

SUMMARY OF COMMENTS AND CSA RESPONSES

A. List of Commenters

CanDeal Benchmark Administration Services Inc.

B. Defined Terms

In this Annex,

“**Amendments**” means the amendments to MI 25-102 contained in Annex B of this Notice.

“**MI 25-102**” means Multilateral Instrument 25-102 *Designated Benchmarks and Benchmark Administrators*.

“**Proposed Amendments**” means the proposed amendments to MI 25-102 published for comment on May 30, 2024.

C. Proposed Amendments

Comments on the Proposed Amendments

No.	Subject	Summarized Comment	CSA Response
1.	Timing for a first reasonable assurance report on controls for a designated benchmark	The commenter appreciated that the Proposed Amendments clarify that a designated benchmark administrator of a designated interest rate benchmark may use the date of designation of the benchmark as a reference date for the timeline to prepare its first reasonable assurance report on controls.	We thank the commentor for their comment in support of the reference to “designation of the benchmark” in what is now new subparagraphs 36(2)(a)(i) and (ii) and of MI 25-102. We note that there is a similar reference in what is now new paragraph 13.1(2)(a) of MI 25-102 for designated benchmark administrators subject to proposed new section 13.1 of MI 25-102.

No.	Subject	Summarized Comment	CSA Response
			<p>We also note that there is a similar reference in what is now new paragraph 38(2)(a) of MI 25-102 for the first reasonable assurance report on controls of a benchmark contributor to a designated interest rate benchmark.</p> <p>For reasons of consistency, we have made a similar change for designated critical benchmarks and designated commodity benchmarks – see new paragraphs 32(2)(a) and 40.13(2)(a) of MI 25-102.</p> <p>We also added transition provisions in sections 16, 17 and 18 of the amending instrument that will apply in respect of an interest rate benchmark without a benchmark contributor that was designated before the effective date of the Amendments.</p>
2.	Time when a public accountant must provide a reasonable assurance report on controls	The commenter appreciated the clarifications in the Proposed Amendments regarding the timelines to conduct reasonable assurance reviews and for public accounting firms to provide the reasonable assurance reports on controls for designated benchmark administrators.	We thank the commenter for their comment in support of the clarifications in the Proposed Amendments.

Specific Questions in the CSA Notice and Request for Comment dated May 30, 2024 relating to the Proposed Amendments

No.	Subject	Summarized Comment	CSA Response
1.	<p><i>Revised assurance report requirements</i> - The Proposed Amendments provide that a reasonable assurance report on controls must consider whether controls operated effectively over “the applicable period”. For the first reasonable assurance report on controls to be provided for a designated critical benchmark or a designated interest rate benchmark, the applicable period is specified to be a 3-month “look back” period. Is the proposed 3-month “look back” period an appropriate period for the first reasonable assurance report on controls to be so provided?¹</p>	<p>The commenter believes that a 3-month “look back” period is appropriate for the first reasonable assurance report on controls to be provided for such a benchmark.</p> <p>The commenter believes that a designated benchmark administrator should not commence its operations without having implemented a solid set of baseline controls that operate effectively. The commenter noted that while these controls may be augmented over time, they should be in place and ready to be tested in the first six months from the designation of the benchmark.</p>	<p>We thank the commenter for their comment.</p> <p>We believe that the proposed look-back period for the first assurance report will help to ensure that relevant controls are implemented and operating effectively within an appropriate period following designation without imposing an undue burden on the relevant benchmark administrator.</p>
2.	<p><i>Revised assurance report requirements</i> - Proposed subsections 33(2) and 37(2) of MI 25-102 provide that a benchmark contributor must ensure that a reasonable</p>	<p>We received no comments on this question.</p>	<p>Not applicable.</p>

¹ The Proposed Amendments contemplated that:

- For the first assurance report for a designated benchmark, the applicable period is 3 months, as set out in the following proposed provisions of MI 25-102, as applicable: paragraphs 13.1(4)(a), 32(4)(a), 36(4)(a), 38(4)(a) and 40.13(4)(a).
- The purpose of this abbreviated period of 3 months is to recognize that a designated benchmark administrator may need time to prepare and implement the policies, procedures and controls required by MI 25-102 in the first 12 months after they are designated and to “work out the bugs”.
- MI 25-102 should only require a first assurance report after the designated benchmark administrator has “worked out the bugs” – i.e., for the last 3 months of the 12 months in question.

No.	Subject	Summarized Comment	CSA Response
	assurance report on controls is provided by a public accountant to the benchmark contributor within 90 days of a request of the oversight committee. Is the proposed 90-day period a sufficient period of time? Should it be a shorter period?		
3.	<p><i>New assurance report provisions</i> - By way of background,</p> <ul style="list-style-type: none">• the assurance report provisions in the existing version of MI 25-102 only apply to designated commodity benchmarks, designated critical benchmarks and designated interest rate benchmarks, and• the Proposed Amendments include a new assurance report provision (proposed section 13.1 of MI 25-102) that would apply to any other benchmark that is designated by a decision of an Authority (e.g., a crypto asset benchmark that is not a commodity benchmark or a term rate benchmark that is not an interest rate benchmark). <p>In this context, do you:</p> <p>(a) agree that proposed section 13.1 of MI 25-102 is appropriate, or</p> <p>(b) have alternative proposals for a different type of assurance report that</p>	We received no comments on this question.	Not applicable.

No.	Subject	Summarized Comment	CSA Response
	may be more appropriate for a crypto asset benchmark but still provide a sufficient level of assurance for a public accountant to conclude on the operating effectiveness of controls?		
4.	<i>New assurance report provisions</i> - What issues would an accounting firm encounter in providing an assurance report on a crypto asset benchmark that it would not otherwise face when providing an assurance report on a commodity benchmark or an interest rate benchmark?	We received no comments on this question.	Not applicable.