



IHS Markit™

# IHS Markit Benchmark Administration Limited

## Managing Conflicts of Interest

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## Managing Conflicts of Interest

IHS Markit Benchmark Administration Ltd. (the Administrator or IMBA) is an FCA authorised Benchmark Administrator under the European Benchmark Regulation (the **BMR**). It has in place robust governance arrangements and a framework to identify and prevent or manage potential conflicts of interest. The below describes in more detail the Administrator's arrangements and framework.

### Governance Arrangements

The Administrator's Board (the **Board**) has overall responsibility for the provision of indices used as benchmarks as defined by the BMR. The Board has no day to day involvement in the provision of the benchmarks, but has the requisite expertise and experience required to provide oversight and ensure compliance with the BMR. The Board is governed by the IMBA Board of Directors Terms of Reference and Articles of Association.

IMBA's Board is subject to oversight and challenge from the Benchmark Oversight Committee (the **BOC**). The BOC performs an oversight function, as required under BMR, and is governed by the BOC Terms of Reference. The BOC has oversight of the conflicts of interest register and is empowered to request the implementation of any additional conflicts control it deems appropriate.

These governance arrangements are designed to eliminate opportunities or situations where any person could exercise undue control or influence over the provision of a benchmark by the Administrator.

### Conflicts of Interest

#### Identification of Conflicts of Interest

The Administrator maintains a conflicts of interest register which contains details of actual, potential or perceived conflicts identified, including those due to the Administrator's ownership structure, controlling interests or other activities conducted by any entity owning or controlling the Administrator or by an entity that is owned or controlled by the Administrator or any of the Administrator's affiliates. It further includes conflicts that may be identified by the Administrator and are specific to individual managers and employees, including conflicts disclosed by employees who are involved in the provision or governance of benchmarks, as well as conflicts that may arise from users and contributors. On an annual basis, the IMBA Compliance Officer will present the Conflicts Register to the Board, which will review and take appropriate steps in relation to any actual, potential, or perceived conflicts of interest, as well as assess the materiality of any such conflicts. The Board's approved Conflicts Register will be presented to and reviewed by the BOC on an annual basis, and more frequently if a new significant conflict has been identified.

#### Mitigation of identified conflicts

The Administrator will take steps to avoid or sufficiently mitigate the conflicts of interest that have been identified. Such steps may include operational and legal separation of any activities creating a conflict of interest and implementation of effective procedures to control the exchange of information between conflicted areas.

#### Relevant considerations

##### -Independence

The responsibility for benchmark administration is operationally and legally separated from other activities of IHS Markit and is performed by IMBA.

#### **-Issuance of financial products**

The Administrator and its affiliates do not issue financial instruments or financial contracts that reference any benchmarks that are administered by IMBA, neither does the Administrator or any of its affiliates manage investment funds.

#### **-Contribution to a Benchmark**

Colleagues are prohibited from contributing to any benchmark determination on a personal basis or on behalf of market participants unless such contribution is explicitly required under a benchmark methodology and is subject to specific controls. Any such contribution must be declared under the Outside Business Activity Disclosure Form referenced below and approved by Compliance, the BOC and the Board.

#### **-Remuneration**

In accordance with the IHS Markit compensation program, Staff are remunerated as part of a total compensation program. The total compensation program does not take into account the actual performance of any benchmarks administered by the Administrator (i.e. a rise or drop in an index level has no impact on compensation). Further, any Contributor or providers of data or information to the Administrator from other groups within the IHS Markit corporate family are not influenced by, or compensated based on, the level, performance or assets under management, of any benchmarks administered by the Administrator. The integrity of the benchmark is, therefore, not at risk as a result of structural conflicts or staff remuneration or performance evaluation.

#### **-Declaration of Outside interests**

All IHS Markit staff have a continuing obligation to disclose details regarding any actual or apparent conflict of interest, if and when any arise, and to receive approval from Compliance. Relevant staff involved in the administration or governance of benchmarks are required to make such disclosure on an annual basis.

Conflicts of interest disclosed by relevant staff will be reviewed by the Compliance team of the Administrator and conflicts disclosed by Directors of the Administrator will be reviewed for approval by the Board.

For relevant staff involved in the administration or governance of benchmarks, the Regulatory Compliance Officer of the Administrator reserves the right to refer such request for approval to the BOC in cases where the disclosed conflict of interest warrants further examination.

### **Personal Account Dealing**

All IHS Markit staff are subject to IHS Markit's Group Policy on Trading Securities. This policy establishes a framework for the trading of securities on own account, for example in the context of having access to material non-public information.

Additionally, staff members or outside consultants involved in the administration or governance of Benchmarks are subject to the Administrator's Personal Account Dealing Policy. Such policy establishes a framework for the trading on personal account by relevant staff of financial instruments that reference benchmarks that are administered by IMBA. The policy requires relevant staff to provide a list of all holdings in relevant instruments to the Regulatory Compliance Officer within 14 calendar days of becoming subject to this statement. It also prohibits the trading of financial instruments or borrowing in instruments that reference any Benchmark administered by IMBA.

## Attestation

All IHS Markit staff members are required to annually attest to the IHS Markit Business Code of Conduct which includes, by reference, the IHS Markit Conflicts of Interest policy.

All relevant staff involved in the administration or governance of benchmarks as defined by the Administrator are also required to confirm their understanding of and attest to the IMBA Personal Account Dealing Policy and this Managing Conflicts of Interest Statement on an annual basis.

Any employee found to have violated this Statement may be subject to disciplinary action, up to and including termination. Violation of this Statement that involves illegal behavior may be reported to the appropriate authorities.

## Reporting of Infringements or Misconduct

All IHS Markit staff can report infringements as explained in the “IHS Markit Compliance Hotline and Reporting Misconduct Policy”. This policy provides guidance related to the establishment and administration of a system that allows IHS Markit colleagues, officers, members of the Board of Directors, and other interested third parties (i.e. customers, vendors, contractors, etc.) to report known or suspected violations of the law, the Business Code of Conduct or company policy.

IMBA will review this policy at least on an annual basis to ensure it remains appropriate and takes into account any changes to legal or regulatory requirements.

## **ABOUT US**

IHS Markit (Nasdaq: INFO) is a world leader in critical information, analytics and expertise to forge solutions for the major industries and markets that drive economies worldwide. The company delivers next-generation information, analytics and solutions to customers in business, finance and government, improving their operational efficiency and providing deep insights that lead to well-informed, confident decisions. IHS Markit has more than 50,000 key business and government customers, including 85 percent of the Fortune Global 500 and the world's leading financial institutions. Headquartered in London, IHS Markit is committed to sustainable, profitable growth.

## **CONTACT US**

For more information, including methodology documents please visit <https://ihsmarkit.com/products/indices.html> or contact us at [indices@ihsmarkit.com](mailto:indices@ihsmarkit.com).

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