

09 April 2013

ICAEW
Attn: Philippa Kelly – Technical Strategy
PO Box 433
Chartered Accountants Hall
Moorgate Place
London
EC2P 2BJ

Submitted to philippa.kelly@icaew.com

Re: **Technical Rules: Exposure Draft and Interim Guidance for the Performance of Assurance Work on Benchmarks and Indices**

Dear Sir/Madam:

Markit¹ is pleased to submit the following comments to the ICAEW in response to its *Exposure Draft and Interim Guidance for the Performance of Assurance Work on Benchmarks and Indices* (the “**Exposure Draft**” or “**ED**”).²

Introduction

Markit is a provider of financial information services to the global financial markets, offering independent data, valuations, risk analytics, and related services across regions, asset classes and financial instruments. Our products and services are used by a large number of market participants to reduce risk, increase transparency, and improve the operational efficiency in their financial markets activities. Markit is an index provider for various index families across regions and asset classes, including bonds, credit default swaps and loans. We administer and publish the composition of all Markit indices and also calculate the levels of the Markit iBoxx suite of bond indices and other third-party indices.

Markit has been actively and constructively engaged in the discussion regarding regulatory reform of financial markets. We regularly provide regulatory authorities with our insights on current market practice, for example in relation to valuation methodologies, the provision of scenario analysis, and the use of reliable and secure means to provide daily marks. We have also advised regulatory bodies on potential approaches to enable timely and cost-effective implementation of newly established requirements, for example through the use of multi-layered phase-in or by providing participants with a choice of means for satisfying regulatory requirements. Over the last two years, we have submitted over 40 comment letters to regulatory authorities around the world, and participated in numerous roundtables.

In the context of the discussion regarding the regulation of benchmarks and indices Markit has submitted responses to *The Wheatley Review*³, the FSA’s *Consultation Paper on the regulation and supervision of*

¹Markit is a financial information services company with over 2,900 employees in Europe, North America, and Asia Pacific. The company provides independent data and valuations for financial products across all asset classes in order to reduce risk and improve operational efficiency. Please see www.markit.com for additional information.

² ICAEW Technical Rules: Exposure Draft and Interim Guidance for the Performance of Assurance Work on Benchmarks and Indices. February 2013.

³ The Wheatley Review of LIBOR: initial discussion paper. Markit letter to HMT regarding the initial discussion paper (07 September 2012) available [here](#).

benchmarks,⁴ the European Commission's *Consultation Document on the Regulation of Indices*⁵ and IOSCO's *Consultation Report on Financial Benchmarks*.⁶

Executive Summary

Benchmarks ("**BMs**") and indices are products that have built a long established history of providing transparency and liquidity to the financial markets, including for less liquid market segments. These benefits have been recognized by market participants and also by various regulatory authorities that have approached index providers over the years with a desire to increase the transparency, liquidity, and tradability of their local markets by creating indices for them. Indices and benchmarks have a history of providing many benefits to market participants and the public, contribute to making financial markets more efficient and liquid, fostering a sound basis to provide financing that drives economic growth.

The recent Libor-related events have put "benchmarks" into the spotlight and caused the marketplace and regulatory authorities to re-examine the functioning of these instruments. We agree that the underlying facts of any manipulation of Libor and other benchmarks should be investigated and failings of the existing mechanisms identified and addressed. However, given the multitude of products that could potentially be regarded as benchmarks, we believe that any approach to regulating or requiring the provision of assurance for benchmarks must be proportionate to enable a timely implementation for the most relevant and exposed benchmarks, while avoiding unintended consequences for the broader range of index and benchmark products that are not exposed to the same challenges.

We commend the ICAEW for publishing its *Technical Rules on Performance of Assurance Work on Benchmarks and Indices*. We believe that many commercial providers of benchmarks and indices are engaged in many of the issues listed in the Technical Rules and, in many cases, already address them through use of various means. We appreciate the opportunity to provide the ICAEW with our comments on general issues and definitions, followed by our responses to the ICAEW's specific questions.

I. General issues and definitions

We believe that there are several issues on which the ICAEW should provide clarification.

a) Scope

We believe the ICAEW could provide further clarification on the scope of its Technical Release in the following areas:

- It seems that all submitters to a benchmark as well as the compiler would be audited. However, we note that it is not planned for assurance to be provided on the overall process and its outcome. We believe that assurance work of some kind on this level might be useful to ensure the validity of the overall results of the benchmarking process.
- We believe that the ICAEW should consider and specify the responsibilities that the Benchmark Administrator ("**BMA**") might have on the back of the audits. For example, in case that an audit revealed a weakness on the level of the Benchmark Submitters, it should clarify what responsibilities the BMA would have on that basis.
- From the ED it remains unclear who will be responsible for paying for the audits.

