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CITA and SWAP Panel Bank Code of Conduct

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1 Purpose

1.1 The Purpose of this Code of Conduct is to ensure consistent behaviour by Panel Banks in respect to their provision of input data as regards the quality, accuracy and quantity required by the methodology used to determine the Benchmarks covered by this Code of Conduct¹

1.2 As Administrator, the Danish Financial Benchmark Facility (DFBF), has taken into consideration the nature, scale and complexity of the activities of the Panel Banks, including that Panel Banks are supervised entities; whether conflict of interest may rise between the contribution to the Benchmarks and trading or other activities performed by the Panel Banks; and the level of discretion involved in the process of contribution.

1.3 Alignment with Benchmark Regulation

This Code of Conduct is aligned with Regulation (EU) 2016/1011 of the European Parliament, including any delegated or implementing acts, regulatory or implementing technical standards, rules, requirements, guidelines and policies relating to the aforesaid regulation, as at the date of this conduct. [As the Benchmark Regulation may be amended or replaced from time to time, this Code of Conduct is subject to change as set out in clause 1.4]. As the Benchmarks are based on input data from Panel Banks the DFBF has developed this Code of Conduct to clearly specify Panel Banks' responsibilities with respect to their contribution of input data.

1.4 Subject to Change

This Code of Conduct may be subject to change by the DFBF on 30 days' notice to the Panel Banks. The DFBF shall amend and/or supplement the Code of Conduct at any time to ensure that it continues to comply with applicable regulatory requirements within 30 days of a notification from the Danish Financial Supervisory Authority (Danish FSA). Panel Banks shall ensure that appropriate changes are made to their policies and procedures within this timeframe or as otherwise advised by the DFBF. Changes which are unrelated to either applicable regulatory requirements or requirements by the Danish FSA will be implemented by the DFBF following the 90 days' notice to the Panel Banks.

1.5 CITA and SWAP Benchmark Status

The **DFBF** administers two individual benchmarks covered by this specific Code of Conduct:

CITA being the interest rate swap offered rate quoted for the day-to-day rate (T/N) against a fixed DKK rate for the following maturities – 1, 2, 3, 6, 9 and 12 months' maturity.

¹ CITA and SWAP

SWAP being the interest rate swap mid-market quoted rate for the following maturities – 2, 3, 4, 5, 6, 7, 8, 9 and 10 years' maturity, priced against 6-months CIBOR.

1.6 Binding Agreement

A Panel Bank shall become bound by this Code of Conduct upon its accession to this Code of Conduct by executing and delivering to the DFBB a 'Declaration of Accession' substantially in a form provided by the DFBB.

Each Panel Bank shall certify their compliance with the provisions of this Code of Conduct by executing and delivering to the DFBB a 'Declaration of Compliance' substantially in a form provided by the DFBB, upon acceding to this Code of Conduct. Each Panel Bank shall repeat this declaration annually and at each time the DFBB instructs the Panel Banks to do so following any material update to the Code of Conduct.

1.7 Requirements for Acceptance on Panel

A Panel Bank is required to be a supervised entity and to be an active participant in the Danish interbank market with the final decision determined by the Oversight Committee having given all due consideration to the request.

1.8 Assignment of the Status of Panel Bank

A written application for the status of Panel Bank shall be delivered to the DFBB. The application shall include a declaration of the applicant's ability and willingness to satisfy the obligations applying to Panel Banks pursuant to this Code of Conduct.

The DFBB shall decide on the assignment of the status of Panel Bank within 60 days of receipt of the application. The assignment of the status of Panel Bank shall be discretionary, however the DFBB shall provide reasons for rejecting an application, in writing, within 7 days of a decision being made.

The DFBB shall notify the applicant of the decision in respect to the assignment of the status of Panel Bank within three working days of the decision being made. The decision shall include the date from which the Panel Bank shall start to submit Input Data to the DFBB.

The assignment of the Panel Bank status including the date from when it shall start to submit Input Data for the Benchmarks calculation shall be announced by the DFBB in writing to all other Panel Banks and the Danish FSA within three working days of the decision being made.

