



Benchmarks Changes, Cessation & Consultation Policy



The European
Money Markets
Institute

Restricted
[D0159-2025]

Document Information

Document title	Benchmarks Changes, Cessation & Consultation Policy
Approval Date:	[dd mm yyyy]
Business area	Operations
Product	Benchmarks
EMMI reference	D0159-2025
Sensitivity	Public
Documentation type	Policy
Review cycle	Every 2 Years
To be published	YES
Owner	Benchmarks Team
Stakeholders	Compliance
Approval authority	OC/BoD

History

Version	Date of approval	Summary of changes
v.1.	XX XX 2025	Initial version of document

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1. Introduction

This Policy sets out the principles guiding the European Money Markets Institute (EMMI) when implementing any potential changes or cessation of a benchmark, and when conducting stakeholders consultations with regards to changes in the benchmarks it administers. EMMI adopted this Policy on XX XX 2025 following the merger of the Benchmarks Change and Cessation Policy and the Benchmarks Consultation Policy, in order to streamline EMMI's corporate documents framework.

2. Scope

This Policy applies to all EMMI benchmarks.

The purpose of this Policy is to ensure EMMI's compliance with Art. 13 of the Benchmarks Regulation (BMR), which stipulates that *"the administrator shall publish or make available the following information: (c) the procedures for consulting on any proposed material change in the administrator's methodology and the rationale for such changes, including a definition of what constitutes a material change and the circumstances in which the administrator is to notify users of any such changes;"*.

It also ensures EMMI's compliance with Art. 28 of the BMR which states that *"an administrator shall publish a procedure concerning the actions to be taken by the administrator in the event of changes to or the cessation of a benchmark"*.

3. Definition of a Material Change

A material change for a benchmark is defined as a change in its underlying interest, or a change in its methodology, or a change in its features, that fundamentally affects the benchmark.

The list below provides examples of potential scenarios which would trigger a review by EMMI about the materiality of a change for a specific benchmark or set of benchmarks. This list should not be considered exhaustive and potential cases of materiality are not limited to those described here.

- fundamental changes to the underlying interest: changes affecting the underlying market or the underlying economic reality that the benchmark is representing;
- fundamental changes in the methodology: changes in the nature of the methodology (i.e. transaction based, hybrid, quote based etc.); adding or removing waterfall levels;
- fundamental changes in the benchmark features: potential discontinuation of a maturity; changes related to the potential discontinuation of a benchmark, including transition arrangements to a new benchmark;

The final determination of the materiality of a change shall rest with the corresponding benchmark Oversight Committee.

4. Guiding Principles

This Policy focuses on two main processes following the determination of the materiality of a change to a benchmark;

- The implementation of changes or cessation of a benchmark
- The stakeholder consultation process of a proposed material change to a benchmark,

4.1. Changes or Cessation of a Benchmark

Regarding the implementation of any proposed material changes, Article 28 of the BMR stipulates that *"an administrator shall publish a procedure concerning the actions to be taken by the administrator in the event of changes to or the cessation of a benchmark"*. In that respect, this Policy covers:

- the event of material changes to the methodology
- the discontinuation of individual benchmark tenors
- the temporary suspension or the permanent cessation of one or several of its benchmarks.

Scenarios that may affect the calculation and publication of EMMI's benchmark(s) and may lead to a temporary suspension or permanent discontinuation, include but are not limited to:

- Changes in the underlying markets which render the benchmark less relevant or impede its accurate calculation;
- Contingency scenarios that cannot be remediated within a reasonable timeframe, such as low panel participation or reduced availability of input data;
- A request by EMMI's supervisor to change the methodology of any of its benchmarks;
- EMMI's supervisor suspends or withdraws its authorisation

4.1.1. *Design and implementation of a change or cessation plan*

Whenever EMMI plans to change, suspend or permanently discontinue any of its benchmarks, it should be guided by the following principles:

- Key stakeholders such as data providers, end-users, public authorities, and market infrastructures should be considered and consulted, where appropriate and feasible, as described in section 4.2.
- A change, suspension or cessation of a benchmark should minimise the impact on financial markets;
- The economic and financial impact that may result from changes or the cessation of an EMMI benchmark should be duly considered and recognised;
- Subscribers and stakeholders who have financial instruments that reference one or more of EMMI's benchmarks should be encouraged to both implement robust fall-back provisions in appropriate contracts and documentation in the event of cessation or material changes, and make end-users aware of the risks of such cessation or modification.

In the event of a material change, the suspension or the permanent discontinuation of an EMMI benchmark or any of its tenors, EMMI should consider the following key elements, where appropriate and feasible, when designing and implementing its change or cessation plan;

4.1.1.1. Adequate advance notice

EMMI shall give stakeholders and end-users adequate notice to allow for the identification and implementation of alternative arrangements, amendments to contractual documentation, and adherence to regulatory and industry benchmark governance and design standards. When assessing the timing, consideration should also be given to urgency, if any, of changing or ceasing to provide the benchmark. EMMI shall also address scenarios where no alternative benchmark is identified, and contingency arrangements will have to be adopted as a temporary substitute.

