

| DOCUMENT | SECTION | ARTICLE | | |
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| | | CONTENT | SUBTITLE | TITLE |
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| | | <p><ol class="crrNumList"> The structure and composition of the oversight function shall be proportionate to the ownership and control structure of the administrator and shall, as a general rule, be determined in accordance with one or more appropriate governance arrangements listed in the Annex to this Regulation. Administrators shall provide competent authorities with a justification for any deviation from such arrangements. Where the benchmark is a critical benchmark, the oversight function shall be carried out by a committee with at least two independent members. Independent members shall be natural persons sitting on the oversight function who are not directly affiliated with the administrator other than through their involvement in the oversight function, and shall have no conflicts of interest, particularly at the level of the relevant benchmark. The oversight function shall be composed of members who together have the skills and expertise appropriate to the oversight of the provision of a particular benchmark and to the responsibilities that the oversight function is required to fulfil. Members of the oversight function shall have appropriate knowledge of the underlying market or economic reality that the benchmark seeks to measure. Administrators of regulated-data benchmarks shall include, as members of the oversight function, representatives from the entities listed in the definition of a regulated-data benchmark at point (a) of Article 3(1)(24) of Regulation (EU) 2016/1011 and, where applicable, from entities contributing net asset values of investment funds to regulated-data benchmarks. Administrators shall provide competent authorities with a justification for any exclusion of representatives from these entities. Where a benchmark is based on contributions and representatives of its contributors or of supervised entities that use the benchmark are members of the oversight function, the administrator shall ensure that the number of members with conflicts of interest does not amount to or exceed a simple majority. Before the appointment of members, administrators shall also identify and take into account the conflicts arising from relationships between potential members and other external stakeholders, in particular resulting from a potential interest at the level of the relevant benchmarks. Persons directly involved in the provision of the benchmark that may be members of the oversight function, shall have no voting rights. Representatives of the management body shall not be members or observers but may be invited to attend meetings by the oversight function in a non-voting capacity. Members of the oversight function shall not include persons who have been subject to sanctions of administrative or criminal nature relating to financial services, in particular manipulation or attempted manipulation under Regulation (EU) No 596/2014.</p> | Composition of the oversight function | Article 1 |
| | | <p><ol class="crrNumList"> The oversight function shall constitute a part of the organisational structure of the administrator, or of the parent company of the group to which it belongs, but be separate from the management body and other governance functions of the benchmark administrator. The oversight function shall assess, and where appropriate challenge, the decisions of the management body of the administrator with regards to benchmarks provision to ensure the fulfilment of the requirements of Regulation (EU) 2016/1011. Without prejudice to point (i) of Article 5(3) of Regulation (EU) 2016/1011, the oversight function shall address all</p> | Characteristics and positioning of | Article 2 |

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| recommendations on benchmark oversight to the management body. | the oversight function | |
| <p>Where the oversight function becomes aware that the management body has acted or intends to act contrary to any recommendations or decisions of the oversight function, it shall record that fact clearly in the minutes of its next meeting, or in its record of decisions where an oversight function has been established in accordance with the third governance arrangement set out in the Annex to this Regulation.</p> | | |
| <p>An oversight function shall have procedures at least relating to the following areas:</p> <ul style="list-style-type: none"> its terms of reference, the frequency of its regular meetings, the recording of minutes of the meetings and of its decisions and the periodic information sharing with the management body of the administrator; the criteria to select its members, including criteria to evaluate the potential members' expertise, skills and whether they can meet the time commitments required. Those criteria shall take into account in particular potential members' role in any other oversight function; the criteria to select observers who may be permitted to join a meeting of the oversight function; the election, nomination or removal and replacement of its members; where applicable, the criteria for choosing the person or committee responsible for its overall direction and coordination and for acting as the contact point for the management body of the administrator and for the competent authority, in accordance with the appropriate governance arrangements for oversight functions consisting of multiple committees as set out in the Annex; the public disclosure of summary details of its members, along with any declarations of conflicts of interest and of any measures taken to mitigate them; the suspension of voting rights of external members for decisions that would have a direct business impact on the organisations they represent; requiring members to disclose any conflict of interest before discussion of an agenda item during meetings of the oversight function and their recording in the minutes of the meeting; the exclusion of members from specific discussions in respect of which they have a conflict of interest and the recording of the exclusion in the minutes of the meeting; its access to all documentation necessary to carry out its duties; the management of disputes within it; measures to be taken in respect of breaches of the code of conduct; the notification to the competent authority of any suspected misconduct by contributors or by the administrator and of any anomalous or suspicious input data; the prevention of improper disclosure of confidential or sensitive information received, produced or discussed by the oversight function. <p>Where the oversight function is carried out by a natural person:</p> <ul style="list-style-type: none"> points (e), (g), (i), and (k) of paragraph 1 do not apply; the administrator shall appoint an alternate appropriate body or natural person to ensure that duties of the oversight function can be consistently carried out in case of the absence of the person responsible for the oversight function. | Procedures governing the oversight function | Article 3 |
| <p>This Regulation shall enter into force on the twentieth day following that of its publication in the Official Journal of the European Union.</p> <p>It shall apply from 25 January 2019.</p> | Entry into force | Article 4 |