

FiSer Regulatory Roadmap – Benchmark Reg

Regulation	Details	Key elements and impacts
Benchmark Reg	In the wake of alleged manipulation of many financial industry benchmarks e.g. LIBOR, new rules have been adopted to improve the governance of benchmarks produced and used in the EU for financial instruments such as bonds, shares, futures and swaps. The new regulation is designed to improve controls over the benchmark processes and improve the quality of input data and methodologies used by administrators. Only financial instruments that are admitted to trading are affected by this regulation. National regulatory authorities are also given wide powers of supervision, investigation and sanction. The regulation would come into effect by 1 July 2018.	The objectives of the regulation are essentially the ones set forth in the IOSCO Principles for Financial Benchmarks. Not all benchmarks may prove strong enough to meet these new standards. When administrators fail to gain authorisation or registration in the EU, the benchmarks could become inapplicable. Users are suggested to ensure that they are aware of the benchmarks they use and seek assurance from the administrators for those.