the designated benchmark in relation to which expert judgment may be exercised by the designated benchmark administrator or any benchmark contributor,

(ii) the criteria applicable to the exercise of expert judgment by the designated benchmark administrator or any benchmark contributor, and

(iii) the job title of the individuals that are authorized to exercise expert judgment on behalf of the designated benchmark administrator or any benchmark contributor;

(d) how the expert judgment referred to in paragraph (c) could be evaluated;

(e) notice that factors, including external factors beyond the control of the designated benchmark administrator, could necessitate changes to, or the cessation of, the designated benchmark;

(f) notice that changes to, or the cessation of, the designated benchmark could have an impact on contracts and instruments that reference the designated benchmark or on the measurement of the performance of an investment fund that references the designated benchmark;

(g) explanations for all key terms used in the statement relating to the designated benchmark and its methodology;

(h) the rationale for adopting the methodology of the designated benchmark and procedures for the review and approval of the methodology;

(i) a summary of the methodology of the designated benchmark, including, but not limited to, all of the following:

(i) a description of the input data;

(ii) the priority given to different types of input data;

- (iii) the minimum data needed to determine the designated benchmark;
  - (iv) the use of any models or methods of extrapolation of input data;
  - (v) any procedure for rebalancing the constituents of the designated benchmark;
  - (vi) the controls and rules that govern any exercise of expert judgment by the designated benchmark administrator or any benchmark contributor;
  - (j) the procedures which govern the provision of the designated benchmark in periods of stress or where transaction data sources may be insufficient, inaccurate or unreliable, and the potential limitations of the designated benchmark in those periods;
  - (k) the procedures for dealing with errors in input data or in the determination of the designated benchmark, including when a re-determination of the designated benchmark is required;
  - (l) potential limitations of the designated benchmark, including its operation in illiquid or fragmented markets and the possible concentration of input data.
- (3) The designated benchmark administrator must review the benchmark statement at least every 2 years.
- (4) If there are significant changes to the information in the benchmark statement, the designated benchmark administrator must promptly update the benchmark statement to reflect any changes to the information required by this section.
- (5) Where the benchmark statement is updated under subsection (4), the designated benchmark administrator must promptly publish an updated version of the benchmark statement.

### **Changes to and cessation of a benchmark**

**21.** (1) A designated benchmark administrator must publish, simultaneously with the benchmark statement referred to in subsection 20(1), the procedures to be followed by the designated benchmark administrator in the event of a significant change to or the cessation of a designated benchmark it administers.

(2) If the designated benchmark administrator makes a significant change to the procedures referred to in subsection (1), the designated benchmark administrator must promptly publish the updated procedures.

### **Registrants, reporting issuers and recognized entities**

**22.** (1) If a person uses a designated benchmark, and if the cessation of the benchmark could have a significant impact on the person or a security issued by the person or a derivative to which the person is a party, the person must establish and maintain a written plan setting out the actions that the person would take in the event that the designated benchmark significantly changes or ceases to be provided and the person is one or more of the following:

- (a) a registrant;
- (b) a reporting issuer;
- (c) a recognized exchange;
- (d) a recognized quotation and trade reporting system;
- (e) a recognized clearing agency within the meaning of Regulation 24-102 respecting Clearing Agency Requirements (chapter V 1.1, r. 8.01).

(2) If a reasonable person would consider it to be appropriate, a person referred to in subsection (1) must

(a) identify, in the plan referred to in subsection (1), one or more benchmarks suitable to substitute for the designated benchmark, and

(b) indicate why the substitution would be suitable.

(3) If a reasonable person would consider it to be appropriate, a person referred to in subsection (1) must reflect the plan referred in that subsection in any security issued by the person, or any derivative to which the person is a party, that references the designated benchmark.

### **Publishing and disclosing**

**23.** If a designated benchmark administrator is required by this Regulation to publish a document or information, or disclose a document or information to a benchmark user or benchmark contributor, the designated benchmark administrator must publicly and prominently disclose the document or information, free of charge, on the designated benchmark administrator's website.

## **PART 6 BENCHMARK CONTRIBUTORS**

### **Code of conduct for benchmark contributors**

**24.** (1) If a designated benchmark is determined using input data from benchmark contributors, the designated benchmark administrator of the designated benchmark must establish, document, maintain and apply a code of conduct that specifies the responsibilities of benchmark contributors with respect to the contribution of input data for the designated benchmark.

