

## ANNEX A

### **PROPOSED AMENDMENTS TO MULTILATERAL INSTRUMENT 25-102 DESIGNATED BENCHMARKS AND BENCHMARK ADMINISTRATORS**

1. *Multilateral Instrument 25-102 Designated Benchmarks and Benchmark Administrators is amended by this Instrument.*
2. *Subsection 1(1) is amended by repealing the definitions of “CSAE 3000”, “CSAE 3001”, “CSAE 3530”, “CSAE 3531”, “ISAE 3000”, “limited assurance report on compliance”, and “reasonable assurance report on compliance”.*
3. *Subsection 1(1) is amended by adding the following definition before the definition of “subject requirements”:*

“reasonable assurance report on controls” means a report prepared on a reasonable assurance basis

- (a) by a public accountant on the statement of an individual or management of a person or company, as applicable, that
    - (i) relates to the description, design and implementation of policies, procedures and controls by the individual or management with respect to applicable subject requirements, and
    - (ii) states whether those policies, procedures and controls operated effectively over the applicable period, and
  - (b) in accordance with
    - (i) the Handbook, or
    - (ii) International Standards on Assurance Engagements set by the International Auditing and Assurance Standards Board, as amended from time to time;.
4. *Subsection 1(1) is amended in the definition of “subject requirements” by adding the following paragraph:*
  - (a.0) paragraphs 13.1(1)(a) and (b),.
5. *Paragraph 5(2)(b) is amended by replacing “a public accountant’s limited assurance report on compliance or a reasonable assurance report on compliance” with “or a reasonable assurance report on controls”.*

6. ***Paragraphs 7(8)(f) and 7(8)(g) are amended by replacing “public accountant’s limited assurance report on compliance or reasonable assurance report on compliance” with “reasonable assurance report on controls”.***

7. ***The following section is added:***

**Assurance report on designated benchmark administrator**

**13.1(1)** A designated benchmark administrator must engage a public accountant to provide a reasonable assurance report on controls, in respect of each designated benchmark it administers that is not a designated critical benchmark, a designated interest rate benchmark or a designated commodity benchmark, relating to the designated benchmark administrator’s

- (a) compliance with sections 5, 8 to 16, and 26, and
- (b) following the methodology of the designated benchmark.

**(2)** A designated benchmark administrator must ensure that an engagement referred to in subsection (1) occurs

- (a) in the case of the first engagement, within 12 months of the designation of the benchmark, and
- (b) in the case of any subsequent engagement, once every 24 months.

**(3)** A designated benchmark administrator must require the public accountant to provide the reasonable assurance report on controls to the designated benchmark administrator within 90 days of the end of the 12 months or 24 months referred to in subsection (2).

**(4)** For purposes of subsection (1), the applicable period for the report is

- (a) in the case of the first report for a designated benchmark, the period commencing 3 months before the end of the 12 months referred to in paragraph (2)(a) and ending on the last day of that 12 months, and
- (b) in the case of any subsequent report for a designated benchmark, the period commencing 12 months before the end of the 24 months referred to in paragraph (2)(b) and ending on the last day of those 24 months.

**(5)** A designated benchmark administrator must, within 100 days of the end of the 12 months or 24 months referred to in subsection (2), publish the report and deliver a copy of the report to the regulator or securities regulatory authority..

8. ***Paragraphs 24(4)(f), 24(5)(a) and (b) and 26(3)(b) are amended by replacing “limited***

assurance report on compliance or reasonable assurance report on compliance” *with* “reasonable assurance report on controls”.