⁴ FSA Consultation Paper: The regulation and supervision of benchmarks. Markit letter to the FSA regarding consultation paper (16 January 2013) [available here](#)

⁵ Consultation Document on the Regulation of Indices: A Possible Framework for the Regulation of the Production and use of Indices serving as Benchmarks in Financial and other Contracts. Markit letter to the European Commission regarding the consultation document (29 November 2012) [available here](#).

⁶ IOSCO Consultation Report: Financial Benchmarks. January 2013.

b) Definitional issues

1. Parties involved

There is considerable lack of clarity of the terms used in the regulatory consultations published to date. We note that the ICAEW introduces further terms and acronyms in the context of the Technical Rules. For example, the ICAEW uses the term “BICA” for the “Benchmark or Index Compiler or Administrator” which is the “body responsible for sponsoring or requirement submission to a benchmark or index and dissemination of the benchmark or index, either publicly or privately depending upon the way in which the benchmark or index is operated.”⁷

We believe that the ICAEW should clearly specify any definitions it uses for the parties involved in the benchmarking process as the several distinct functions needed to secure the proper operation of a benchmark or index can easily be confused. While these functions can be, and often are, performed by a single entity, in practice they are often split between several specialized entities. On that basis, we believe that the roles of “sponsor,”⁸ “administrator,”⁹ “calculation agent,”¹⁰ and “publisher,”¹¹ are all distinct functions which may be performed by distinct legal entities and should be reflected in the Technical Rules as such.

Additionally, the ICAEW should clarify the difference between “BICA” and “Compiler”. We believe it is not clear what “other process involving management judgement” from the Compiler means and believe that further clarification would be useful.

2. Benchmarks vs indices

The ICAEW uses the terms “benchmarks” and “indices” interchangeably throughout the Technical Rules. However, this interchangeable use combines two distinct products and use cases and we believe the ICAEW should clearly distinguish between them.¹² As regulators are working toward defining these terms in their proposals, we believe it would be beneficial for the ICAEW to use the following definition of benchmark:

*A commercial or published composite price assessment, distributed regularly to the public and widely used as a reference price in determining the amount payable pursuant to financial instruments or contracts that are material in size and scope.*¹³

In contrast, the term “index” refers to a basket of instruments or constituents that is maintained by a set of rules. Of course, if such index serves as the basis for the calculation of a reference number that is a widely referenced benchmark, that calculation process may also be the subject of benchmark regulation. On that basis, we believe that the ICAEW should distinguish between the following categories of instruments:

- Category A: a composite price that is calculated based on a set methodology or formula, the purpose of which is to serve as a reference to determine the cash flows of financial contracts;¹⁴
- Category B: a defined set of instruments that is maintained by a set of rules, the purpose of which is to track the performance of an asset class or a market segment;¹⁵ and

⁷ ICAEW Technical Rules, page 29.

⁸ A benchmark sponsor designs the index and sets the index rules, owns the intellectual property of the benchmark, and is ultimately responsible for the accuracy and reliability of the benchmark.

⁹ A benchmark administrator is responsible for the application of the index rules.

¹⁰ A benchmark calculation agent determines the value of the index.

¹¹ A benchmark publisher is a legal entity performing benchmark publication activities.

¹² See for example ICAEW Technical Rules, paragraph 99.

¹³ Derived from the definition of benchmark that is provided in the GFMA Principles for Financial Benchmarks. 20 November 2012.

¹⁴ An example of Category A would be the LIBOR fixings.

¹⁵ Examples include most well-known equity indices, commodity indices, or fixed income indices.

- Category C: a defined set of instruments that is maintained by a set of rules, the purpose of which is to serve as reference to determine the cash flows of financial contracts.

Category A describes Libor-type instruments where the price for a *single*¹⁶ instrument is determined based on contributions or inputs. Category B describes indices that consist of multiple, often hundreds, of instruments where the pricing of its components might be determined based on contributions or in a variety of other ways, and Category C describes those indices whose levels are used as a reference in financial contracts.