(2) A designated benchmark administrator must include in the code of conduct referred to in subsection (1) all of the following:

(a) a clear description of the input data to be provided and the requirements necessary to ensure that input data is provided in accordance with sections 12, 15 and 16;

(b) the method by which benchmark contributors confirm and amend the identity of each contributing individual that could contribute input data to the designated benchmark administrator;

(c) procedures to verify the identity of a benchmark contributor and any contributing individual;

(d) procedures to authorize an individual to be a contributing individual;

(e) procedures to ensure that a benchmark contributor contributes all relevant input data;

(f) systems and controls that a benchmark contributor must establish, document, maintain and apply, including all of the following:

(i) procedures for contributing input data to the designated benchmark administrator;

(ii) requirements for the benchmark contributor to

(A) specify whether input data is transaction data, and

(B) confirm whether input data conforms to the designated

benchmark administrator's requirements;

(iii) procedures on the use of expert judgment in contributing input data;

(iv) any requirement for the validation of input data before it is contributed to the designated benchmark administrator;

(v) requirements to maintain records relating to its activities as a benchmark contributor;

(vi) requirements that the benchmark contributor report to the designated benchmark administrator any instance where a reasonable person would believe that a contributing individual, acting on a behalf of the benchmark contributor or any other benchmark contributor, has contributed input data that is inaccurate or incomplete;

(vii) requirements concerning the identification and avoidance of conflicts of interest or mitigation of risks resulting from conflicts of interest;

(viii) the designation of an officer that monitors and assesses compliance by the benchmark contributor and its employees with the code of conduct referred to in section 24, this Regulation and securities legislation relevant to benchmarks;

(ix) a requirement that the officer referred to in paragraph (viii) be provided with direct access to the benchmark contributor's board of directors at such times as the officer may consider necessary or advisable in view of the officer's responsibilities;

(g) a requirement that, if required by the oversight committee referred to in section 8 as a result of a concern with the conduct of a benchmark contributor to a designated interest rate benchmark, the benchmark contributor must engage a public accountant to provide, as specified by the oversight committee, a limited assurance report on compliance or a reasonable assurance report on compliance regarding the conduct of the benchmark contributor and the benchmark contributor's compliance with all of the following:

(i) sections 25 and 40;

(ii) the methodology of the designated interest rate benchmark;

(h) a requirement that the benchmark contributor must deliver a copy of the report referred to in paragraph (2)(g) to the oversight committee referred to in section 8.

(3) The designated benchmark administrator must establish, document, maintain and apply policies and procedures reasonably designed to ensure, at least once in every 12-month period and promptly after any change to the code of conduct referred to in subsection (1), that a benchmark contributor is adhering to the code of conduct.

### **Governance and control requirements for benchmark contributors**

**25.** (1) A benchmark contributor to a designated benchmark must establish, document, maintain and apply policies and procedures reasonably designed to ensure all of the following:

(a) the contribution of input data by the benchmark contributor is not significantly affected by any conflict of interest involving the benchmark contributor and its employees, officers, directors and agents, if a reasonable person would consider that the contribution of the input data might be inaccurate or incomplete;

(b) if any expert judgment contemplated by this Regulation is exercised by the benchmark contributor in contributing input data, the benchmark contributor exercises

the expert judgment independently and in good faith and in accordance with the code of conduct referred to in section 24.

(2) A benchmark contributor to a designated benchmark must establish, document, maintain and apply policies, procedures and controls reasonably designed to ensure the accuracy and completeness of each contribution of input data to the designated benchmark administrator, including policies, procedures and controls governing all of the following:

(a) the manner in which the input data is contributed in compliance with this Regulation and the code of conduct referred to in section 24;

(b) who may submit input data to the designated benchmark administrator including, where applicable, a process for sign-off by an individual holding a position senior to that of a contributing individual;

(c) training for contributing individuals with respect to this Regulation;

(d) the identification and avoidance of conflicts of interest or mitigation of risks resulting from conflicts of interest, including, but not limited to, when appropriate

(i) organizational separation of contributing individuals from employees whose responsibilities include transacting the underlying interest of the benchmark, and

(ii) removal or avoidance of incentives to manipulate a designated benchmark that may arise from remuneration policies.

(3) Before contributing input data for a designated benchmark, a benchmark contributor to a designated benchmark must

(a) establish, document, maintain and apply policies and procedures reasonably designed to guide any use of expert judgment, and

(b) if expert judgment is exercised in relation to input data, retain records that record the rationale for any decision made to use that expert judgment and the manner of the exercise of the expert judgment.

(4) A benchmark contributor to a designated benchmark must keep, for a period of 7 years from the date the record was made or received by the designated benchmark administrator, whichever is later, records relating to each of the following:

(a) communications in relation to the contribution of input data;

(b) all information used by the benchmark contributor to make each contribution, including details of any contributions made and the names of the contributing individuals;

(c) all documentation relating to the identification and avoidance of conflicts of interest or mitigation of risks resulting from conflicts of interest;

(d) a description of the potential for financial loss or gain of the benchmark contributor and each contributing individual to financial instruments that reference the designated benchmark for which it acts as a benchmark contributor;

(e) any internal or external review of the benchmark contributor, including, for greater certainty, each limited assurance report on compliance or reasonable assurance report on compliance under this Regulation.