1.9 Withdrawal of the Status of Panel Bank

The DFBF may withdraw the status of Panel Bank:

- a) at the request of the Panel Bank;
- b) upon non-compliance by the Panel Bank with its obligations pursuant to this Code of Conduct;

Panel Banks are obliged to notify the DFBF of the intent to put in a request pursuant to Clause 1.9(a) at least three months in advance.

The Panel Bank, upon notification to DFBF of its intent to withdraw its status as Panel Bank, should include its reason for the withdrawal. The Danish FSA would be duly informed with an assessment of the consequences of the withdrawal of the specific Panel Bank to the ongoing viability of the benchmark.

The affected Panel Bank shall be notified in writing of the decision by the DFBF within 30 days from the receipt of the request and within three working days of the decision being made. The decision shall become effective on the date stated in the notification to the affected Panel Bank and there shall be no right of appeal.

The DFBF shall notify in writing other Panel Banks of a decision to withdraw the status of a Panel Bank within three working days of the decision being made. The notification shall include information about the effective date of the withdrawal.

2 Systems and Controls of Panel Banks

2.1 Staff Training and Expertise

2.1.1 PANEL BANK TRAINING PROGRAMME

Each Panel Bank shall have training programs to ensure that each submitter has:

- a) adequate knowledge and experience of how the Benchmarks are intended to measure the underlying market or economic reality;
- b) adequate knowledge of all the elements of this Code of Conduct
- c) adequate knowledge of BMR and Regulation (EU) No 596/2014 relevant to the contribution of input data.

Submitters acting on behalf of a Panel Bank should receive adequate training so that they have an adequate understanding of all the elements of this Code of Conduct. This is an essential element to ensure submitters act correctly and in line with the methodologies of the Benchmarks.

The knowledge of submitters referred to in points a), b) and c) above, shall be periodically re-assessed, at least annually, to verify that it is still appropriate that they act as submitters.

IDENTIFICATION AND AUTHORISATION OF SUBMITTERS

Each Panel Bank shall ensure the identification of the persons that may contribute Input Data to the DFBF on its behalf and that procedures are in place to verify the identity of its submitters, as well as authorisation of any submitters that contribute Input Data on behalf of a Panel Bank.

Each Panel Bank's submitter and the direct managers of that submitter shall acknowledge in writing that they have read this Code of Conduct and that they will comply with it.

Each Panel Bank shall require that a person can act as a submitter of Input Data on its behalf only when the Panel Bank is satisfied that the person has the necessary skills, knowledge, training and experience for the role.

Each Panel Bank will undertake an assessment, before being satisfied that a person has the necessary skills, knowledge, training and experience to submit Input Data on its behalf. This process shall include undertaking checks to verify:

- a) the identity of the potential submitter;
- b) the qualifications of the potential submitter; and
- c) the reputation of the potential submitter and their suitability to the role.

NOTIFICATION OF AUTHORISED SUBMITTERS TO BENCHMARKS

Each Panel Bank shall notify the identity of any individual authorised to submit Input Data on its behalf to the DFBF. Each Panel Bank shall use a form provided by the DFBF for this purpose, which will be signed by a listed authority employee within the Panel Bank. Each Panel Bank shall deliver the completed form to the DFBF via electronic mail to dfbf-helpdesk@dfbf.dk. On receipt of this form, the DFBF will confirm directly to the Panel Bank as to the details contained in the form for security purposes.

