

**Form 2: APPLICATION INDEX TO BE COMPLETED BY THE BENCHMARK ADMINISTRATOR**

Document/ information	Schedule reference	Yes/No
<b>1. BUSINESS PLAN</b>		
<p>Please ensure that the business plan covers the following items:</p> <p>1.1 Background information about the applicant</p> <p>1.2 Organogram and ownership structure</p> <p>1.3 Governing body and oversight committee composition:</p> <ul style="list-style-type: none"> <li>- i.e. executive directors, non-executive directors and independence of directors</li> <li>- Sub-committees (i.e. oversight committees, oversight function, audit committee, etc.)</li> </ul> <p>1.4 Relationship with relevant stakeholders who may have an interest in the activity of provision of a benchmark e.g. submitters, contributors, calculation agents, etc.</p> <p>1.5 Family of benchmark(s) to be provided.</p> <p>1.6 Detailed risk management framework and systems as per the requirements in item 8 below</p> <p>1.7 Copy of approved Business Continuity Plan</p> <p>1.8 Methodology of the benchmark determination</p> <p>1.9 Compliance framework</p>		
<b>2. OPERATIONAL CAPITAL REQUIREMENTS</b>		
<p>2.1 Operating in respect of the business of calculation</p> <ul style="list-style-type: none"> <li>- 3-year plan, indicating the available capital, expected expenses and income, expected profits or losses, expected cash equivalents and securities that serve as liquid assets for each year;</li> <li>- Annual quantification of potential business losses for an orderly wind-up;</li> <li>- How the applicant defines operational, legal, general business risk and quantification of each risk;</li> <li>- Stress test and scenario analysis framework or stress testing methodology.</li> </ul>		
<p>2.2 Supporting audited annual financial statements as at its latest financial year end (with regards to the above)</p>		
<p>2.3 Working capital projections (3 years in detail, 5 years less detailed)</p>		
<p>2.4 3-year projection of cash flow</p>		
<p>2.5 Break even analysis (profit and cash flow) and source of funding</p>		

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2.6 Capital raising plan, with all necessary approvals.		
2.7 Any assumptions made in the preparations of budgets, financial statements, calculations, etc.		
2.8 Confirmation of bank details		
2.9 Audited financial statements for previous financial year		
<b>3. FIT AND PROPER REQUIREMENTS</b>		
3.1 Confirmation and acceptance of appointment of an auditor		
3.2 Confirmation that the auditor has no direct or indirect financial interest in the business of the administrator.		
3.3 Roles and responsibilities of the governing body and senior managers		
3.4 Procedures for election or appointment of the governing body, their terms of office and when membership may be terminated		
3.5 Voting powers of people who hold ownership interest in the benchmark administrator		
3.6 Procedures for the dissolution of the benchmark administrator		
3.7 Governing body, senior manager and oversight committee MIE consent form for verification of criminal background checks		
3.8 Confirmation of good standing and compliance with the regulatory requirements by the CEO		
3.9 Details of any offence to any regulatory body, if applicable in respect of governing body, senior management and oversight committee members.		
3.10 List of Oversight committee members as well as <i>curriculum vitae</i> – committee composition		
3.11 Application forms: Form 1(Declaration by the CEO or duly authorised representative), Form 3 (governing body and senior managers) and Form 4 (in respect of the business of benchmark administrator)		
<b>4. GOVERNANCE ARRANGEMENTS</b>		
4.1 Internal control procedures to ensure the integrity and reliability of the employees or persons involved in determining the benchmark.		
4.2 Documented processes and procedures, which require the approval of a benchmark by a senior manager, in accordance with the Conduct Standard.		
4.3 Developed robust policies and procedures regarding oversight committee in accordance with 'Procedures governing the oversight function' of the Conduct Standard		
4.4 Terms of reference of the oversight committee		