(5) A benchmark contributor to a designated benchmark must

(a) cooperate with the designated benchmark administrator in the review and

supervision of the provision of the designated benchmark, including, but not limited to, cooperation in connection with any limited assurance report on compliance or reasonable assurance report on compliance under this Regulation, and

(b) make available the information and records kept in accordance with subsection (4) to

(i) the designated benchmark administrator, or

(ii) any public accountant in connection with any limited assurance report on compliance or reasonable assurance report on compliance under this Regulation.

### **Compliance officer for benchmark contributors**

**26.** (1) A benchmark contributor to a designated benchmark must designate an officer that monitors and assesses compliance by the benchmark contributor and its employees with the code of conduct referred to in section 24, this Regulation and securities legislation relevant to benchmarks.

(2) A benchmark contributor must permit the officer referred to in subsection (1) to directly access the benchmark contributor's board of directors at such times as the officer may consider necessary or advisable in view of the officer's responsibilities.

## **PART 7 RECORDKEEPING**

### **Books and records**

**27.** (1) A designated benchmark administrator must keep such books and records and other documents as are necessary to account for the conduct of its activities as a designated benchmark administrator, its business transactions and its financial affairs relating to its designated benchmarks.

(2) A designated benchmark administrator must keep records of all of the following:

(a) all input data, including how the data was used;

(b) if input data is rejected despite conforming to the requirements of the methodology of the designated benchmark, the rationale for rejecting the input data;

(c) the methodology of a designated benchmark;

(d) any exercise of expert judgment by the designated benchmark administrator in the determination of a designated benchmark, including the basis for the exercise of expert judgment;

(e) changes in or deviations from policies, procedures, controls and methodologies;

(f) the identities of the contributing individuals and of the benchmark individuals;

(g) all documents relating to a complaint;

(h) communications, including telephone conversations, between any benchmark individual and benchmark contributors or contributing individuals in respect of a designated benchmark administered by the designated benchmark administrator.

(3) A designated benchmark administrator must keep the records described in subsection (2) in such a form that it is possible to

- (a) replicate the determination of a designated benchmark, and
  - (b) enable an audit, review or evaluation of any input data, calculation, or exercise of expert judgment, including in connection with any limited assurance report on compliance or reasonable assurance report on compliance under this Regulation.
- (4) A designated benchmark administrator must retain the books, records and documents required to be maintained under this section
- (a) for a period of 7 years from the date the record was made or received by the designated benchmark administrator,
  - (b) in a safe location and a durable form, and
  - (c) in a manner that permits those books, records and documents to be provided on request promptly to the regulator, except in Québec, or securities regulatory authority.

## **PART 8**

### **DESIGNATED CRITICAL BENCHMARKS, DESIGNATED INTEREST RATE BENCHMARKS AND DESIGNATED REGULATED-DATA BENCHMARKS**

#### **DIVISION 1 Designated critical benchmarks**

##### **Administration of a designated critical benchmark**

**28.** (1) If a designated benchmark administrator decides to cease providing a designated critical benchmark, the designated benchmark administrator must

- (a) promptly notify the regulator, except in Québec, or securities regulatory authority, and
- (b) not more than 4 weeks after notifying the regulator, except in Québec, or securities regulatory authority, submit a plan to the regulator, except in Québec, or securities regulatory authority of how the designated critical benchmark can be transitioned to a new designated benchmark administrator or cease to be provided.

(2) Following the submission of the plan referred to paragraph (1)(b), the designated benchmark administrator must continue to provide the designated critical benchmark until one or more of the following has occurred:

- (a) the provision of the designated critical benchmark has been transitioned to a new designated benchmark administrator;
- (b) the designated benchmark administrator receives notice from the regulator, except in Québec, or securities regulatory authority authorizing the cessation;
- (c) the designation of the designated benchmark has been revoked or varied to reflect that the designated benchmark is no longer a designated critical benchmark;
- (d) unless paragraph (e) applies, 12 months have elapsed from the submission of the plan referred to paragraph (1)(b);
- (e) a period longer than 12 months has elapsed from the submission of the plan referred to in paragraph (1)(b), if that period is provided by the regulator, except in Québec, or securities regulatory authority in written notice delivered to the designated benchmark administrator before the elapsing of the 12 months.

##### **Access**

**29.** A designated benchmark administrator of a designated critical benchmark must take reasonable steps to ensure that benchmark users or potential benchmarks users have

access to the designated critical benchmark on a fair, reasonable, transparent and non-discriminatory basis.

### **Assessment**

**30.** A designated benchmark administrator of a designated critical benchmark must, at least once in each 24-month period, submit to the regulator, except in Québec, or securities regulatory authority an assessment of the capability of the designated critical benchmark to accurately represent that part of the market or economy the designated critical benchmark is intended to record.

### **Benchmark contributor to a designated critical benchmark**

**31.** (1) If a benchmark contributor to a designated critical benchmark decides to cease contributing input data, it must promptly notify in writing the designated benchmark administrator.