3 Input Data Requirements

3.1 Description of Input Data

3.1.1 FOR CITA

Panel Banks are to provide Input Data to the DFBF, as follows:

- a) A market quote for the rate at which Panel Banks are prepared to offer CITA interest rate swaps;
- b) Input Data shall contain quotes for the 1, 2, 3, 6, 9 and 12 months' tenors

- c) Input Data shall take-into account the requirements as specified in Clause 3.3.1;
- d) Each tenor rate shall be a positive or negative number to 3 decimal places, or zero;
- e) Input Data shall be entered into the DFBF Calculating Agent system according to the Panel Bank Contribution Procedure User Guide DFBF11001;
- f) Input Data for all tenors shall be provided by Panel Banks each day on which commercial banks are open for general business in Denmark.
- g) Input Data shall be entered into the DFBF Calculating Agent system after 10:30am and before 10:45am each day. Panel Banks may, exceptionally, alter their submissions at that time, but not later than 10:55am local time;

3.1.2 FOR SWAP

Panel Banks are to provide Input Data to the DFBF, as follows:

- a) A mid-market quote for the stipulated interest rate swap maturities priced against 6 months CIBOR;
 - b) Input Data should contain quotes for the 2 years, 3 years, 4 years, 5 years, 6 years, 7 years, 8 years, 9 years and 10 years maturities;
 - c) Input Data should take-into account the requirements as specified in Clause 3.3.2;
 - d) Each tenor shall be positive or negative to 4 decimal places, or zero;
 - e) Input Data will be entered into the DFBF Calculating Agent system according to the Panel Bank Contribution Procedure User Guide DFBF11001;
 - f) Input Data will be required from Panel Banks each day on which commercial banks are open for general business in Denmark.
 - g) Input Data will be entered into the DFBF Calculating Agent System after 11.00am and before 11.15am each day. Panel Banks may exceptionally alter their submissions at that time, but not later than 11.25am local time;

3.2 Internal Policies Ensuring Panel Bank Provides Relevant Input Data

A Panel Bank shall have in place policies to ensure that it provides all relevant Input Data. Each Panel Bank shall have an Input Data policy that includes at least a description of:

- a) the data to be taken-into account in determining the Input Data contribution;
- b) the data that a Panel Bank may exclude from a contribution of Input Data and any reason that might justify such an exclusion;

- c) a policy on the transmission of data to the DFBF that includes at least:
 - I. a method to be used for the secure transfer of data; and
 - II. contingency plans for submitting Input Data that address at least the following elements: technical and operational difficulties, the temporary absence of a submitter, and a lack of Input Data required by the methodology.

3.3 Priority of Use of Input Data

3.3.1 FOR CITA

The priority of use of input data shall be as follows:

- a) A committed quote at which a Panel Bank is prepared to offer the requested tenors with the standard market Bid/Offer spread, adjusting pricing if required to actual transactions concluded in the market.

3.3.2 FOR SWAP

The priority of use of input data shall be as follows:

- a) A mid-market quote for the requested tenors based on a committed price, adjusting pricing if required to actual transactions concluded in the market.

3.4 Adjustments to Input Data

Input Data may be adjusted, to correctly reflect the Benchmark's definition, by application of the following criteria:

- a) proximity of transactions to the time of provision of the Input Data and the impact of any market events between the time of the transactions and the time of the provision of the Input Data;
- b) interpolation or extrapolation from transactions data;
- c) adjustments to reflect changes in the credit standing of the Panel Banks and other market participants.
- d) if correlated market transactions are used in the determination of a submission, then the Panel Bank should apply a method of calculating their equivalence to the underlying market.

4 Contribution of Input Data

Each Panel Bank shall have in place a control framework that ensures the integrity, accuracy and reliability of Input Data.

4.1 Processes for Contributing Data

Each Panel Bank shall keep and maintain a documented and effective process for contributing Input Data, and shall include:

- a) a process for the designation of submitters and procedures for making contributions when a submitter is unexpectedly unavailable, including the designation of alternates;
- b) procedures and systems for monitoring the data used for the contributions, which should be capable of producing alerts in line with predefined parameters.

4.2 Ensuring Integrity and Reliability of Input Data

A Panel Bank shall have in place effective systems and controls to ensure the integrity and reliability of all contributions of Input Data to the DFBF, including:

- a) controls regarding who may submit Input Data to the DFBF including a process for sign-off by a natural person holding a position senior to that of the submitter;
- b) measures for the management of Conflicts of Interest, including organisational separation of employees where appropriate and consideration of how to remove incentives, created by remuneration policies, to manipulate the Benchmarks;
- c) record-keeping, for a minimum of five years, of communications in relation to provision of Input Data, of all information used to enable the Panel Bank to make each submission, and of all existing or potential Conflicts of Interest including, but not limited to, the Panel Bank's exposure to financial instruments which use the Benchmarks as a reference;
- d) record-keeping of internal and external audits.

