

## PRESS RELEASE

### ESMA consults on future rules for financial benchmarks

The European Securities and Markets Authority (ESMA) has today published a [consultation paper](#) regarding its draft regulatory and implementing technical standards (RTS/ITS) which will implement the Benchmarks Regulation (BR). ESMA is asking stakeholders to comment on its proposed RTS/ITS applicable to benchmark contributors, administrators and national competent authorities.

The new European regulatory framework for benchmarks will ensure their accuracy, robustness and integrity across the European Union. It will also clarify the behaviours and standards expected of administrators and contributors. These requirements will ensure that benchmarks are produced in a transparent and reliable manner and so contribute to well-functioning and stable markets, and investor protection.

Steven Maijor, ESMA Chair, stated:

“Benchmarks lie at the heart of financial markets as they help to price assets and measure the performance of investments. Therefore, we need to ensure their accuracy and integrity: fair play is essential for investors.

The Regulation sets out to do so by providing a common regulatory framework under which benchmarks are provided, produced and used thoroughly. This will help to restore trust both in benchmarks and financial markets.”

The key provisions of ESMA’s draft RTS/ITS cover both benchmark contributors and administrators:

- procedures, characteristics and positioning of the oversight function;
- appropriateness and verifiability of input data;
- transparency of methodologies applied;
- governance and control requirements for supervised contributors;
- provisions for significant/non-significant benchmarks; and



- provisions for recognition by third country administrators.

The consultation paper also includes the actual draft legal text and a preliminary high-level cost-benefit analysis. ESMA will consider the feedback to the consultation and finalise the draft RTS/ITS in order to submit them to the European Commission by 1 April 2017.

## **Background**

Benchmarks are used in financial markets as a reference to price financial instruments and to measure performance of investment funds, and are used in many financial contracts. Their integrity is critical to financial markets and to investors in particular. The BR's objective is to improve the governance and control over the benchmark process, thereby ensuring their reliability and protecting users.

## Notes for editors

- ESMA [Consultation Paper](#) on draft regulatory and implementing technical standards (RTS/ITS) which will implement the Benchmarks Regulation (BR);
- Regulation [\(EU\) 2016/1011](#) of the European Parliament and the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014;
- ESMA's mission is to enhance investor protection and promote stable and orderly financial markets.

It achieves these objectives through four activities:

- assessing risks to investors, markets and financial stability;
  - completing a single rulebook for EU financial markets;
  - promoting supervisory convergence; and
  - directly supervising specific financial entities.
- ESMA achieves its mission within the European System of Financial Supervision (ESFS) through active cooperation with the European Banking Authority (EBA), the European Insurance and Occupational Pensions Authority (EIOPA), the European Systemic Risk Board, and with national authorities with competencies in securities markets (NCAs).

Further information:

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