4.1.1.2. Materiality of the change

The change or cessation plan design will be based on one of three scenarios:

- (a) where the alternative benchmark can be considered as an evolution of the benchmark;
- (b) where the alternative benchmark has marked distinct features relative to the benchmark; and
- (c) a controlled “wind-down” path where no alternative benchmark can be identified.

4.1.1.3. Interim Arrangements

If deemed necessary, EMMI shall develop robust procedures and practices to ensure that the determination of the benchmark is continued over an interim period in order to permit existing contracts to migrate to an alternative benchmark if necessary.

4.1.1.4. Legal, Regulatory, Accounting, and Tax Implications

When announcing a change or a cessation of a benchmark, EMMI should remind stakeholders and end-users that they need to give consideration, when identifying feasible alternative benchmarks, to the legal risks involved in transition, including contract frustration, and the accounting and tax implications for end-users of transition to an alternative benchmark.

4.1.1.5. Infrastructure Requirements

EMMI shall duly consider the technical requirements associated with a change of either of its benchmarks and/or a transition to alternative benchmarks. Additionally, internal systems at panel banks, data vendors and other stakeholders may need to be adapted to accommodate the relevant changes and/or transitions.

4.1.1.6. Role of the Official Sector and Relevant Stakeholders

The role of the official sector, including governments, regulators and corresponding international public sector bodies should be considered when mitigating the risks associated with benchmarks change(s) or cessation. Additionally, relevant third parties should be incorporated into the planning, design, and implementation phases to aid the development of third party tools that may reduce transition risk, such as market protocols.

4.1.2. Authority

In accordance with their relevant Terms of Reference, the relevant Oversight Committee(s) will recommend to the Board of Directors, oversee, and monitor the implementation of proposed changes to the benchmark. The relevant Oversight Committee(s) will also review and recommend fallback procedures and contingency arrangements in the event that the benchmark cannot be published, as well as any procedures for the cessation of the benchmark.

In the event that a change or a permanent suspension of the benchmark should be foreseen, after the outcome of a stakeholder consultation, the final decision should be taken by EMMI's Board of Directors upon recommendation from the relevant Oversight Committee(s). Once a plan for a change/cessation or final decision is taken by the Board of Directors, such decision shall be publicly communicated at the earliest convenience.

4.2. Stakeholder Consultation Process

Art. 13 of the BMR stipulates that *"the administrator shall publish or make available the following information: (c) the procedures for consulting on any proposed material change in the administrator's methodology and the rationale for such changes, including a definition of what constitutes a material change and the circumstances in which the administrator is to notify users of any such changes;"*.

EMMI is required to consult stakeholders publicly on proposed material changes to any of its benchmarks, as described above in Section 3.

In addition, EMMI may also consult on other benchmark related matters it considers as relevant to its core business and/or to its stakeholders.

The purpose of a consultation undertaken under this policy is to invite all relevant stakeholders to express their views and to provide feedback on proposed material changes or other initiatives where applicable. EMMI will take due account of stakeholders' input received through the consultation process when proceeding with the proposed change. EMMI shall engage stakeholders and end-users as early as possible, in the event of a change or the cessation of the benchmark, or one of the tenors where applicable, appears likely. Consultations may be held during the planning, design, review, and implementation phases of the benchmark change(s) or cessation.

EMMI will conduct its consultations within the following framework;

4.2.1. Authority overseeing the consultation

The Board of Directors (BoD) shall have the authority to launch a consultation under this policy. For changes involving specific EMMI benchmarks, the BoD shall authorise a consultation based on a recommendation from the corresponding benchmark Oversight Committee.

The BoD shall reflect on considerations of the potential impacts of a proposed change in determining whether to authorise a consultation process. Such impacts may include, but are not limited to:

- regulatory or legal obligations of the stakeholders in relation to the use of EMMI Benchmarks¹;
- impact on the continuity of existing contracts;
- for critical² benchmarks, implications for financial stability of the underlying market.

4.2.2. *Instances requiring a consultation*

4.2.2.1. Material Changes

Consultations shall always be undertaken for “material changes” in EMMI’s benchmarks. A “material change” for a benchmark is, as defined in Section 3 of this Policy, a change in its underlying interest, or a change in its methodology, or a change in its features, that fundamentally affects the benchmark.

4.2.2.2. Other circumstances

The respective benchmark Oversight Committee may also recommend to consult on other aspects deemed of relevance even if it does not consist of changes that are considered as material.