4.3 Procedures for Contributing Input data

Each Panel Bank should have procedures for contributing Input Data, including requirements for the Panel Bank to specify whether Input Data is transaction data and whether Input Data conforms to the requirements set out in this Code of Conduct.

4.3.1 USE OF AUTOMATED SYSTEMS TO CONTRIBUTE INPUT DATA

Where a Panel Bank uses an automated system for the contribution of Input Data, where submitters are not able to modify the contribution of Input Data, Panel Banks must ensure that they:

- I. are able to monitor the proper functioning of the automated system on a continuous basis; and
- II. check the automated system following any update or change to its software, before new Input Data is contributed.

4.4 Ensuring Appropriate and Verifiable Input Data

Each Panel Bank will ensure the availability of all information necessary to check where applicable that:

- a) The submitter has been authorised to contribute input data on behalf of the Panel Bank;
- b) Input Data is provided by the Panel Bank or is selected from a source specified by the DFBF within a time-period prescribed by the DFBF;
- c) Input Data is provided by the Panel Bank in a format specified by the DFBF;
- d) Input Data is contributed from the Input Data sources as per Clause 3.3 and in consideration of any necessary adjustments in accordance with Clause 3.4;
- e) the source of Input Data is reliable;
- f) the Input Data meets the requirements set out in the methodology, in particular the requirements on the currency or the unit of measurement, the tenor, and the types of counterparties;
- g) relevant thresholds for the quantity of Input Data and standards for the quality of Input Data are met in accordance with the methodology;
- h) the priority of use of different types of input data are applied in accordance with the methodology;
- i) the exercise of any discretion or expert judgement in the contribution of Input Data is applied within the limits of the methodology and this Code of Conduct.

4.5 Input Data from Front Office

Each Panel Bank shall ensure that it has the following procedures in place:

- a) an internal oversight procedure that describes:
 - I. the respective roles of the three levels of control functions set out below, as well as the means of cooperation and flow of information between them;
 - II. regular reporting of the operations of the three levels of control functions to the senior management of the Panel Bank;
 - III. communication to the DFBF, upon request, of information requested by the DFBF relating to the Panel Bank's internal oversight and verification procedures.

- b) a first level of control function that is responsible for:
 - I. effective checking of Input Data prior to contribution in accordance with any requirement for the validation of Input Data to which it is subject;
 - II. the review of Input Data prior to contribution to check its integrity and accuracy;
 - III. checking that the submitter is authorised to contribute Input Data on behalf of the Panel Bank in accordance with any requirement;
 - IV. the restriction of contributed Input Data to persons involved in the contribution process, except where access is justified under the rules and procedures of the Panel Bank, such as for persons involved in audits related to the contribution of Input Data or persons involved in investigations relating to suspicious Input Data or errors;
- c) a second level of control function that is responsible for:
 - I. the review of Input Data after contribution, that is independent from the first level control function, in relation to the integrity and accuracy of the contributions;
 - II. the maintenance of a whistleblowing procedure that includes appropriate safeguards for whistleblowers;
 - III. the maintenance of procedures for the internal reporting of any attempted or actual manipulation of Input Data and any failure to comply with the Panel Bank's Benchmark-related policies and procedures as well as for the investigation of such events as soon as they become apparent;
 - IV. the maintenance of internal reporting procedures for any operational problems in the contribution process, as soon as they arise;
 - V. appropriate oversight of communications between front office function staff directly involved in contributions and other internal functions or external bodies;
- d) a third level of control function that is independent from the first two levels of control and responsible for performing checks, on a regular basis on the controls exercised by the first two levels of control.