In order to ensure that a regulatory regime for benchmarks is proportionate and effective in achieving the regulatory objectives, we believe that, across the various asset classes, products in Category A and, to the extent the calculated index value is widely referenced as a benchmark in financial products, in Category C could be regarded as areas where direct regulatory oversight and specific assurance work might be appropriate.¹⁷ We understand that ICAEW is following the guidance of IOSCO in terms of defining the “benchmark” category, and it should be noted that we made the same recommendation in our response to IOSCO’s Consultation Report on Financial Benchmarks.¹⁸ We believe that the ICAEW should go beyond the IOSCO recommendation in clarifying the scope of the regulation and creating a clear separation between the terms “index” and “benchmark.”

II. Responses to the ICAEW’s specific questions

Q1: Do you believe that the suggested model of assurance is the right one?

Q2: Do you consider it necessary for there to be a ‘closed loop’ of assurance (ie. assurance on all submitters plus the compiler) for each benchmark? What would you consider to be most useful in a private benchmark vs. a public benchmark, and those which are in the middle ground?

Q3: Given their differing complexities, different benchmarks will require different levels of assurance. In what sorts of circumstances would users (compilers) benefit from a self-certification form of assurance (for example by internal audit) and when would external assurance be required?

Q4: What other benchmarks or indices do you consider to be systemically important?

Q5: Is there anything which is not covered by this guidance in terms of an assurance report people would want.

We welcome the ICAEW’s acknowledgement that the use of judgement will almost always be an element when determining the submission to a benchmark.¹⁹ This has also been explicitly recognized by the FSA and HMT.²⁰ However, we agree that this characteristic will make the process of providing assurance more challenging.

The ICAEW also reflects that in the assurance process, “what is considered significant with respect to the data submitted to the compiler is a matter of professional judgement depending on the nature of the data ... including, for example, the degree of judgement involved in preparing the submitted data.”²¹ Consistent with

¹⁶ Or a small number.

¹⁷ We believe that the notion of “widely referenced” is consistent with the concept of “economic impact” as proposed by IOSCO. One possible approach to determine whether a benchmark is “widely referenced” would be to define a number of relevant factors and assign the task of applying them to existing benchmarks to the relevant regulatory authority. This approach would be similar to the process established for the Clearing determination for OTC derivatives. CFTC Clearing Requirement Determination Under Section 2(h) of the CEA. 77 Fed. Reg. 74284. (December 13, 2012).

¹⁸ Markit response to IOSCO Report “Financial Benchmark”. 11 February 2013. Available [here](#).

¹⁹ ICAEW Technical Rules, page IV.

²⁰ FSA Policy Statement (PS) 13/6: The regulation and supervision of benchmarks. March 2013. HM Treasury The Wheatley Review of LIBOR Final Report. September 2012.

²¹ ICAEW Technical Rules, page 11.

the FSA's view,²² we believe that it will be important that such judgement is exercised in accordance with the internal policies and procedures of the Benchmark Submitters.²³ We believe that the ICAEW should explicitly mention that this could be included in the Code of Conduct as set out by the BMA. We also agree with the ICAEW that there may be differences in the reliability of submissions on a day-to-day basis.²⁴

Although a degree of judgement will very often be involved when underlying transaction data is not readily available, it is important that, in cases where factual data is available, such data is reported precisely. We therefore agree with the ICAEW that "where the calculation is a matter of fact rather than a range of possible outcomes" no misstatement should be accepted.²⁵

The ICAEW further states that "matters of significance with respect to the practitioner's opinion on the operating effectiveness of controls includes the consideration of both quantitative and qualitative factors".²⁶ We generally agree with the proposed data validation process and the application of both quantitative and qualitative factors, including the tolerable rate of deviation and the nature and/or cause of any observed deviation.

Practitioners' substantive procedures for assurance of input data and compiled data

The ICAEW states that in the design of substantive procedures at the level of the compiler, "in engagements with a compiler, practitioners may recalculate the benchmark or index to ensure it is in accordance with the guidelines and rules as agreed by all parties including the benchmark sponsor and the regulators where applicable. There may be instances where a benchmark or index requires the compiler to exercise judgment as to which inputs are to be used or not used. This will require greater work and professional judgment on the part of practitioners, and be subject to greater inherent risk. Practitioners will consider the compiler's internal policies and procedures in this regard, and ensure that their judgment has been exercised in accordance with these policies and procedures."²⁷

In its discussion of the design of substantive procedures at the submitter level the ICAEW states that "insufficiently clear and precise guidelines and rules around compilation may prohibit practitioners from being able to provide an opinion on data."²⁸ We agree that, to the extent that the guidelines and rules lack clarity, it will undermine the quality of a practitioner's opinion on the data.

