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Additional Information

Level 1 Regulation
Benchmarks Regulation (BMR) - Regulation 2016/1011

Topic
Benchmarks Regulation

Subject Matter
Written plans for cessation or material changes of a benchmark (ESMA70-145-114_Q&A 8.1)

Question
Are supervised entities, other than administrators, required to have robust written plans for cessation or material changes of a benchmark and to reflect them in the contractual relationship with clients as of 1 January 2018?

ESMA Answer

14-12-2017

Original language

Yes, Article 28(2) of the BMR applies as of 1 January 2018. Therefore, as of this date, supervised entities, other than administrators, are required to produce and maintain robust written plans setting out the actions that they would take in the event that a benchmark they are using materially changes or ceases to be provided.

ESMA considers that supervised entities, other than administrators, are required to reflect such plans in the contractual relationship with clients in contracts entered into after 1 January 2018. In relation to contracts entered into prior to 1 January 2018 and still existing at that date, ESMA expects supervised entities, other than administrators, to amend them where practicable and on a best-effort basis.