

## Frequently Asked Questions

### European Union Benchmark Regulation

The EU Benchmark Regulation ([Regulation \(EU\) 2016/1011](#)) introduced a common framework to ensure that benchmarks are robust and reliable and to minimize conflicts of interest. The full requirements of the regulation are now in force for EU benchmark administrators (with the exception of critical benchmarks),<sup>1</sup> while non-EU benchmark administrators have been granted additional time to meet the requirements (ending Dec. 31, 2023).<sup>2</sup> This means EU-supervised entities can continue to use non-EU indices as benchmarks until Dec. 31, 2023.<sup>3</sup>

#### **S&P DOW JONES INDICES' STATUS UNDER THE EU BENCHMARK REGULATION**

S&P Dow Jones Indices LLC (S&P DJI) is a U.S. entity, and in order to meet the requirements of the EU Benchmark Regulation, a new entity has been established in the EU, S&P DJI Netherlands B.V. based in Amsterdam. This Dutch entity is an administrator authorized by the Netherlands Authority for Financial Markets (AFM) and also acts as the endorsing administrator for other S&P DJI indices known to be used in the EU as benchmarks.

#### **Authorized Benchmark Administrator – Article 34 EU Benchmark Regulation**

On Dec. 3, 2018, S&P DJI Netherlands B.V. was granted authorization by the AFM to act as an administrator under Article 34 of the EU Benchmark Regulation. S&P DJI Netherlands B.V. is listed on the European Securities and Markets Authority (ESMA) register for benchmark administrators.

S&P DJI Netherlands B.V. is the benchmark administrator for the [S&P Europe 350<sup>®</sup> Indices](#) and [S&P PACT<sup>™</sup>: Paris-Aligned & Climate Transition Indices](#). S&P DJI Netherlands B.V. also provides benchmark administration services on behalf of third-party index owners. To find benchmarks administered by S&P DJI Netherlands B.V., please see the [S&P DJI Methodology & Regulatory Database](#).

#### **Endorsement of Benchmarks Provided in a Third Country – Article 33 EU Benchmark Regulation**

Many of S&P DJI's indices are known to be used as benchmarks in the EU (including the [S&P 500<sup>®</sup>](#) and the [Dow Jones Industrial Average<sup>®</sup>](#)), and these indices have been endorsed<sup>4</sup> as benchmarks and are included on the ESMA register for third country benchmarks. The ESMA register for third country benchmarks can be found [here](#). To use S&P DJI's tool to look up information in relation to our indices, please see the [S&P DJI Methodology & Regulatory Database](#).

<sup>1</sup> Note: Regulation 2019/2089 extends the transition period for critical benchmarks to Dec. 31, 2021.

<sup>2</sup> Regulation (EU) 2021/168

<sup>3</sup> Note: Regulation (EU) 2021/168 empowers the European Commission to further extend the transitional period referred to under Article 51(5) until Dec. 31, 2025.

<sup>4</sup> Under Article 33 of the EU Benchmark Regulation, an authorized benchmark administrator may act as the endorsing administrator for indices administered by a benchmark administrator located outside of the EU.

Under the EU Benchmark Regulation, EU-supervised entities<sup>5</sup> (such as banks, insurance companies, investments firms, and UCITS) may only use<sup>6</sup> a benchmark if the administrator or the benchmarks (in the case of benchmarks administered outside of the EU) appear on the ESMA register.

Please click [here](#) to find copies of our benchmark statements.

- 1. Who does the EU Benchmark Regulation apply to?** It applies to index providers (administrators), index users (supervised entities), and parties that contribute data (contributors) to an index. It also applies to index providers based outside of the EU if their indices are used as benchmarks within the EU.
- 2. Do EU and non-EU benchmark administrators obtain approval via the same process?** No. An EU benchmark administrator is either “authorized” or “registered” by its national competent authority, whereas non-EU benchmark administrators must use one of the following three mechanisms for supervised entities to use its benchmarks: (1) equivalence, (2) recognition, or (3) endorsement (as explained previously, S&P DJI used the endorsement route).
- 3. Is there a list of approved benchmark administrators or benchmarks?** Yes, the [ESMA Benchmark Administrators Register](#) lists the names of all “approved” benchmark administrators (i.e., EU administrators registered or authorized and non-EU administrators granted equivalence, recognition, or endorsement). Please note that the ESMA register only lists the administrator entity name. There is no requirement for EU administrators to list the names of individual benchmarks. Non-EU administrators, on the other hand, must also provide a list of benchmarks to ESMA, which can be found on the [ESMA Third Country Benchmarks Register](#).
- 4. Which ESMA register is relevant to S&P DJI and its benchmarks?** Both ESMA registers are applicable to S&P DJI. S&P DJI and S&P DJI Netherlands B.V. appear on the [Benchmark Administrators Register](#). In addition, a number of S&P DJI's indices that are known to be used as benchmarks are listed on the [Third Country Benchmarks Register](#).
- 5. How do I find out if an S&P DJI index is on the ESMA register?** For a definitive list of benchmarks, please refer to the [ESMA Third Country Benchmarks Register](#). As mentioned previously, EU administrators are not required to list individual benchmarks on the [ESMA Benchmark Administrators Register](#). Therefore, those benchmark series administered by S&P DJI Netherlands B.V. (i.e., the S&P Europe 350 Indices family and the S&P PACT: Paris-Aligned & Climate Transition Indices) do not appear on the ESMA Benchmark Administrators Register. However, a number of indices administered by S&P DJI that are known to be used as benchmarks in the EU are listed on the Third Country Benchmarks register.