(2) If a designated benchmark administrator receives a notice referred to in subsection (1), the designated benchmark administrator must

(a) promptly notify the regulator, except in Québec, or securities regulatory authority of the decision referred to in subsection (1), and

(b) no later than 14 days after receipt of the notice, submit to the regulator, except in Québec, or securities regulatory authority an assessment of the impact of the benchmark contributor ceasing to contribute input data on the capability of the designated critical benchmark to accurately represent that part of the market or economy the designated benchmark is intended to record.

### **Oversight committee**

**32.** (1) For a designated critical benchmark, at least one-half of the members of the oversight committee referred to in section 8 must be independent of the designated benchmark administrator and any affiliated entity of the designated benchmark administrator.

(2) For the purposes of subsection (1), a member of the oversight committee is not independent if any of the following apply:

(a) other than as compensation for acting as a member of the oversight committee, the member accepts any consulting, advisory or other compensatory fee from the designated benchmark administrator or any affiliated entity of the designated benchmark administrator;

(b) the member is a DBA individual or an employee or agent of any affiliated entity of the designated benchmark administrator;

(c) the member has served on the oversight committee for more than 5 years in total;

(d) the member has a relationship with the designated benchmark administrator that may, in the opinion of the board of directors of the designated benchmark administrator, be reasonably expected to interfere with the exercise of the member's independent judgment.

(3) For the purposes of paragraph (2)(d), in forming its opinion, the board of directors is not required to conclude that a member of the oversight committee is not independent solely because the member is, or was, a benchmark user of a designated benchmark administered by the designated benchmark administrator.

(4) The oversight committee must

- (a) publish details of its membership, any declarations of any conflicts of interest of its members, and the processes for election or nomination of its members, and
- (b) hold no less than one meeting every 4 months.

#### **Assurance report on designated benchmark administrator**

**33.** (1) A designated benchmark administrator must engage a public accountant to provide, as specified by the oversight committee referred to in section 8, a limited assurance report on compliance or a reasonable assurance report on compliance regarding the designated benchmark administrator's compliance with all of the following in respect of each designated critical benchmark it administers:

- (a) sections 6, 9 to 17 and 27;
- (b) the methodology of the designated critical benchmark.

(2) The engagement referred to in subsection (1) must be carried out once in every 12-month period.

(3) A designated benchmark administrator must, within 10 days of the receipt of a report provided for in subsection (1), publish a copy of the report and deliver a copy of the report to the regulator, except in Québec, or securities regulatory authority.

#### **Assurance report on benchmark contributor**

**34.** (1) If required by the oversight committee referred to in section 8 as a result of a concern with the conduct of a benchmark contributor to a designated critical benchmark, the benchmark contributor must engage a public accountant to provide, as specified by the oversight committee, a limited assurance report on compliance or a reasonable assurance report on compliance regarding the conduct of the benchmark contributor and its compliance with all of the following:

- (a) section 25;
- (b) the methodology of the designated critical benchmark.

(2) A benchmark contributor must, within 10 days of the receipt of a report provided for in subsection (1), deliver a copy of the report to

- (a) the oversight committee,
- (b) the board of directors of the designated benchmark administrator, and
- (c) the regulator, except in Québec, or securities regulatory authority.

### **DIVISION 2 Designated interest rate benchmarks**

#### **Accurate and sufficient data**

**35.** (1) For the purposes of subsection 15(1) and paragraph 15(5)(a), input data for the determination of a designated interest rate benchmark must be used by the designated benchmark administrator in the following order of priority:

(a) a benchmark contributor's transactions in the underlying market that a designated interest rate benchmark intends to measure or, if not sufficient, its transactions in related markets, including, but not limited to

- (i) the unsecured inter-bank deposit market,
- (ii) other unsecured deposit markets,

(iii) markets for commercial paper, and

(iv) other markets generally, including markets for overnight index swaps, repurchase agreements, foreign exchange forwards, interest rate futures and options, provided that those transactions comply with the input data requirements in the code of conduct referred to in section 24;

(b) if the input data referred to in paragraph (a) is not available, a benchmark contributor's observations of third-party transactions in the markets described in paragraph (a);

(c) if the input data referred to in paragraphs (a) and (b) is not available, committed quotes;

(d) in any other case, indicative quotes or expert judgments.

(2) For the purposes of subsections 15(1) and (3), input data for a designated interest rate benchmark may be adjusted by the designated benchmark administrator to more accurately represent that part of the market or economy that the designated interest rate benchmark is intended to record, including, but not limited to, where:

(a) the time of the transactions that are the basis for the input data is not sufficiently proximate to the time of contribution of the input data;

(b) a market event occurs between the time of the transactions and the time of contribution of the input data and the market event might, in the opinion of a reasonable person, have a significant impact on the designated interest rate benchmark;

(c) there have been changes in the credit risk of the benchmark contributors and other market participants that might, in the opinion of a reasonable person, have a significant impact on the designated interest rate benchmark.