4.6 Reporting Lines and Sign-off of Input Data

Each panel bank will ensure that they have:

- a) an outline of responsibilities within the Panel Bank, including internal reporting lines and accountability, the location of submitters and managers and the names of relevant individuals and alternatives;
- b) Internal procedures for sign-off of contributions of Input Data;
- c) effective oversight of the process for contributing Input Data including risk management, the identification of senior personnel

responsible for the process, and the involvement, if any, of the compliance and internal audit functions.

4.7 Validation Prior to Submission

The Panel Bank should meet this Code of Conduct requirements for the validation of Input Data before it is provided to the DFBF.

4.7.1 ERRONEOUS INPUT DATA

Each Panel Bank shall have procedures in place to address any errors discovered in the contributed Input Data.

Panel Banks will disclose any erroneous Input Data submitted during the determination process, as soon as it is discovered. Corrections to Input Data after the determination process has been completed, must be submitted according to the DFBF Benchmarks Post Publication Re-determination policy.

4.8 Whistleblowing Policy

Each Panel Bank should have a policy on whistleblowing, including appropriate safeguards for whistleblowers.

4.9 Suspicious Behaviour, Manipulation and Disciplinary Procedures

4.9.1 IDENTIFICATION OF SUSPICIOUS BEHAVIOUR

Each Panel Bank will ensure that it has a defined list of actions that would be considered suspicious, and the following procedures and rules are in place:

- a) effective procedures to prevent or control the exchange of information between persons engaged in activities involving a risk of conflict of interest where the exchange of that information may affect the Input Data contributed;
- b) rules to avoid collusion among Panel Banks, and between Panel Banks and the DFBF;
- c) measures to prevent, or limit, any person from exercising inappropriate influence over the way in which persons involved in the provision of Input Data carries out those activities.

4.9.2 SYSTEMS AND CONTROLS

A Panel Bank must have in place systems and controls to provide for at least the following:

- a) pre-contribution checks to identify suspicious Input Data, including effective checking processes in the form of a review of the data by a second person, and unusual data values;

- b) post-contribution checks to verify the Input Data has been contributed in accordance with the requirements of this Code of Conduct and to identify suspicious Input Data;
- c) monitoring of the transfer of Input Data to the DFBF in accordance with the applicable policies.

4.10 Internal Reporting of Suspicious Input Data

Each Panel Bank shall establish documented internal procedures that provide for its staff to report any suspicious Input Data to the Panel Bank's compliance function, if any, and to the Panel Bank's senior management.

4.11 Reverse Transactions

A Panel Bank should have in place controls to identify reverse transaction subsequent to the provision of Input Data.

The Compliance function of the Panel Bank shall report any findings, including reverse transactions, to Panel Banks management on a regular basis.

4.12 Disciplinary Procedures

Each Panel Bank will have in place disciplinary procedures in respect of attempts to manipulate, or any failure to report, actual or attempted manipulation by parties external to the contribution process.

4.13 Notifications to DFBF Regarding Suspicious Behaviour and Breaches of Regulation (EU) 2016/1011 or this Code of Conduct

Any attempts to manipulate the submission to the Benchmarks determination process, including breaches of the Panel Bank's own rules related to suspicious behaviour, must be immediately reported to the DFBF using the Whistleblowing mechanism on the DFBF website. The Panel Bank will provide all relevant information regarding the nature of the suspicious behaviour.

A Panel Bank is required to report detected breaches, or errors and the action taken as a consequence to the DFBF within one month of the matter being detected

4.14 Managing Breaches

A Panel Bank should have in place a procedure for detecting and managing breaches of Regulation (EU) 2016/1011 or this Code of Conduct. The procedure for managing breaches shall include reviewing any detected breach or error, and recording the actions taken as-a-consequence.

4.15 Policies on Use of Discretion

The Panel Bank should establish policies on the use of discretion that specify at least the following:

- a) the circumstances in which it may exercise discretion;

- b) the persons within the Panel Bank that are permitted to exercise discretion;
- c) any internal controls that govern the exercise of the Panel Bank's discretion in accordance with its policies;
- d) any persons within the Panel Bank that may evaluate ex-post the exercise of discretion.

