



ICE Futures Europe Brent Index Consultation Policy

August 2024

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Revisions

Version	Publication Date	Overview of amendments made
1.0	14 September 2020	New Policy
1.1	03 November 2021	Wording updated in 2.4
1.2	21 June 2023	Contents and revision tables added.
1.3	4 March 2023	Wording added to 1.3
1.4	21 August 2024	Annual review. No changes.

1. Introduction

- 1.1. ICE Futures Europe (“IFEU” or “the Exchange”) is the administrator of the ICE Brent Index.
- 1.2. IFEU is authorised and regulated by the FCA and is required to comply with the FCA’s rules for benchmark administrators.
- 1.3. This policy has been created in accordance with Article 28 of the Benchmark Regulation (“the BMR”)¹ and Article 4 of the supplementary delegated regulation (EU) 2018/1643² as incorporated into domestic law pursuant to the European Union (Withdrawal) Act 2018³, and amended by the Benchmarks (Amendment and Transitional Provision) (EU Exit) Regulations 2019 (SI 2019/657), the Financial Services (Electronic Money, Payment Services and Miscellaneous Amendments) (EU Exit) Regulations 2019 (SI 2019/1212), and the Financial Services (Miscellaneous Amendments) (EU Exit) Regulations 2020 (SI 2020/628).
- 1.4. IFEU has been registered as a Benchmark Administrator for purposes of Article 32 of the BMR with the FCA as the relevant competent authority.

2. IOSCO Principles for Financial Benchmarks

2.1 IOSCO’s Principles for Financial Benchmarks in July 2013 set global standards for the administration of benchmarks. Specifically, IOSCO sought to articulate policy guidance and principles for Benchmark-related activities that would address conflicts of interest in the Benchmark-setting process, as well as transparency and openness when considering issues related to transition.

2.2 Principle 12 (Changes to the Methodology) states that:

“The Administrator should develop Stakeholder consultation procedures in relation to changes to the Methodology that are deemed material by the oversight function, and that are appropriate and proportionate to the breadth and depth of the Benchmark’s use and the nature of the Stakeholders. Procedures should:

- a. Provide advance notice and a clear timeframe that gives Stakeholders sufficient opportunity to analyse and comment on the impact of such proposed material changes, having regard to the Administrator’s assessment of the overall circumstances; and
- b. Provide for Stakeholders’ summary comments, and the Administrator’s summary response to those comments, to be made accessible to all Stakeholders after any given consultation period, except where the commenter has requested confidentiality.”

¹ <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32016R1011&from=EN>

² Commission Delegated Regulation (EU) 2018/1643 of 13 July 2018 <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=OJ:L:2018:274:FULL&from=EN>

³ <https://www.legislation.gov.uk/ukpga/2018/16/contents/enacted>

2.3 IOSCO further states that:

“These procedures should clearly define what constitutes a material change, and the method and timing for consulting or notifying Subscribers (and other Stakeholders where appropriate, taking into account the breadth and depth of the Benchmark’s use) of changes.”

2.4 IFEU has defined such “a material change” as any that would require a variation to IFEU’s published methodology, other than cosmetic changes. Material changes are subject to approval by IFEU’s President after consulting with the Advisory Committee, and are documented accordingly.

2.5 Changes which do not require an update to the published methodology would be considered immaterial. Such changes are subject to approval by IFEU’s President and are documented accordingly.

3. Consultation process

3.1 IFEU will consult publicly from time to time on proposed changes to the ICE Brent Index.

3.2 In conjunction with the Advisory Committee, IFEU will prepare a consultation paper after careful consideration of the following points:

- 3.2.1 any regulatory or legal obligations of the benchmark administrator or of benchmark users;
- 3.2.2 any other legal or regulatory implications including any potential consequences for the continuity of existing contracts;
- 3.2.3 any technology and related processes and procedures;
- 3.2.4 whether the proposals are clearly articulated and give a balanced view of the likely implications;
- 3.2.5 whether feedback questions are clear and unambiguous;
- 3.2.6 whether the consultation period is sufficient
- 3.2.7 how consultation responses will be analysed and what criteria will be used in evaluating them, and
- 3.2.8 who will be able to access the consultation responses.

3.3 Consultation papers will be reviewed and agreed by the Advisory Committee, and/or the IFEU Board as appropriate before publication or circulation.

3.4 IFEU typically will share a consultation paper with the FCA before publication.

3.5 IFEU will publish consultation papers on its website and invite interested parties to comment on the proposals by a specified date.

3.6 When the consultation period closes, IFEU will prepare a detailed analysis of responses for internal use, circulating it as appropriate to the Advisory Committee and the Board.

3.7 IFEU will publish a feedback statement summarising responses and excluding points made by a commenter who has requested confidentiality. The feedback statement will be reviewed and agreed with the Advisory Committee before publication.

- 3.8 It should be noted that urgent (e.g. changes proposed by a Price Reporting Agency (“PRA”) to the reporting or definition of the underlying cargo market and implemented according to the PRA’s preferred timeline) or non-material changes to the ICE Brent Index may not be subject to public consultation due to the time sensitive nature of such changes.
- 3.9 The Exchange would only cease to publish the ICE Brent Index if there was no open interest in the Brent Futures market. The market would be informed of the cessation of the ICE Brent Index via a Circular published on the ICE website.
- 3.10 Users of the ICE Brent Index, including other licensed users, are advised that any changes to, or the cessation of, the ICE Brent Index may have an impact upon any financial contracts and financial instruments that reference the ICE Brent Index.