The ICAEW proposes to group submissions into broad categories in order to "assist practitioners in applying professional judgement to what is considered to be sufficient and appropriate evidence regarding a submission."²⁹ While we agree that one should, to the extent possible, aim to quantify the degree of judgment that is involved in generating a Benchmark Submission, we question the ICAEW's use of categories.³⁰ This is because we believe that data sources that can be classified as Level 1³¹ will be rare and only apply to the most liquid markets with constant open buy and sell interest and on-going transaction activity.³² However, the use of professional judgment will be needed for all but Level 1 data when considering the data or adjustments that need to be made to the data by management when generating the submission. We believe that practitioners would benefit either from a more granular classification or, preferably, from one that does not make use of specified buckets as it is difficult to impossible to make such

²² "We agree that including expert judgment within submission methodologies is crucial." FSA PS 13/6, page 22.

²³ "In all engagements with a submitter, practitioners will consider submissions made to the benchmark or index to ensure they are made in accordance with the guidelines and rules as laid down by the BICA and agreed by all parties including the regulator where applicable." ICAEW Technical Rules, page 19.

²⁴ ICAEW Technical Rules, page 19.

²⁵ ICAEW Technical Rules, page 11.

²⁶ ICAEW Technical Rules, page 11.

²⁷ ICAEW Technical Rules, page 19.

²⁸ ICAEW Technical Rules, page 19.

²⁹ ICAEW Technical Rules, page 19.

³⁰ ICAEW Technical Rules, page 20.

³¹ Submissions based on actual current trade data without management adjustment or any degree of estimation.

³² We believe that Level 1 inputs will provide the best pricing as long as there is sufficient depth in the relevant market. However, like we mentioned above, data sources that can be classified as Level 1 will be rare.

distinctions. In most real-life situations submissions are likely to fall into the ICAEW's Level 2 category while the relevant data sources can vary significantly in their relevance and reliability, such as book of record prices, indicative quotes, tradable quotes, etc.³³

We agree with the ICAEW that the same principles that apply to controls-based procedures should apply in evidence gathering for a reasonable assurance engagement as for a financial statement audit.³⁴ Additionally, we agree with the ICAEW's proposed approach including the corroboration of submissions or compilations. As proposed by the ICAEW, we believe that the corroboration of input data from various submitters will not only be useful but necessary to identify any anomalies.³⁵ However, the ICAEW should also take into account that submissions to some Benchmarks, e.g. LIBOR, are firm-specific by their very nature and therefore not directly comparable between individual submitters.

Use of Internal Audit

We agree that "published indices and benchmarks will generally not be subject to modification or republication to the market. However, we believe that the sharing of exceptions or deficiencies with management and those charged with governance will help prevent such issues from occurring in future calculations."³⁶

Management of Audit and Controls

We agree that practitioners should be "required to perform a retrospective review of significant management judgements and assumptions"³⁷ and not just a pre-publication review.

Assurance Report

We agree that control procedures cannot guarantee protection against fraudulent collusion especially on the part of those holding positions of authority or trust.³⁸ We believe that this issue will need to be taken into account when judging the performance of the BMA.

Reporting Overall Findings

In reporting the overall findings, we agree that the "ability to report onwards from submitter to compiler, for example, via a form of management letter" should be considered by practitioners when accepting an engagement.³⁹ While we believe that this is an important aspect of the ICAEW proposal we would also encourage the ICAEW to clarify what the ability to report onwards depends on.

We agree with the ICAEW that any submission to a benchmark should be compared to actual subsequent data.⁴⁰ However, the ICAEW should take into account that such analysis will in most instances require some level of judgement and this may cause adjustments and considerations for future submissions. We believe the ICAEW should clarify what it means by "no events subsequent to the submission of benchmark or index data."

Appendix 1

³³ There are many cases where the traded volumes in the Level 2 OTC markets are greater than those in the Level 1 exchange traded market. The exchange closing prices can often deviate significantly from transacted levels.

³⁴ ICAEW Technical Rules, page 20.

³⁵ ICAEW Technical Rules, page 21.

³⁶ ICAEW Technical Rules, page 24.

³⁷ ICAEW Technical Rules, page 25.

³⁸ ICAEW Technical Rules, page 26 and 36.

³⁹ ICAEW Technical Rules, page 28.