4.16 Contribution of Input Data Relying on Expert Judgement or Discretion

Where the contribution of Input Data relies on expert judgement, the policies of a Panel Bank in relation of the use of judgement or the exercise of discretion shall include:

- a) a framework for ensuring consistency between different submitters, and consistency over time, in relation to the use of judgement or the exercise of discretion;
- b) identification of the information that can be used to support expert judgement or discretion, and of any information that should not be taken into account;
- c) procedures for the systematic review of any use of expert judgement.

Each Panel Bank shall keep records of the Input Data source that was considered for each contribution and any related exercise of discretion.

4.17 Periodic Reviews of Input Data and Procedures

Each Panel Bank will conduct regularly reviews, at least annually, of the input data and the procedures, systems and controls established in relation to the contribution of Input Data, and whenever there is a change in this Code of Conduct.

5 Management of Conflicts of Interest

Each Panel Bank shall have in place policies concerning the management of Conflicts of Interest. Each Panel Bank shall establish systems and controls concerning the management of Conflicts of Interest that include at least a Conflicts of Interest Policy that addresses:

- a) the process of identifying and managing of conflict of interest, including any internal escalation of conflicts of interest;
- b) steps to prevent, or minimise the risk of, conflicts of interest in the process for recruiting submitters;
- c) steps to prevent, or minimise the risk of, conflicts of interest in the remuneration policies for the contributor's staff;
- d) steps to prevent, or minimise the risk of, conflicts of interest arising from the contributor's management structure;
- e) requirements with respect to communications between submitters and other staff within the contributor's organisation;

- f) Appropriate physical or operational separation between submitters and other staff of the contributor required to prevent, or minimise the risk of, conflict of interest;
- g) rules and measures to address any financial exposure that the contributor may have to a financial instrument or financial contract which references the benchmark to which the contributor contributes input data;
- h) shall require that the staff of a Panel Bank that are involved in the contribution process are trained in relation to all policies, procedures and controls relating to the identification, prevention and management of Conflicts of Interest.

5.1 Conflict of Interest Measures

Each Panel Bank shall have in place the following measures for the management of Conflicts of Interest:

- a) a register of Conflicts of Interest, that shall be kept up to date and used to record any Conflicts of Interest identified and any measures taken to manage them. The register shall be accessible by internal or external auditors;
- b) appropriate internal oversight procedures; when there is no organisational or physical separation of employees, the oversight procedures shall prescribe rules on the interaction of submitters with front office employees.

5.2 Maintenance Requirements of Conflicts of Interest Policy

Each Panel Bank shall include in the establishment and ongoing maintenance of their Conflicts of Interest policy the following points:

- a) the identification and disclosure to the DFBF of actual or potential Conflicts of Interest in relation to the Panel Bank's front office staff who are involved in the contribution process;
- b) the separation of the remuneration of a submitter from the value of the Benchmarks, the specific values of the submissions made and any performance of an activity of the Panel Bank that might give rise to a conflict of interest related to the contribution to the Benchmarks;
- c) a clear segregation of duties between front office staff involved in contributing Input Data and other front office staff;
- d) a physical separation between front office staff involved in contributing Input Data and other front office staff; under certain circumstances this provision may not be required taking into consideration the nature, scale and complexity of the activities of the contributor, whether a conflict of interest may arise between the contribution to the benchmark and trading or other activities performed by the contributor, or the level of discretion involved in the process of contribution;
- e) effective procedures to control the exchange of information between front office staff and other staff of the Panel Bank involved in activities

that may create a risk of Conflicts of Interest, where that information may affect the Input Data contributed;