### **Oversight committee**

**36.** (1) For a designated interest rate benchmark, at least one-half of the members of the oversight committee referred to in section 8 must be independent of the designated benchmark administrator and any affiliated entity of the designated benchmark administrator.

(2) For the purposes of subsection (1), a member of the oversight committee is not independent if any of the following apply:

(a) other than as compensation for acting as a member of the oversight committee, the member accepts any consulting, advisory or other compensatory fee from the designated benchmark administrator or any affiliated entity of the designated benchmark administrator;

(b) the member is a DBA individual or an employee or agent of any affiliated entity of the designated benchmark administrator;

(c) the member has served on the oversight committee for more than 5 years in total;

(d) the member has a relationship with the designated benchmark administrator that may, in the opinion of the board of directors of the designated benchmark administrator, be reasonably expected to interfere with the exercise of the member's independent judgment.

(3) For the purposes of paragraph (2)(d), in forming its opinion, the board of directors is not required to conclude that a member of the oversight committee is not independent solely because the member is, or was, a benchmark user of a designated benchmark administered by the designated benchmark administrator.

(4) The oversight committee must

(a) publish details of its membership, any declarations of any conflicts of interest of its members, and the processes for election or nomination of its members, and

(b) hold no less than one meeting every 4 months.

#### **Assurance report on designated benchmark administrator**

**37.** (1) A designated benchmark administrator must engage a public accountant to provide, as specified by the oversight committee referred to in section 8, a limited assurance report on compliance or a reasonable assurance report on compliance regarding the designated benchmark administrator's compliance with all of the following in respect of each designated interest rate benchmark it administers:

(a) sections 6, 9 to 17, 27 and 35;

(b) the methodology of the designated interest rate benchmark.

(2) The engagement referred to in subsection (1) must be carried out for the first time 6 months after the introduction of a code of conduct for benchmark contributors referred to in section 24 and subsequently every 2 years.

(3) A designated benchmark administrator must, within 10 days of the receipt of a report provided for in subsection (1), publish a copy of the report and deliver a copy of the report to the regulator, except in Québec, or securities regulatory authority.

#### **Assurance report on benchmark contributor required by oversight committee**

**38.** (1) If required by the oversight committee referred to in section 8 as a result of a concern with the conduct of a benchmark contributor to a designated interest rate benchmark, the benchmark contributor must engage a public accountant to provide, as specified by the oversight committee, a limited assurance report on compliance or a reasonable assurance report on compliance regarding the conduct of the benchmark contributor and its compliance with all of the following:

(a) sections 25 and 40;

(b) the methodology of the designated interest rate benchmark.

(2) The benchmark contributor must, within 10 days of the receipt of a report provided for in subsection (1), deliver a copy of the report to

(a) the oversight committee,

(b) the board of directors of the designated benchmark administrator, and

(c) the regulator, except in Québec, or securities regulatory authority.

#### **Assurance report on benchmark contributor required at certain times**

**39.** (1) A benchmark contributor to a designated interest rate benchmark must engage a public accountant to provide, as specified by the oversight committee, a limited assurance report on compliance or a reasonable assurance report on compliance regarding the conduct and input data of the benchmark contributor and its compliance with all of the following:

(a) sections 25 and 40;

(b) the methodology of the designated interest rate benchmark;

- (c) the code of conduct referred to in section 24.
- (2) The engagement referred to in subsection (1) must be carried out for the first time 6 months after the introduction of a code of conduct for benchmark contributors referred to in section 24 and subsequently every 2 years.
- (3) The benchmark contributor must, within 10 days of the receipt of a report provided for in subsection (1), deliver a copy of the report to
  - (a) the oversight committee,
  - (b) the board of directors of the designated benchmark administrator, and
  - (c) the regulator, except in Québec, or securities regulatory authority.

### **Benchmark contributor policies and procedures**

**40.** (1) The requirements in subsections (2) to (7) apply to a benchmark contributor only in respect of a designated interest rate benchmark.

(2) Each contributing individual of the benchmark contributor and the direct managers of that contributing individual must provide a written statement to the benchmark contributor and the designated benchmark administrator that they will comply with the code of conduct referred to in section 24.

