

## **CHANGES TO POLICY STATEMENT TO REGULATION 25-102 RESPECTING DESIGNATED BENCHMARKS AND BENCHMARK ADMINISTRATORS**

1. Part 1 of *Policy Statement to Regulation 25-102 respecting Designated Benchmarks and Benchmark Administrators* is changed, under the title “**Definitions and Interpretation**”:

(1) by replacing “s. 1(3)”, in the second paragraph of the item titled “**Subsection 1(1) – Definition of input data**”, by “subsection 1(3)”;

(2) by replacing the item titled “**Subsection 1(1) – Definitions of limited assurance report on compliance and reasonable assurance report on compliance**” by the following:

### **“Subsection 1(1) – Definition of reasonable assurance report on controls**

A “reasonable assurance report on controls” must be prepared in accordance with the applicable Canadian Standard on Assurance Engagements (CSAE) under the Handbook or the applicable International Standard on Assurance Engagements (ISAE). The applicable CSAE and ISAE require that any public accountant that prepares such a report be independent.

In the Regulation, “Handbook” has the meaning set out in *Regulation 14-101 respecting Definitions*.

A reasonable assurance report on controls is required, as applicable, by sections 13.1, 32, 33, 36, 37, 38 and 40.13 of the Regulation.

- The definition of “reasonable assurance report on controls” refers to “applicable subject requirements”. The term “subject requirements” is defined in subsection 1(1) of the Regulation and refers to paragraphs 13.1(1)(a) and (b), 32(1)(a) and (b), 33(1)(a) and (b), 36(1)(a) and (b), 37(1)(a) and (b), 38(1)(a), (b) and (c) and 40.13(1)(a) and (b) of the Regulation.

- The reference to “12 months” in subsections 32(2) and 40.13(2) of the Regulation refers to any period of 12 consecutive months and does not need to correspond to a calendar year or a financial year of a designated benchmark administrator.

- The definition of “reasonable assurance report on controls” refers to “applicable period” (which is relevant for the reference to “the applicable period for the report” in subsections 13.1(4), 32(4), 33(3), 36(4), 37(3), 38(4) and 40.13(4) of the Regulation).

- In the case a reasonable assurance report on controls requested by an oversight committee under section 33 or 37 of the Regulation, the oversight committee would specify the beginning and the end of the applicable period for the report, as contemplated by subsection 33(3) and 37(3) of the Regulation, respectively.”.

2. Part 8 of the Policy Statement is changed by replacing the first paragraph, in division 2 and under the title “**Subsection 36(1) – Assurance report for designated interest rate benchmark**”, by the following:

“Subsection 36(1) of the Regulation provides that a designated benchmark administrator must engage a public accountant to provide a reasonable assurance report on controls, relating to the designated benchmark administrator's compliance with certain sections of the Regulation and following the methodology of each designated interest rate benchmark it administers.”.

3. Part 8.1 of the Policy Statement is changed:

(1) by replacing “limited assurance report or a reasonable assurance report”, in the sixth bullet point of the item titled “**Publication of information**”, by “reasonable assurance report on controls”;

(2) by replacing “an assurance report”, in the second paragraph of the item titled “**Subsections 40.1(3) and (4) – Dual designation as a commodity benchmark and a regulated-data benchmark**”, by “a reasonable assurance report on controls”;

(3) by striking out the item titled “**Section 40.13 – Assurance report on designated benchmark administrator**”.