



Euribor Code of Obligations of Calculation Agent

Euribor Governance Framework

Document information

Document title	Code of Obligations of Calculation Agent	Status:	Final version
Business area	Benchmarks Governance		
EMMI reference	D0015D-2019		
Sensitivity	Public Document		
Approval authority	Euribor Oversight Committee	Approval Date:	23 01 2019
	Board of Directors	Approval Date:	31 01 2019
	General Assembly	Approval Date:	31 01 2019
	Euribor Oversight Committee	Approval Date:	10 03 2021
	Euribor Oversight Committee	Approval Date:	15 03 2022
	Board of Directors	Approval Date:	17 05 2022
	Euribor Oversight Committee	Approval Date	23 05 2024
	Board of Directors	Approval Date	11 06 2024

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1. Definitions and conventions

- BMR** 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 investments funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014.
- RTS** Commission Delegated Regulation (EU) 2018/1637-1646 of 13 July 2018 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council.
- GCC** The Governance Code of Conduct sets out the governance arrangements and control framework established by EMMI, in its role as administrator of Euribor, for the provision of the benchmark.

Reference to regulatory requirements

For ease of reference, next to each paragraph in all documents of the Euribor Governance Framework, EMMI includes an explicit mention to the applicable EU BMR requirement, e.g.

BMR 5, 3(c) Refers to article 5, paragraph 3, point (c) in the EU BMR.

Furthermore, in case the requirement arises from a regulatory technical standard (RTS) developed by ESMA, EMMI refers to the RTS by indicating the article for which it provides further specification, e.g.

RTS 5, 2.1 Refers to article 2.1 on the RTS further specifying the requirements in EU BMR article 5 on procedures and characteristics of the oversight function.

In case the corresponding RTS includes an annex complementing its main text, reference to the annex will be made applying the same logic, e.g.

Annex 5, 1 Refers to article 1 in the annex to the RTS article further specifying the requirements of EU BMR article 5.

2. Purpose

BMR 10 The European Money Markets Institute (EMMI) as a Critical Benchmarks Administrator, has a responsibility of defining and implementing robust governance and control arrangements for functions that are outsourced in the provision of Euribor.

BMR 10, 1 In particular, EMMI shall ensure that outsourced functions in the provision of Euribor do not materially impair EMMI's control over the provision of Euribor or the ability of its competent authorities to supervise Euribor.

BMR 10 The objective of the Euribor **Code of Obligations of Calculation Agent ("COCA")** is to set out the requirements for the Euribor Calculation Agent ("Calculation Agent") in acting as an agent of EMMI for the determination of Euribor.

3. Authority and status

BMR 10 The COCA is an integral component of the Governance Framework and has been adopted on **[31 January 2019]** by EMMI's General Assembly ("General Assembly"), following a recommendation by EMMI's Board of Directors ("Board") and the Euribor Oversight Committee ("Oversight Committee"). It shall be reviewed if and when appropriate.

BMR 10, 1 The Calculation Agent must confirm compliance with the COCA to EMMI on an annual basis. The standards set in this COCA are additional to and do not supersede any relevant legislation, regulation or regulatory guidance applicable to EMMI. EMMI and the competent supervisory authorities should be notified of any potential inconsistencies between the COCA and such legislation or regulation

The standard set out in this COCA do not replace or supersede any requirement established contractually between EMMI and the Calculation Agent.

4. Calculation agent role and obligations

4.1. General requirements

BMR 10, 3(a) The Calculation Agent must have the ability, capacity, and any authorisation required by law, to perform the calculation agent services reliably and professionally.