**9. *Section 32 is repealed and the following substituted:***

**Assurance report on designated benchmark administrator**

- 32.(1)** A designated benchmark administrator must engage a public accountant to provide a reasonable assurance report on controls, in respect of each designated critical benchmark it administers, relating to the designated benchmark administrator’s
- (a) compliance with sections 5, 8 to 16 and 26, and
  - (b) following the methodology of the designated critical benchmark.
- (2)** A designated benchmark administrator must ensure that an engagement referred to in subsection (1) occurs once every 12 months.
- (3)** A designated benchmark administrator must require the public accountant to provide the reasonable assurance report on controls to the designated benchmark administrator within 90 days of the end of the 12 months referred to in subsection (2).
- (4)** For purposes of subsection (1), the applicable period for the report is
- (a) in the case of the first report for a designated critical benchmark, the period commencing 3 months before the end of the 12 months referred to in subsection (2) and ending on the last day of those 12 months, and
  - (b) in the case of any subsequent report for a designated critical benchmark, the period commencing on the first day of the 12 months referred to in subsection (2) and ending on the last day of those 12 months.
- (5)** A designated benchmark administrator must, within 100 days of the end of the 12 months referred to in subsection (2), publish the report and deliver a copy of the report to the regulator or securities regulatory authority..

**10. *Section 33 is repealed and the following substituted:***

**Assurance report on benchmark contributor requested by oversight committee**

- 33.(1)** If requested by the oversight committee referred to in section 7 as a result of a concern relating to a benchmark contributor to a designated critical benchmark, the benchmark contributor must engage a public accountant to provide a reasonable assurance report on controls relating to the benchmark contributor’s

- (a) compliance with section 24, and
  - (b) following the methodology of the designated critical benchmark.
- (2) A benchmark contributor must require the public accountant to provide the reasonable assurance report on controls to the benchmark contributor within 90 days of the request of the oversight committee referred to in subsection (1).
- (3) For purposes of subsection (1), the applicable period for the report is 3 months, 6 months, 9 months or 12 months as specified in the request of the oversight committee.
- (4) A benchmark contributor must, within 100 days of the request of the oversight committee referred to in subsection (1), deliver a copy of the report to
  - (a) the oversight committee,
  - (b) the board of directors of the designated benchmark administrator, and
  - (c) the regulator or securities regulatory authority..

**11. Section 36 is repealed and the following substituted:**

**Assurance report on designated benchmark administrator**

- 36.(1)** A designated benchmark administrator must engage a public accountant to provide a reasonable assurance report on controls, in respect of each designated interest rate benchmark it administers, relating to the designated benchmark administrator's
- (a) compliance with sections 5, 8 to 16, 26 and 34, and
    - (b) following the methodology of the designated interest rate benchmark.
  - (2) A designated benchmark administrator must ensure that an engagement referred to in subsection (1) occurs
    - (a) in the case of the first engagement
      - (i) in the case of a designated interest rate benchmark with a benchmark contributor, within 6 months after the later of
        - (A) the introduction of a code of conduct for a benchmark contributor referred to in section 23, and
        - (B) the designation of the benchmark, or

- (ii) in the case of a designated interest rate benchmark without a benchmark contributor, within 12 months of the designation of the benchmark, and
- (b) in the case of any subsequent engagement, once every 24 months.
- (3) A designated benchmark administrator must require the public accountant to provide the reasonable assurance report on controls to the designated benchmark administrator within 90 days of the end of the 6 months, 12 months or 24 months referred to in subsection (2).
- (4) For purposes of subsection (1), the applicable period for the report is
  - (a) in the case of the first report for a designated interest rate benchmark, the period commencing 3 months before the end of the 6 months or 12 months referred to in paragraph (2)(a) and ending on the last day of those 6 months or 12 months, and
  - (b) in the case of any subsequent report for a designated interest rate benchmark, the period commencing 12 months before the end of the 24 months referred to in paragraph (2)(b) and ending on the last day of those 24 months.
- (5) A designated benchmark administrator must, within 100 days of the end of the 6 months, 12 months or 24 months referred to in subsection (2), publish the report and deliver a copy of the report to the regulator or securities regulatory authority..