4.2.3. *Optional consultations*

EMMI may undertake consultations on other benchmark related measures when these are likely to impact EMMI’s core business or when these measures can significantly impact European money markets. Most relevantly, these measures may include the introduction of new interest rate benchmarks.

4.2.4. *Stakeholder feedback*

4.2.4.1. Identification of relevant stakeholders

EMMI is committed to providing transparency to stakeholders in the provision and use of EMMI’s benchmarks. As such, consultations should be published and advertised to a wide audience of stakeholders.

While EMMI cannot identify all individual stakeholder entities, it will advertise the consultation to those parties that have been identified as potentially being affected by such changes. For instance, stakeholders for a consultation process shall include, but are not limited to:

- Subscribers to EMMI’s benchmarks;
- Representative trade associations or other user associations whose members are users of EMMI’s benchmarks;
- Panel Banks for the corresponding EMMI benchmark(s), when one or more benchmarks are subjects of the consultation;
- Public authorities, including regulatory agencies and central banks.

¹ This refers to overall legal or regulatory obligations in relation to EMMI Benchmarks. EMMI shall not be responsible for analysing the particular obligations of individual stakeholders.

² As defined in the European Commission Implementing Regulation (EU) 2016/1368.

4.2.4.2. Notification of stakeholders involved in the consultation

EMMI shall notify identified stakeholders directly, as deemed appropriate, and publish notice of the consultation on its website inviting all interested parties to provide feedback to the consultation. If applicable, EMMI will ask the identified stakeholders to further share the details of the consultation with their own relevant stakeholders.

4.2.4.3. Consultation timing and notification

EMMI shall give stakeholders adequate advance notice of the proposed change. EMMI's standard time frame for posting notice of its consultations is two months before the deadline for response. Should the proposed change be urgent due to regulatory, legal, operational or financial stability reasons, the consultation period may be shorter than two months, however not shorter than one month. The consultation process will follow the same procedure (as outlined in Section 4.2.4.5) regardless of the length of the notice period.

Specific details regarding the material change, or proposed measure where applicable, and the timeline for the consultation process shall be included in this notification as well as the rationale for the proposed changes. This shall include, among other things, whether the representativeness of the corresponding EMMI benchmark and its appropriateness as a reference for financial instruments and contracts would be put at risk if the proposed material change were not made.

4.2.4.4. Confidentiality of feedback from individual stakeholders

EMMI shall treat as confidential the feedback from stakeholders responding to a consultation who request such treatment. In such cases, EMMI shall nonetheless retain the right to make public the stakeholder's name as part of a list of entities which provided feedback and publish responses in an aggregate form and in a manner where individual respondents cannot be readily identified. EMMI may also share the feedback from individual stakeholders within EMMI, and with relevant governing bodies of EMMI, as necessary for the conduct of consultation process.

4.2.4.5. Consideration of stakeholder feedback

EMMI shall address feedback received from stakeholders in a published summary of contributions, anonymized and aggregated where necessary, after the conclusion of the consultation process. EMMI will provide its rationale for the acceptance, modification or rejection of recommendations made by respondents to the consultation as part of the summary. Any change to a benchmark administered by EMMI resulting from the feedback to the consultation will follow the process and approvals set out in Section 4.1 above.

5. Overview of Roles & Responsibilities

Function	Role	Responsibilities
EMMI	Benchmarks Team	Responsible for designing and implementing the change or cessation plan in line with the guiding principles Responsible for identifying the scope of the consultation

		<p>Responsible for conducting the analysis on which the consultation will be based</p> <p>Responsible to draft the consultation</p>
EMMI	Head of Operations	<p>Responsible for reviewing the changes or cessation plan and signing it off to the CEO</p> <p>Responsible for identifying the relevant stakeholders</p> <p>Responsible for the assessment of whether a consultation is needed</p> <p>Responsible for reviewing the consultation and signing it off to the CEO</p>
EMMI	Chief Executive Officer (CEO)	<p>Responsible for approval of the changes or cessation plan</p> <p>Responsible for signing off the assessment of the Benchmarks Team and the assessment of the Head of Operations Unit</p> <p>Responsible for the submission of the consultation to the relevant Oversight Committee</p>
Oversight Committee	Benchmark Oversight Committee	<p>Responsible for determining if a proposed change to a benchmark under its oversight is material</p> <p>Responsible for overseeing the implementation of the changes or cessation plan</p> <p>Responsible for recommending the content of the consultation to the Board.</p>
EMMI	Board of Directors	<p>Responsible for approving the implementation of the change and/or cessation plan</p> <p>Responsible for approving the consultation document</p>

6. Definitions

Term or acronym	Definition
EMMI	European Money Market Institute
BMR	Benchmarks Regulation
BoD	Board of Directors

Annex 1:

References

Related documentation to this Policy includes:

- Benchmarks Consultation Procedure