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<b>5. ADEQUACY OF HUMAN RESOURCES</b>		
5.1 Schematic structure of the benchmark administrator and reporting lines thereof.		
5.2 Management structure showing individuals responsible for material functions		
5.3 Number of personnel employed in each functional area		
5.4 Projection of staff requirement for the benchmark administrator's operations (if applicable)		
5.5 Clear indication of full-time employees allocated to the benchmark administrator		
5.6 Procedures ensuring that the employees of the administrator and any other natural persons whose services are placed at its disposal or under its control and who are directly involved in the provision of a benchmark have the necessary skills, knowledge and experience for the duties assigned to them		
5.7 Evidence that an adequately resourced permanent and effective oversight function has been established		
5.8 Evidence that the oversight function is separate from the governing body and other governance functions of the benchmark administrator.		
5.9 Evidence that the oversight function has appropriate knowledge of the underlying market or economic reality measured by the benchmark <sup>1</sup> .		
5.10 Confirmation of disclosure of the details of the membership of the oversight committee.		
<b>6. COMPETENCY</b>		
6.1 Certified copies of qualifications and IDs or passports of governing body members, senior managers and oversight committee.		
6.2 Completed MIE consent forms for verification of qualification background checks - governing body members, senior managers and oversight committee.		
<b>7. OPERATIONAL ABILITY</b>		
7.1 Copy of company registration documents		
7.2 Corporate governance policies and principles		
7.3 Code of conduct for contributors		
<b>8. RISK MANAGEMENT AND INTERNAL CONTROL</b>		
8.1 Approved risk management policies, framework and governance structures		

<sup>1</sup> Evidence may include CV's of member of the oversight function, or a summary of and proof skills and qualification that make them appropriate to serve on the oversight function

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8.3	Reporting requirements - adequate systems and effective controls to comply with reporting requirements		
8.4	Risk management processes and escalation procedures of the benchmark administrator in relation to the provision of a benchmark.		
8.5	Code of conduct – to include procedures and processes to be followed by a benchmark administrator for the benchmark contributors relating to submitters of input data		
8.6	Approved IT Framework, policies and governance structures		
8.7	Internal audit oversight schedule and sample reports, if applicable		
8.8	Internal oversight and verification procedures		
8.9	Documented benchmark methodology at family level		
8.10	Policies related to the benchmark administering, training submitters, training of employees and input data		
8.11	Policies and procedures that address how current and potential conflicts of interest are or will be identified, recorded, managed, mitigated, prevented or reviewed.		
8.12	Disclosures relating to conflict of interest in line with 'Managing conflicts of interests' of the Conduct Standard.		
8.13	Details of application of three lines of defence or explanation of segregation of duties/roles and responsibilities between business.		
8.14	Details of continuous risk training programmes for submitters		
8.15	A copy of the Governing body approved Whistleblowing policy		
<b>9. BUSINESS CONTINUITY</b>			
9.1	Business continuity plan (including disaster recovery / operational resilience) as approved by the Governing body		
9.2	A copy of the Governing body approved Succession plan		
9.3	Contingency plans for determining and publishing a benchmark on a temporary basis.		
<b>10. RECORD KEEPING AND DATA RETENTION</b>			
10.1	A copy of the Governing body approved Data retention, storage and governance policy		
<b>11. COMPLAINTS MANAGEMENT PROCESSES</b>			
11.1	Complaints management framework		
11.2	Complaint register		
11.3	Processes and procedures for resolving price differentials		

Document/ information	Schedule reference	Yes/No
11.4 Dispute resolution policy		
<b>12. ADDITIONAL INFORMATION</b>		
12.1 Procedures and criteria for determination of benchmarks		
12.2 Criteria or due diligence process for selecting a benchmark contributor.		
12.3 Minimum liquidity requirements for a constituent element of a benchmark.		
12.4 Processes for evaluation and validation of input data.		
12.5 Rules and controls that govern the exercise of judgement by the benchmark administrator.		
12.6 Procedures that govern the determination of the benchmark in periods of stress or when transactional data is insufficient or inaccurate		
12.7 Provide clear guideline regarding the type of input data to be used.		
12.8 Minimum standards to be met for a quality input data.		
12.9 Criteria of appointing people/employees who can submit input data.		
12.10 Procedures for the actions to be taken by benchmark administrator in event of cessation of a benchmark		
12.11 Policies and procedures regarding the oversight of the outsourced activities		
12.12 The outsourcing arrangements, including service-level agreements, where any activity forming a part of the process for the provision of a benchmark or family of benchmarks is outsourced.		