In addition, to support our clients and users, S&P DJI has created a useful online tool, the [Methodology & Regulatory Status Database](#). The tool can help users find methodologies, benchmark statements, and the regulatory status of a particular S&P DJI index. [Here](#) is a useful “How to” guide to help use the tool. The tool enables users to search by (1) methodology, (2) index (including by index name, ISIN, ticker, index key, or unique identifier), (3) jurisdiction, and (4) benchmark statement. Search results can be exported to an Excel spreadsheet. S&P DJI's

<sup>5</sup> “Supervised entity” is defined in Article 3.1(17) of the EU Benchmark Regulation.

<sup>6</sup> “Use of a benchmark” is defined in Article 3.1(7) of the EU Benchmark Regulation.

online tool is a useful resource, but S&P DJI makes no representation, guarantee, or warranty as to its accuracy or completeness, and clients and users should therefore refer to the ESMA registers.

6. **Does the ESMA register contain every S&P DJI index?** No, not all of our indices have been added to the ESMA register. The ESMA register includes those S&P DJI indices that are known to be used as benchmarks in the EU. If you cannot find a benchmark or want more information on this topic, please [contact us](#).
7. **Can I use ISINs or other codes to search for an S&P DJI index on the ESMA register?** Yes, you can search the ESMA register by international securities numbers, such as ISINs. However, these codes are typically used to identify securities and not benchmarks, therefore only a small number of our benchmarks have an ISIN number.
8. **What should I do if I search for an S&P DJI index on the ESMA register but cannot find it?** Please ensure that you used the index name as it appears in our index files. You can also try searching using an ISIN, Bloomberg ticker codes, or Reuters Instrument Codes (RICs) (you can locate ISINs, Bloomberg tickers codes, and RICs via S&P DJI's [Methodology & Regulatory Status Database](#)). If you have done this and are still having trouble finding an S&P DJI index, please [contact us](#).

Please note, S&P DJI can only include benchmarks on the ESMA register where it acts as the benchmark administrator. If you have further questions about the definition and role of an administrator, please read our [Benchmark Administrator FAQ](#).

9. **If S&P DJI calculates an index on behalf of a third party, does that mean it is the administrator of that index?** No. S&P DJI provides custom index calculation services on behalf of third-party index owners. When S&P DJI provides calculation services on behalf of a third party, S&P DJI is not the benchmark administrator for these indices. For information on the status of such indices under the EU Benchmark Regulation, please contact the owner of the index.
10. **What impact does the U.K.'s exit from the EU have on S&P DJI's status under the EU Benchmark Regulation?** S&P DJI Netherlands B.V. is a Dutch entity, authorized by the AFM, and therefore Brexit does not have any impact on S&P DJI Netherlands B.V.'s status as an authorized EU benchmark administrator nor as the endorsing administrator for S&P DJI's indices—consequently Brexit will have no significant impact on the services S&P DJI provides.
11. **What impact does the U.K.'s exit from the EU have on the use of benchmarks in the U.K.?** The U.K. enacted all of the provisions of the EU Benchmark Regulation directly into U.K. law under the Benchmark (Amendment and Transitional Provisions) (EU Exit) Regulations 2019<sup>7</sup> as amended by the Financial Services (Electronic Money, Payment Services and Miscellaneous Amendments) (EU Exit) Regulations 2019<sup>8</sup> (U.K. BMR). Under the U.K. BMR, the U.K. government has granted equivalence to benchmark administrators authorized or registered in an EEA state.<sup>9</sup> EEA benchmark administrators are required to notify the U.K. Financial Conduct

<sup>7</sup> <https://www.legislation.gov.uk/uksi/2019/657/made>

<sup>8</sup> <https://www.legislation.gov.uk/uksi/2019/1212/made>

<sup>9</sup> [https://www.legislation.gov.uk/uksi/2019/541/pdfs/uksiod\\_20190541\\_en\\_009.pdf](https://www.legislation.gov.uk/uksi/2019/541/pdfs/uksiod_20190541_en_009.pdf)

Authority (FCA) and will then be listed on the U.K. benchmark register. Under the U.K. BMR, non-EEA benchmark administrators have a transitional period ending on Dec. 31, 2022<sup>10</sup> before they are required to register directly with the FCA. S&P DJI's indices can continue to be used as benchmarks in the U.K.

**12. Do any of S&P DJI's indices align with the EU's minimum standards for Paris-aligned Benchmarks (PABs) or Climate Transition Benchmarks (CTBs)?** Yes, the [S&P PACT: Paris-Aligned & Climate Transition Indices](#) are aligned with the EU's minimum standards for PABs and CTBs.

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<sup>10</sup> The U.K. government is in the process of extending the transitional period for non-EEA benchmark administrators until Dec. 31, 2025.

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