(3) The benchmark contributor must establish, document, maintain and apply policies, procedures and controls reasonably designed to ensure all of the following:

(a) there is an outline of responsibilities within the benchmark contributor's organization, including internal reporting lines and accountabilities;

(b) the maintenance of a current list of the names and locations of contributing individuals and managers and their alternates;

(c) there are internal procedures for sign-off of contributions of input data;

(d) there are disciplinary procedures in respect of an actual or attempted manipulation, or a failure to report an actual or attempted manipulation, by any party, including, but not limited to, any party external to the contribution process;

(e) there are conflicts of interest management procedures and communication controls, both within the benchmark contributor's organization and between benchmark contributors and other third parties, to avoid any inappropriate external influence over those responsible for contributing rates;

(f) there is a requirement that contributing individuals employed by the benchmark contributor work in locations physically separated from interest rate derivatives traders;

(g) the prevention or control of the exchange of information between persons engaged in activities involving a risk of conflict of interest where the exchange of that information may affect the input data contributed;

(h) there are requirements to avoid collusion

(i) among benchmark contributors, and

(ii) between benchmark contributors and the designated benchmark administrator;

(i) there are measures to prevent, or limit, any person from exercising inappropriate influence over the way persons contribute input data;

(j) the removal of any direct link between the remuneration of employees involved in the contribution of input data and the remuneration of, or revenues generated by, persons engaged in another activity, where a conflict of interest may arise in relation to those activities;

(k) there are controls to identify any reverse transaction subsequent to the contribution of input data.

(4) The benchmark contributor must keep detailed records of all of the following:

(a) all relevant aspects of contributions of input data;

(b) the process governing input data determination and the sign-off of input data;

(c) the names of contributing individuals and their responsibilities;

(d) any communications between the contributing individuals and other persons, including internal and external traders and brokers, in relation to the determination or contribution of input data;

(e) any interaction of contributing individuals with the designated benchmark administrator or any calculation agent;

(f) any queries regarding the input data and the outcome of those queries;

(g) sensitivity analysis for interest rate swap trading books and any other derivative trading books with a significant exposure to interest rate fixings in respect of input data.

(5) The benchmark contributor and the designated benchmark administrator must keep each of their records on a medium that allows the storage of information to be accessible for future reference with a documented audit trail.

(6) The benchmark contributor's officer referred to in section 26 must report any findings, including any reverse transaction subsequent to the contribution of input data, to the benchmark contributor's board of directors on a regular basis.

(7) A benchmark contributor to a designated interest rate benchmark must subject the benchmark contributor's input data and procedures to regular internal reviews.

### **DIVISION 3 Designated regulated-data benchmarks**

#### **Non-application to designated regulated-data benchmarks**

**41.** A designated regulated-data benchmark is exempt from the requirements in

(a) subsections 12(1) and (2),

(b) subsection 15(2),

(c) subsections 16(1), (2) and (3),

(d) sections 24, 25 and 26, and

(e) paragraph 27(2)(a).

**PART 9  
DISCRETIONARY EXEMPTIONS**

**Exemptions**

**42.** (1) The regulator, except in Québec, or the securities regulatory authority may grant an exemption from the provisions of this Regulation, in whole or in part, subject to such conditions or restrictions as may be imposed in the exemption.

(2) Despite subsection (1), in Ontario, only the regulator may grant an exemption.

(3) Except in Alberta and Ontario, an exemption referred to in subsection (1) is granted under the statute referred to in Appendix B of Regulation 14-101 respecting Definitions (chapter V-1.1, r. 3) opposite the name of the local jurisdiction.

**PART 10  
EFFECTIVE DATE**

**Effective date**

**43.** This Regulation comes into force on (*indicate here the date of coming into force of this Regulation*).

**APPENDIX A**  
**DEFINITIONS APPLYING IN CERTAIN JURISDICTIONS**  
**(Subsection 1(4))**

“benchmark” means a price, estimate, rate, index or value that is

(a) determined from time to time by reference to an assessment of one or more underlying interests,

(b) made available to the public, either free of charge or on payment, and

(c) used for reference for any purpose, including,

(i) determining the interest payable, or other sums that are due, under a contract, derivative, instrument or security,

(ii) determining the value of a contract, derivative, instrument or security or the price at which it may be traded,

(iii) measuring the performance of a contract, derivative, investment fund, instrument or security, or

(iv) any other use by an investment fund;

“benchmark administrator” means a person that administers a benchmark;

“benchmark contributor” means a person that engages or participates in the provision of information for use by a benchmark administrator for the purpose of determining a benchmark;

“benchmark user” means a person that, in relation to a contract, derivative, investment fund, instrument or security, uses a benchmark.

**FORM 25-102F1  
DESIGNATED BENCHMARK ADMINISTRATOR – ANNUAL FORM**

**Instructions**

(1) *Terms used in this form but not defined in this form have the meaning given to them in the Regulation.*

(2) *Unless otherwise specified, the information in this form must be presented as at the last day of the designated benchmark administrator's most recently completed financial year. If necessary, the designated benchmark administrator must update the information provided so it is not misleading when it is delivered. For information presented as at any date other than the last day of the designated benchmark administrator's most recently completed financial year, specify the relevant date in the form.*

(3) *Designated benchmark administrators are reminded that it is an offence under securities legislation to give false or misleading information on this form.*

**Item 1. Name of Designated Benchmark Administrator**

State the name of the designated benchmark administrator.

