

**MEMO# 27323**

June 20, 2013

## **Member Call on MAS Financial Benchmarks Consultation**

[27323]

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TO: ICI GLOBAL ASIA PACIFIC CHAPTER No. 4-13

ICI GLOBAL REGULATED FUNDS COMMITTEE No. 8-13 RE: MEMBER CALL ON MAS FINANCIAL BENCHMARKS CONSULTATION

The Monetary Authority of Singapore (MAS) has published a consultation outlining a proposed framework for the regulation of financial benchmarks. [\[1\]](#) Comments should be submitted by 15 July 2013. A Member Call is being held on Tuesday 25 June at 4pm SGT/9am BST to discuss ICI Global's response to the consultation.

The framework proposed in the consultation paper has the stated purpose of enhancing "the integrity of the processes for setting these financial benchmarks." The paper follows a year-long review of the processes relating to banks' benchmark submissions completed by the MAS.

The proposed framework is comprised of two broad elements.

Firstly, a specific criminal and civil sanctions regime for the manipulation of any financial benchmark including SIBOR, SOR, and FX Benchmarks.

Secondly, the MAS intends to subject the setting of key financial benchmarks to regulatory oversight. This will include the power to designate "key benchmarks" based on considerations such as the systemic importance of a benchmark and an assessment of its susceptibility to manipulation.

Under the proposed framework of regulatory oversight, the administrator and submitters of key benchmarks will be required to be licensed by MAS and will be subject to regulatory requirements. The requirements for administrators of key benchmarks will include:

- i. establishing effective arrangements for regular monitoring and surveillance of benchmark submissions;
- ii. putting in place robust governance arrangements to identify and mitigate actual and potential conflicts of interest; and
- iii. establishing a committee that will be responsible for overseeing the benchmark

administration process and code of conduct for submitters.

The proposed framework would subject the submitters of key benchmarks to requirements including:

- i. compliance with the code of conduct for submitters developed by the respective administrators; and
- ii. appointment of an external auditor to conduct an annual independent review of the submitter's benchmark submission activities and submission of this auditor's report to MAS.

Members based in Singapore should have already received dial-in details for the call. Other Members are welcome to join the call. Please contact Lesley Dunn ([lesley.dunn@iciglobal.org](mailto:lesley.dunn@iciglobal.org) or +44 203 009 3103) or Vickie Mak ([vickie.mak@iciglobal.org](mailto:vickie.mak@iciglobal.org) or +852 2910 9224) for dial-in details.

Giles Swan  
Director of Global Funds Policy - ICI Global

#### **endnotes**

[1] Consultation Paper on Proposed Regulatory Framework for Financial Benchmarks (available from <http://www.mas.gov.sg/~media/MAS/News%20and%20Publications/Consultation%20Papers/Financial%20Benchmarks%20Consultation%20Paper%20%202014Jun13.pdf>)

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