**12. Subsection 37 is repealed and the following substituted:**

**Assurance report on benchmark contributor requested by oversight committee**

- 37.(1)** If requested by the oversight committee referred to in section 7 as a result of a concern relating to a benchmark contributor to a designated interest rate benchmark, the benchmark contributor must engage a public accountant to provide a reasonable assurance report on controls relating to the benchmark contributor's
  - (a) compliance with sections 24 and 39, and
  - (b) following the methodology of the designated interest rate benchmark.
- (2) A benchmark contributor must require the public accountant to provide the reasonable assurance report on controls to the benchmark contributor within 90 days of the request of the oversight committee referred to in subsection (1).
- (3) For purposes of subsection (1), the applicable period for the report is 3 months, 6 months, 9 months or 12 months as specified in the request of the oversight

committee.

- (4) A benchmark contributor must, within 100 days of the request of the oversight committee referred to in subsection (1), deliver a copy of the report to
  - (a) the oversight committee,
  - (b) the board of directors of the designated benchmark administrator, and
  - (c) the regulator or securities regulatory authority..

**13. Subsection 38 is repealed and the following substituted:**

**Assurance report on benchmark contributor required at certain times**

- 38.(1)** A benchmark contributor to a designated interest rate benchmark must engage a public accountant to provide a reasonable assurance report on controls relating to the benchmark contributor's
- (a) compliance with sections 24 and 39,
  - (b) following the methodology of the designated interest rate benchmark, and
  - (c) following the code of conduct referred to in section 23.
- (2)** A benchmark contributor must ensure that an engagement referred to in subsection (1) occurs
- (a) in the case of the first engagement, 6 months after the later of
    - (i) the introduction of a code of conduct for benchmark contributors referred to in section 23, and
    - (ii) the designation of the benchmark, and
  - (b) in the case of any subsequent engagement, once every 24 months.
- (3)** A benchmark contributor must require the public accountant to provide the reasonable assurance report on controls to the benchmark contributor within 90 days of the end of the 6 months or 24 months referred to in subsection (2).
- (4)** For purposes of subsection (1), the applicable period for the report is
- (a) in the case of the first report for a designated interest rate benchmark, the period commencing 3 months before the end of the 6 months referred to in paragraph (2)(a) and ending on the last day of those 6 months, and

- (b) in the case of any subsequent report for a designated interest rate benchmark, the period commencing 12 months before the end of the 24 months referred to in paragraph (2)(b) and ending on the last day of those 24 months.
- (5) A benchmark contributor must, within 100 days of the end of the 6 months or 24 months referred to in subsection (2), deliver a copy of the report to
  - (a) the oversight committee referred to in section 7,
  - (b) the board of directors of the designated benchmark administrator, and
  - (c) the regulator or securities regulatory authority..
- 14. ***Paragraphs 39(8)(b) and 40.11(3)(b) are amended by replacing “limited assurance report on compliance or reasonable assurance report on compliance” with “reasonable assurance report on controls”.***
- 15. ***Subsection 40.13 is repealed and the following substituted:***

**Assurance report on designated benchmark administrator**

- 40.13.(1)** A designated benchmark administrator must engage a public accountant to provide a reasonable assurance report on controls, in respect of each designated commodity benchmark it administers, relating to the designated benchmark administrator's
- (a) compliance with subsection 5(1) and sections 11 to 13, 40.3, 40.4, 40.6, 40.7, and 40.9 to 40.12, and
  - (b) following the methodology applicable to the designated commodity benchmark.
- (2) A designated benchmark administrator must ensure that an engagement referred to in subsection (1) occurs once every 12 months.
- (3) A designated benchmark administrator must require the public accountant to provide the reasonable assurance report on controls to the designated benchmark administrator within 90 days of the end of the 12 months referred to in subsection (2).
- (4) For purposes of subsection (1), the applicable period for the report is
- (a) in the case of the first report for a designated commodity benchmark, the period commencing 3 months before the end of the 12 months referred to in subsection (2) and ending on the last day of that 12 months, and

- (b) in the case of any subsequent report for a designated commodity benchmark, the period commencing on the first day of the 12 months referred to in subsection (2) and ending on the last day of that 12 months.
  - (5) A designated benchmark administrator must, within 100 days of the end of the 12 months referred to in subsection (2), publish the report and deliver a copy of the report to the regulator or securities regulatory authority..
16. This Instrument comes into force on ●.