**Item 2. Organization and Structure of Designated Benchmark Administrator**

Describe the organizational structure of the designated benchmark administrator, including, as applicable, an organizational chart that identifies the ultimate and intermediate parent companies, subsidiaries, and material affiliated entities of the designated benchmark administrator (if any); an organizational chart showing the divisions, departments, and business units of the designated benchmark administrator; and an organizational chart showing the managerial structure of the designated benchmark administrator, including the officer referred to in section 7 of the Regulation and the oversight committee referred to in section 8 of the Regulation. Provide detailed information regarding the designated benchmark administrator's legal structure and ownership.

**Item 3. Designated Benchmark**

Provide the name of the designated benchmark.

**Item 4. Policies and Procedures re Confidential Information**

Unless previously provided, attach a copy of the most recent written policies and procedures established and maintained by the designated benchmark administrator to prevent the misuse of confidential information.

**Item 5. Policies and Procedures re Conflicts of Interest**

Unless previously provided, attach a copy of the most recent written policies and procedures established and maintained with respect to conflicts of interest.

**Item 6. Conflicts of Interest Arising from the Control or Ownership Structure of the Applicant**

(a) Describe any conflicts of interest that arise from the control or ownership structure of the designated benchmark administrator, or from any other activities of the designated benchmark administrator or any affiliated entity of the designated benchmark administrator, in relation to a designated benchmark administered by the designated benchmark administrator.

(b) Describe the designated benchmark administrator's policies and

procedures to manage or mitigate each conflict of interest described in paragraph (a).

**Item 7. Policies and Procedures re Control Framework**

Describe the designated benchmark administrator’s control framework referred to in section 9 of the Regulation and policies and procedures designed to ensure the quality of the designated benchmark.

**Item 8. Policies and Procedures re Complaints**

Describe the designated benchmark administrator’s policies and procedures regarding complaints.

**Item 9. Policies and Procedures re Books and Records**

Describe the designated benchmark administrator’s policies and procedures regarding recordkeeping.

**Item 10. Outsourced Service Providers**

Describe the designated benchmark administrator’s policies and procedures regarding outsourcing and disclose the following information about the designated benchmark administrator’s outsourced service providers (OSPs) and the individuals who supervise the OSPs:

- The identity of each OSP and each of their key individual contacts,
- The total number of supervisors of each OSP,
- A general description of the minimum qualifications required of the OSPs for any outsourcing, and
- A general description of the minimum qualifications required of the benchmark individuals’ supervisors for any outsourcing, including education level and work experience.

**Item 11. Benchmark Individuals**

Disclose the following information about the benchmark individuals of the designated benchmark administrator and the individuals who supervise the benchmark individuals:

- The total number of benchmark individuals,
- The total number of supervisors of benchmark individuals,
- A general description of the minimum qualifications required of the benchmark individuals, including education level and work experience (if applicable, distinguish between junior, mid, and senior level benchmark individuals), and
- A general description of the minimum qualifications required of the benchmark individuals’ supervisors, including education level and work experience.

**Item 12. Compliance Officer**

Disclose the following information about the officer of the designated benchmark administrator referred to in section 7 of the Regulation:

- Name,
- Employment history,

- Post-secondary education, and
- Whether employed full-time or part-time by the designated benchmark administrator.

**Item 13. Specified Revenue**

Disclose information, as applicable, regarding the designated benchmark administrator’s aggregate revenue for the most recently completed financial year:

- Revenue from determining the designated benchmark,
- Revenue from determining any other benchmarks administered by the designated benchmark administrator (which may be provided as an aggregate number for all other benchmarks administered by the designated benchmark administrator),
- Revenue from granting licences or rights to publish information about the designated benchmark, and
- Revenue from granting licences or rights to publish information about any other benchmarks administered by the designated benchmark administrator (which may be provided as an aggregate number for all other benchmarks administered by the designated benchmark administrator).

Include financial information on the revenue of the designated benchmark administrator divided into fees from benchmark and non-benchmark activities, including a comprehensive description of each.

This information is not required to be audited, but any disaggregation of revenue must be determined using the same accounting principles as the annual financial statements required by section 2 of the Regulation.

**Item 14. Financial Statements**

Attach a copy of the annual financial statements required by section 2 of the Regulation.

**Item 15. Verification Certificate**

Include a certificate of the designated benchmark administrator in the following form:

“The undersigned has executed this Form 25-102F1 Designated Benchmark Administrator Annual Form on behalf of, and on the authority of, [the designated benchmark administrator]. The undersigned, on behalf of [the designated benchmark administrator], represents that the information and statements contained in this Form, including appendices and attachments, all of which are part of this Form, are true and correct.

\_\_\_\_\_  
(Date)

\_\_\_\_\_  
(Name of the Designated Benchmark Administrator)

By: \_\_\_\_\_  
(Print Name and Title)

\_\_\_\_\_  
(Signature)”.