⁴⁰ ICAEW Technical Rules, page 28.

In its proposal on “managing professional liability” the ICAEW proposes a “tri-partite or multi-partite engagement contract with the submitter or compiler and the users (which may include a regulator), accepting that they owe a duty of care not only to the submitter or compiler organizations, but also to these users, including provision limiting liability if appropriate.”⁴¹ We believe that a tri-partite engagement between submitter, compiler and regulator could be a beneficial arrangement; however, we are unsure about the practicality of involving users. We believe that this would only be possible for bespoke/bilateral indices that are not widely disseminated and used by a large number of market participants.

Appendix 3

We agree with the ICAEW’s proposal for a waterfall-like approach to determining which data inputs are used to generate a submission to a benchmark. We also agree that the data inputs that are used shall be “explicitly and transparently supported by transaction data and hence prepared using information sourced through review of relevant market data”, and its recognition of the existence of “non-representative transactions.”⁴²

We believe that any review of input data should be performed not just on a regular basis depending on the benchmark or index, but also on an ad hoc basis if necessary, for example if significant changes in market conditions occur. We further believe that the ICAEW should provide clarity in relation to the use of “new input data”⁴³ as it is unclear from the proposal what the ICAEW is referring to. Additionally, as they do not seem to be defined terms, we encourage the ICAEW to clarify what is meant by “calculation agent” and “supervisors”.⁴⁴

Appendix 7

It is not entirely clear why the ICAEW decided to include specific recommendations for interest rate benchmarks in Annex 7.⁴⁵ As a general matter we do not believe that the category of interest rate benchmarks warrants its own recommendations given that these benchmarks share many of the same qualities with benchmarks in other asset classes. Additionally, we fail to identify any recommendations in Annex 7 that would only be applicable to interest rate benchmarks. We recommend that the ICAEW clarify that its Technical Rules apply across all asset classes and use more generic language rather than specifically addressing interest rate benchmarks specifically.

Regardless of which benchmarks they would ultimately apply to, we believe that the ICAEW should take the following views in relation to its recommendations in Appendix 7 into account:

a) Submitters

We believe that some clarification is necessary as to why “traders” are included with calculation agents. We believe that it is much more likely that traders are located on the Submitter level as has been the case, for example, in the context of LIBOR.

As discussed above we believe that the mechanism to review the policies/guidelines regarding interest rate benchmark submissions should not just be performed “annually or more frequently”⁴⁶ but also “ad hoc, where needed.”

We commend the ICAEW for recognizing that, where estimates or judgements are made in the process of generating a benchmark submission, relevant transactions should be used to support the assessment.⁴⁷

⁴¹ ICAEW Technical Rules, page 31.

⁴² ICAEW Technical Rules, page 38.

⁴³ ICAEW Technical Rules, page 38.

⁴⁴ ICAEW Technical Rules, page 38.

⁴⁵ ICAEW Technical Rules, page 55.

⁴⁶ ICAEW Technical Rules, page 55.

⁴⁷ ICAEW Technical Rules, page 56.

However, we believe that the ICAEW should clarify that it does not regard the existence of such transactions as a pre-condition for the use of estimates/judgments. The data inputs that are used for the calculation of benchmarks and index products generally depend on the structure and liquidity of the underlying market. For example, compared to other asset classes, liquidity in the bond and OTC derivatives markets is limited and the majority of trading occurs bilaterally outside of exchanges or trading venues. Index providers for these asset classes can therefore rely on transaction data only to a limited extent and will often have to use contributed pricing or a variety of alternative pricing sources instead. We believe that the ICAEW's recommendations should explicitly recognize that transactions may not always exist and non-transactional data might often be the most appropriate data source. We believe that such an approach would be beneficial as it could be flexibly applied to a broad range of benchmarks and indices across asset classes as well as over time in varying market conditions.⁴⁸

In its discussion of "authorising and processing transactions" the ICAEW states that any transaction data that is used to support the benchmark submission is "authorised and evidenced by the supervisor before sending it to the compiler."⁴⁹ It is not clear though how actual transaction data could be "authorized", and we believe that the ICAEW should clarify the process by which it believes trades will be reviewed and deemed appropriate for inclusion.

We also recommend for the ICAEW to clarify the relevance of the "adjustments to the interest rate benchmark submission after the supervisor's review" and "new input data or changes to existing input data should be documented."⁵⁰ We understand that a clear process is necessary and that any exception to that process and/or management/reviewer override is an area of high risk for an auditor. However, it would be helpful to understand the ICAEW's view on this process.

