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Additional Information

Level 1 Regulation

Benchmarks Regulation (BMR) - Regulation 2016/1011

Topic

Benchmarks Regulation

Subject Matter

Regulated data benchmarks (ESMA70-145-114 Q&A_5.7)

Question

Can a benchmark qualify as a 'regulated-data benchmark' if a third party is involved in the process of obtaining the data?

ESMA Answer

11-07-2018

Original language

The BMR subjects the provision of regulated-data benchmarks to fewer requirements, given that the input data stems entirely from sources which are themselves subject to regulation. The notion of “*entirely and directly*” in Article 3(1)(24)(a) precludes, in principle, the involvement of any third party in the data collection process. The data should be sourced entirely and directly from a trading venue without the involvement of third parties, even if these third parties function as a pass-through and do not modify the raw data. However, pursuant to Article 3(1)(24)(a)(vii), if an administrator obtains regulated data through a third party service provider (such as a data vendor) and has in place arrangements with such service provider that meet the outsourcing requirements in Article 10 of the BMR, the benchmark still qualifies as regulated-data benchmark.