**FORM 25-102F2**  
**DESIGNATED BENCHMARK – ANNUAL FORM**

**Instructions**

(1) *Terms used in this form but not defined in this form have the meaning given to them in the Regulation.*

(2) *Unless otherwise specified, the information in this form must be presented as at the last day of the designated benchmark administrator's most recently completed financial year. If necessary, the designated benchmark administrator must update the information provided so it is not misleading when it is delivered. For information presented as at any date other than the last day of the designated benchmark administrator's most recently completed financial year, specify the relevant date in the form.*

(3) *Designated benchmark administrators are reminded that it is an offence under securities legislation to give false or misleading information on this form.*

**Item 1. Name of Designated Benchmark Administrator**

State the name of the designated benchmark administrator.

**Item 2. Designated Benchmark**

Provide the name of the designated benchmark and whether it is also any of the following:

- interest rate benchmark,
- critical benchmark,
- regulated-data benchmark.

**Item 3. Benchmark Distribution Model**

Describe how the designated benchmark administrator makes the designated benchmark readily accessible for free or for a fee. If a person must pay a fee to obtain information about the designated benchmark made readily accessible by the designated benchmark administrator, provide a fee schedule or describe the prices charged.

**Item 4. Procedures and Methodologies**

Describe the procedures and methodologies used by the designated benchmark administrator to determine the designated benchmark. The description must be sufficiently detailed to provide an understanding of the processes employed by the designated benchmark administrator in determining the designated benchmark, including, as applicable:

- the public and non-public sources of information used in determining the designated benchmark, including information provided by benchmark contributors;
- procedures for monitoring, reviewing, and updating the designated benchmark,
- the methodologies, policies and procedures described in the Regulation.

A designated benchmark administrator may provide the location on its website where additional information about the methodologies, policies and procedures is located.

**Item 5 Code of Conduct for Benchmark Contributors**

Unless previously provided, attach a copy of any code of conduct for benchmark contributors.

**Item 6. Verification Certificate**

Include a certificate of the designated benchmark administrator in the following form:

“The undersigned has executed this Form 25-102F2 Designated Benchmark Annual Form on behalf of, and on the authority of, [the designated benchmark administrator]. The undersigned, on behalf of [the designated benchmark administrator], represents that the information and statements contained in this Form, including appendices and attachments, all of which are part of this Form, are true and correct.

\_\_\_\_\_  
(Date)

\_\_\_\_\_  
(Name of the Designated Benchmark Administrator)

By: \_\_\_\_\_  
(Print Name and Title)

\_\_\_\_\_  
(Signature)”.

**FORM 25-102F3  
SUBMISSION TO JURISDICTION AND APPOINTMENT OF AGENT FOR  
SERVICE OF PROCESS**

1. Name of designated benchmark administrator (DBA):
  
2. Jurisdiction of incorporation, or equivalent, of DBA:
  
3. Address of principal place of business of DBA:
  
4. Name, email address, phone number and fax number of contact person at principal place of business of DBA:
  
5. Name of agent for service of process (Agent):
  
6. Address in Canada for service of process of Agent:
  
7. Name, email address, phone number and fax number of contact person of Agent:
  
8. The DBA designates and appoints the Agent at the address of the Agent stated in Item 6 as its agent on whom may be served any notice, pleading, subpoena, summons or other process in any action, investigation or administrative, criminal, quasi-criminal, penal or other proceeding (the Proceeding) arising out of, relating to or concerning the determination of a designated benchmark administered by the DBA or the obligations of the DBA as a designated benchmark administrator, and irrevocably waives any right to raise as a defence in any such Proceeding any alleged lack of jurisdiction to bring such Proceeding.
  
9. The DBA irrevocably and unconditionally submits to the non-exclusive jurisdiction of
  - (a) the judicial, quasi-judicial and administrative tribunals of each of the provinces and territories of Canada in which it is a designated benchmark administrator; and
  - (b) any administrative proceeding in any such province or territory,  
  
in any Proceeding arising out of or related to or concerning the determination of a designated benchmark administered by the DBA or the obligations of the DBA as a designated benchmark administrator.
  
10. This submission to jurisdiction and appointment of agent for service of process is governed by and construed in accordance with the laws of [insert province or territory of above address of Agent].

\_\_\_\_\_  
Signature of Designated Benchmark Administrator

\_\_\_\_\_  
Date

\_\_\_\_\_  
Print name and title of signing officer  
of Designated Benchmark Administrator

**AGENT**

The undersigned accepts the appointment as agent for service of process of [insert name of DBA] under the terms and conditions of the appointment of agent for service of process set out in this document.

\_\_\_\_\_  
Signature of Agent

\_\_\_\_\_  
Date

\_\_\_\_\_  
Print name of person signing and, if Agent is not an individual, the title of the person