We appreciate the ICAEW's acknowledgement that the identification of outliers is an important step in monitoring compliance with the requirements for benchmark submissions.⁵¹ However, we believe that this task would not only be performed by the Submitters but, probably more importantly, on the level of the benchmark administrator who is the party that has access to a complete view of the various submissions. This has also been recognized by the FSA.⁵² Additionally, in order to maintain the integrity of the submissions, it may be helpful for the benchmark administrator to provide feedback on its findings to the submitters so that their internal control process can make necessary adjustments or improvements.

b) Calculation Agent

As discussed above, we believe that the ICAEW should clarify and establish clear distinctions between the various roles that are relevant in the production of a benchmark, specifically between the BM Sponsor, the BM Administrator, the BM Calculation Agent and the BM Publisher. We believe the ICAEW should avoid introducing new terms such as the "compiler" or the "BICA". We therefore believe that, to the extent possible, the ICAEW should align the definitions it uses with those that have been brought forward in other Benchmark-related proposals, e.g. IOSCO, EC, or FSA.⁵³ Such convergence will be beneficial to market

⁴⁸ For example in the asset classes of fixed income and derivatives indices individual instruments do not trade on a regular basis and many not even trade every day. The use of transactional data for the pricing of the components of many of Markit's indices will therefore, in many instances, not be feasible and/or the reliability of this data as a sole input will not be sufficient. As a result, index construction in these asset classes needs to largely rely on additional pricing inputs many of which are not directly observable in the market. For bond indices, for example, it is through the use of evaluated bond prices and/or contribution-based prices that the consistent, objective, and timely calculation of indices can be achieved, despite the fact that transactions do not take place on a regular basis for many bonds. In practice, we calculate daily levels for the Markit iBoxx bond indices based on multi-contributor pricing from market makers for the underlying bonds. We verify these contributed bond prices against transaction data and other pricing sources, where available, to ensure accuracy based on best practices that have been established within each region.

⁴⁹ ICAEW Technical Rules, page 56.

⁵⁰ ICAEW Technical Rules, page 56.

⁵¹ ICAEW Technical Rules, page 56.

⁵² "We believe the administrator should take a leading role in identifying anomalies, inconsistencies and patterns in submissions." FSA PS 13/6, page 13.

⁵³ "Glossary of key terms" IOSCO Consultation Report: Financial Benchmarks, Annex A.; European Commission Consultation Document on the Regulation of Indices; "Glossary of definitions," FSA PS 16/6, Annex A.

participants and it will ultimately help allow for a smooth transition to the new regulatory environment for benchmarks, including assurance work.

We further recommend that the ICAEW clarifies certain elements of its discussion of governance. For example, the ICAEW includes “suspicious submission behaviours” training in its policies.⁵⁴ It is unclear what is meant by this. We believe the intention was to require the BMA to establish appropriate policies and procedures to *identify* suspicious submission behaviours.

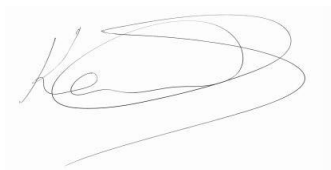
In its discussion of data analysis the ICAEW states that a “re-calculation of the arithmetic mean applying the established thresholds for high and low is performed.”⁵⁵ We believe that this recommendation should take a more general character as it is not always the case that high and low would be eliminated from the calculation and other calculation methods might be used for some benchmarks.

Finally, we believe the ICAEW should clarify the difference between “review before publishing”⁵⁶ on an appropriate level of management under “Data Analysis” and “approved by management” under “Submission”. We believe that these two functions might be one and the same. This lack of clarity might be related to the use of the terms “calculated interest rate BM” in the section “Data analysis” in contrast to “final interest rate BM” in the section on Submissions.

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Markit appreciates the opportunity to comment on the ICAEW’s Technical Rules: Exposure Draft and Interim Guidance for the Performance of Assurance Work on Benchmarks and Indices. We would be happy to elaborate or further discuss any of the points addressed above. In the event you may have any questions, please do not hesitate to contact the undersigned or Marcus Schüler at marcus.schueler@markit.com.

Yours sincerely,



Kevin Gould
President
Markit

⁵⁴ ICAEW Technical Rules, page 57.

⁵⁵ ICAEW Technical Rules, page 58.

⁵⁶ ICAEW Technical Rules, page 58.