- f) contingency provisions in case of temporary disruption of the controls regarding the exchange of information referred to in point (e);
- g) measures to prevent any person from exercising inappropriate influence over the way in which front office staff involved in contributing Input Data carry out their activities;
- h) measures to ensure that the provision of Input Data is not affected by any existing or potential conflict of interest and that, where any discretion is required, it is independently and honestly exercised based on relevant information in accordance with this Code of Conduct;
- i) effective Conflicts of Interest management procedures and communication controls, both within their Panel Bank and between Panel Banks and other third parties, to avoid any inappropriate external influence over those responsible for submitting rates. Submitters shall work in locations appropriately physically separated from interest rate derivative traders;
- j) the removal of any direct link between the remuneration of employees involved in the provision of Input Data and the remuneration of, or revenues generated by, persons engaged in another activity, where a conflict of interest may arise in relation to those activities;
- k) physical separation of submitters from other employees of the Panel Bank, where appropriate, taking into account: the level of discretion involved in the process of contribution; the nature, scale and complexity of the Panel Bank's activities; whether Conflicts of Interest may rise between the contribution of Input Data to the Benchmarks and trading or other activities performed by the Panel Bank; and
- l) measures for the management of conflict of interest should also include remuneration policies in relation to submitters that ensure that the remuneration of a submitter:
 - 1. is not linked to the Benchmarks nor to the specific values of the submissions made; and
 - 2. is not linked to the performance of a specific activity of the Panel Bank that may give rise to a conflict of interest with the contribution of Input Data to the Benchmarks

6 Record Keeping Policies

Each Panel Bank should have adequate record-keeping policies and data will be kept on a medium that allows the storage of information to be accessible for future reference with a documented audit trail.

Each Panel Bank shall have in place record-keeping policies to provide that information be kept for a minimum of five years, or three years where the records are of telephone conversation or electronic communications, on a

medium that allows the storage of information to be accessible for future reference.

Each Panel Bank shall keep a record of all relevant information necessary to check the Panel Bank's adherence to this Code of Conduct, including a record of at least the following information:

- a) policies and procedures governing the contribution of Input Data and any relevant changes therein;
- b) the register of Conflicts of Interest established;
- c) any disciplinary action taken against any of the Panel Bank's staff in respect of the benchmark(s) related activities;
- d) a list of submitters and persons performing checks in respect of contributions, including their names and roles within the Panel Bank, and the dates when the submission-related roles were authorised and exited;
- e) any interactions of submitters with the DFBF;
- f) sensitivity reports for interest rate swap trading books and other derivative trading books with a significant exposure to interest rate fixings in respect of Input Data;
- g) any queries regarding the input of data and their outcome of those queries;
- h) any detection and management of breaches or errors with regard to Regulation (EU) 2016/1011 or this Code of Conduct and actions taken as a consequence.

Each Panel Bank shall keep detailed records of all relevant aspects of contributions of Input Data including:

1. the contribution of Input Data;
2. the data taken into account in determining the Input Data contribution, and any data that was excluded;
3. any use of discretion;
4. any input data checks undertaken by the contributor
5. communications in relation to the contribution of Input Data between the submitter and any persons within the Panel Bank performing checks in respect of contributions;
6. the process governing Input Data determination and the sign-off of Input Data;
7. the names of submitters and their responsibilities;

8. any communications between the submitters and other persons, including internal and external traders and brokers, in relation to the determination or contribution of Input Data.

Records to be kept of communications in relation to the provision of Input Data by the Panel Bank shall include the contributions made and the names of the submitters.

Records to be kept of the Panel Bank's exposure to financial instruments that use the Benchmarks as a reference shall include the type of activity of the Panel Bank that gives rise to the exposure.

Records to be kept of internal and external audits shall include the audit brief, the audit report, and a record of actions taken in response to each audit.

7 Requirement for Access by Competent Authority

7.1

The DFBF and Panel Banks accept that in order to fulfil their duties under this Regulation, the Danish FSA shall have, in conformity with the national laws of Denmark, the following supervisory and investigatory powers:

- a) access to any document and other data in any form, and to receive or take a copy thereof;
- b) require or demand information from any person involved in the provision of, and contribution to, the Benchmarks, including any service provider to which functions, services or activities in the provision of the Benchmarks have been outsourced as well as their principals, and if necessary, summon and question any such person with a view to obtaining information;
- c) carry out on-site inspections or investigations, at sites other than the private residences of natural persons;
- d) enter premises of legal persons, in order to seize documents and other data in any form, where a reasonable suspicion exists that documents and other data related to the subject-matter of the inspection or investigation may be relevant to prove a breach of the Regulation. Where prior authorisation is needed from the judicial authority of Denmark, in accordance with national law, such power shall only be used after having obtained that prior authorisation;
- e) require existing recordings of telephone conversations, electronic communications or other data traffic records held by a Panel Bank;
- f) request the freezing or sequestration of assets or both;
- g) require temporary cessation of any practice that the competent authority considers contrary to the Regulation;

- h) impose a temporary prohibition on the exercise of professional activity.