RTS 13, 2.1(m) The Calculation Agent has the responsibility for the following:

- a. the efficient and timely operation of the daily Euribor determination process as defined in the Benchmark Determination Methodology for Euribor (BDM), with due regard for upholding the quality of the benchmark determination;
- b. pre- and post-calculation data controls defined by EMMI;

- c. the accurate and timely dissemination of the calculated Euribor rates to the authorised Data Vendors for publication;
- d. the handling of access rights for authorised contributors to Euribor, in accordance with EMMI's instructions;
- e. the regular reporting to EMMI on the quality of data submissions, including absent or persistently erroneous submissions; and
- f. the record retention of daily calculation events, actions taken and communications with Panel Banks in accordance with the requirements set out in section 5.
- g. immediately escalate to EMMI any significant issue that occurs during the calculation of Euribor, including but not limited to; contingency, business continuity and disaster recovery scenarios, as detailed in the relevant policies and procedures.

The Calculation Agent may undertake further data analysis and quality roles for EMMI, in particular assisting in the post-calculation data controls performed by EMMI, using its expertise in these fields, provided that both parties agree on such responsibilities explicitly.

EMMI will provide the primary benchmark calculation infrastructure, however the Calculation Agent shall maintain the ability to collect, calculate and distribute Euribor for the cases when the primary infrastructure is unavailable.

The Calculation Agent must carry out the calculation agent services in compliance with applicable laws and regulations, as well as with relevant policies established by EMMI, as defined contractually.

BMR 10, 3(e) The Calculation Agent must report immediately to EMMI in case of any development that may have a material impact on its ability to carry out the calculation agent services effectively and in compliance with applicable law and regulatory requirements.

The Calculation Agent shall cooperate with the relevant competent authorities in connection with the outsourced activities. The administrator and the relevant competent authorities shall have effective access to data related to the outsourced activities, as well as to the business premises of the Calculation Agent. The relevant competent authorities shall be able to exercise those rights of access.

4.2. Governance and Control Framework

BMR 10, 1 To perform the responsibilities described above, the Calculation Agent should establish robust governance arrangements and control frameworks, including but not limited to:

BMR 10, 3(f)

- a. establish its internal "Code of Conduct of Calculation Agent", detailing its governance processes and internal controls observed by the Calculation Agent with regard to Euribor determination;

- b. maintain a documented oversight process for the determination of Euribor, with accountable named managers of appropriate seniority;
- c. develop and maintain robust systems and operational infrastructures, with appropriate resiliency including a disaster recovery capability, in order to ensure the consistent and timely determination of Euribor;
- d. establish and maintain policies and procedures for handling and making appropriate disclosure and correction of operational, computational or other errors which may affect the level of the published Euribor rates;
- e. establish policies and procedures to maintain high standards for confidentiality and data protection in relation to its role as Calculation Agent;
- f. establish and maintain policies and procedures to identify and to prevent or manage conflicts of interest in relation to its role as Calculation Agent;
- g. establish clear communication processes with EMMI;
- h. Establish a reporting framework on the quality of the Euribor determination process – including contributions of input data by Panel Banks - as defined in the relevant policies and procedures

4.3. Accountability Framework

The Calculation Agent should have in place an accountability framework, covering the following process in relation to its activities as Euribor calculating agent: record-keeping; auditing and review; complaints.

5. Record-keeping

The Calculation Agent shall develop and maintain its own record-keeping policy that must comply with EMMI's record-keeping policy.

The record-keeping obligations of the Calculation Agent shall be detailed in a Service Level Agreement between the Agent and EMMI.

6. Audit and reviews

The Calculation Agent should have in place internal reviews and audit arrangements to provide assurance on the effectiveness of the controls in place, taking into consideration its responsibility as Euribor Calculation Agent and its core processes and procedures.

In particular, the Calculation Agent shall appoint an external auditor to review and report on the Calculation Agent compliance with its obligations, as established

contractually, including but not limited to this COCA, EMMI's Policies and Procedures or the Code of Conduct of Calculation Agent, at least annually.

7. Complaints and whistleblowing

The Calculation Agent shall establish procedures for receiving, investigating and retaining records concerning complaints made in relation to Euribor.

The Calculation Agent shall establish whistleblowing arrangements for the reporting of potentially suspicious or manipulative activity.