



ICE DATA INDICES, LLC

CONSULTATION POLICY

April 2023

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1. OVERVIEW

In the Principles for Financial Benchmarks issued by the International Organization of Securities Commissions (IOSCO) in July 2013¹ (the “IOSCO Principles”), Principle 12 “Changes to the Methodology” provides that an “Administrator” (such as ICE Data Indices (“IDI”)) should publish the procedures for making material methodology changes and should develop consultation procedures “that are appropriate and proportionate to the breadth and depth” of a benchmark’s use and considering the nature of the users of the benchmark..

In addition, as a third country Benchmark Administrator, IDI must also consider the provisions relating to the Transparency of methodology requirements under the European Union and UK Benchmarks Regulations (collectively, “BMR”²). The BMR Transparency of methodology requirements (Article 13) states that “the administrator shall publish or make available the following information: . . . 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.”

This Consultation Policy (“Policy”) addresses the above requirements for IDI.

Terms used but not defined in this document have the meanings given to them in the IOSCO Principles.

2. CONSULTATION PROCESS

IDI will consult with its Stakeholders when it is proposing to make material changes to an index methodology, except as set forth in this policy.

2.1. MATERIALITY

IDI defines a material change as any change to the methodology in the manner or process by which Benchmark constituents are selected or the Benchmark is calculated, or the interpretation

¹ Available at <http://www.iosco.org/library/pubdocs/pdf/IOSCOPD415.pdf>.

² The requirements of the European Union and UK Benchmarks Regulations are substantively similar and this policy will refer to them collectively. The EU BMR is available at [Regulation \(EU\) 2016/1011 of the European Parliament and of 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](#). The UK BMR is available at [The Benchmarks \(Amendment and Transitional Provision\) \(EU Exit\) Regulations 2019](#) <https://www.legislation.gov.uk/uksi/2019/657/contents>.

of such manner or process, such that the Benchmark performance or published values will be significantly affected. Changes that are for clarification purposes or are simply cosmetic in nature, are considered immaterial.

The determination of the need for a material change may arise for a variety of reasons, including as a result of feedback from Subscribers or internal working groups, or as a result of findings from periodic reviews or rebalancing events. The need for a material change may also result from market events, or changes in regulation or applicable law.

Except in the event of an emergency situation (see section 1.3 below), proposals to make material changes will be presented to the IDI Governance Committee for review and authorization, and will be documented accordingly.

Immaterial changes will not trigger a consultation with Stakeholders. The IDI Governance Committee will nonetheless be informed when any immaterial changes have been made for oversight purposes and they documented accordingly.

2.2. PROCESS

After determining that a material change is required, IDI will prepare the consultation proposals, which are shared with the IDI Governance Committee for their oversight and approval.

Where the relevant Benchmark is used broadly, IDI will announce the consultation publicly by posting an announcement on the primary IDI distribution platform – the “ICE Index Platform”³. In addition, other communication channels may also be utilized depending on the specific consultation, including the following: market data portal; press release; specific client communications; social media including LinkedIn and Twitter; and other such forms of communication (collectively, “Alternate Communication Channels”). The consultation period will be set out in the consultation notice. Feedback is sought from all Stakeholders.

For some of IDI’s indices, the number of Stakeholders and Subscribers is limited and in those cases a consultation will be undertaken directly with such entities. For custom indices, the methodology and changes thereto are determined based on feedback from the relevant client.

The responses and feedback received are analyzed by the relevant team at IDI. In certain cases, further discussion may be needed with specific respondents to ensure their views are clearly understood. After taking all feedback into consideration, the IDI team will prepare a final report for the IDI Governance Committee’s review and approval that presents the findings and a final recommendation.

If a methodology change is approved, the nature and timing of the adoption of the change will be announced publicly, along with a summary of the Consultation findings. Announcements will be made via the ICE Index Platform and Alternate Communication Channels may also be utilized.

³ The ICE Index Platform <https://indices.theice.com/>

In the case of a Benchmark decommissioning, the *Transition Policy* and the [Benchmark Cessation Procedure](#) will be followed.

Users of IDI indices are advised that any changes to, or the cessation of an index may have an impact upon any financial contracts and financial instruments that reference the applicable index.

2.3. EMERGENCY PROCEDURES

Certain events may occur that require IDI to take immediate action. Such changes may occur as a result of market events, or changes in regulation or legislation. After having advised the IDI Governance Committee of the need for an emergency change, IDI will announce the changes publicly via the ICE Index Platform for the affected indices and, in addition, Alternate Communication Channels may also be utilized.

3. REVIEW

This Consultation Policy is subject to review on a periodic basis, and at least once in a calendar year. This Policy may be subject to more frequent review and revision based on business and/or regulatory changes.

4. AVAILABILITY OF DOCUMENTATION

This Policy will be published on IDI's website www.theice.com/market-data/indices/regulation.

5. QUERIES

If you have any questions regarding this Policy, you should consult with the IDI Compliance Officer or Legal Department on Legal&Regulatory-ICEDataIndices@Theice.com

6. APPROVAL

This Policy has been approved by the IDI Governance Committee.