8 Requirement to Provide Information to DFBB

- 8.1 Each Panel Bank, whose input data is submitted from a front office function, will provide information relating to the Panel Bank's internal oversight and Data Input verification procedures within a reasonable timeframe, on demand by the DFBB.
- 8.2 Each Panel Bank shall fully cooperate with the DFBB and the Danish FSA in the auditing and supervision of the provision of the Benchmarks and make available the information and records kept in accordance with this Code of Conduct.

9 Audit Provisions

The Benchmarks Oversight Committee may require an external audit of a Panel Bank if dissatisfied with any aspects of its conduct. The audit will be conducted within three months of such a request being made and the Panel Bank will provide all necessary assistance in regard to these enquiries.

10 Effect

These procedures detailed in this document shall take effect on 31 October 2020.

11 Definitions

'administrator' means Danish Financial Benchmark Facility (DFBF) incorporated in Denmark

'benchmark' means any index by reference to which the amount payable under a financial instrument or a financial contract, or the value of a financial instrument, is determined, or an index that is used to measure the performance of an investment fund with the purpose of tracking the return of such index or of defining the asset allocation of a portfolio or of computing the performance fees.

'benchmarks' means CITA and SWAP

'Competent Authority' is the Danish Financial Supervisory Authority (Danish FSA) who is the body responsible for authorisation and ongoing supervision of the DFBF under BMR.

'contribution of Input Data' means providing any Input Data not readily available to the DFBF, or to another person for the purposes of passing to the DFBF, that is required in connection with the determination of the Benchmarks and is provided for that purpose.

'expert judgement' means the exercise of discretion by the DFBF or a Panel Bank with respect to the use of data in determining the Benchmarks, including extrapolating values from prior or related transactions, adjusting values for factors that might influence the quality of data such as market events or impairment of a buyer or seller's credit quality, and weighting firm bids or offers greater than a particular concluded transaction.

'financial instrument' means any of the instruments listed in Section C of Annex I to Directive 2014/65/EU for which a request for admission to trading on a trading venue, as defined in point (24) of Article 4(1) of Directive 2014/65/EU, has been made or which is traded on a trading venue as defined in point (24) of Article 4(1) of Directive 2014/65/EU or via a systematic internaliser as defined in point (20) of Article 4(1) of that Directive.

'input data' means the data in respect of the value of one or more underlying assets, or prices, including estimated prices, quotes, committed quotes or other values, used by the DFBF to determine the Benchmarks.

'Input Data Source' means the collection of data that is used by a submitter to determine their Input Data.

'Panel Bank' means a supervised entity that contributes Input Data to DFBF located in the European Union that meets the criteria for inclusion on the Benchmarks panel as is either:

- a credit institution as defined in point 1 of Article 4(1) of Regulation (EU) No 575/2013 of the European Parliament and of the Council;
- an investment firm as defined in point (1) of Article 4(1) of Directive 2014/65/EU;
- an insurance undertaking as defined in point (1) of Article 13 of Directive 2009/138/EC of the European Parliament and of the Council.

'submitter' means a natural person employed by the Panel Bank for the purpose of contributing Input Data.

'the Benchmarks Post Publication Re-Determination Policy' means the policy that outlines a recalculation of the benchmark due to the reporting of erroneous Input Data or erroneous calculation and publication of the benchmarks.

'The Regulation' or **'BMR'** refers to the Regulation (EU) 216/1011 of the European Parliament and associated ESMA Draft Technical Standards published 30th March 2017.