INDEX LICENSE MANAGER

A Benchmark Directory ready for the European Benchmark Regulation ('BMR')

Under the 2016 European Benchmark Regulation financial services firms on the buy-side, sell-side and custodians will need to implement new governance processes to audit their benchmark usage. For example, for indices used in financial products, you'll need to understand their authorisation status and classification as determined on an ESMA register, and to designate potential substitutes for them.

MDSL's Index License Manager (ILM) helps you meet your regulatory obligations by providing a management tool to track your benchmark usage. You can store all the license agreements, indexes and families, but also catalogues from third party index aggregators. These catalogues allow firms to map a standard set of indexes onto their own portfolio of benchmark usage (typically funds, structured products and data licenses for users). Combining this with the various BMR classifications provided by ESMA, ILM therefore allows you to check that your benchmark usage is in accordance with the regulation because you can see which products are using authorised benchmarks (or otherwise), what their substitutes could be, the authorised administrator's status with their national competent authority.

When an event occurs such as the withdrawal of the registration of an administrator, or benchmark, or the cessation of a benchmark, a task can be triggered in ILM for the owners of the affected products to perform a review and remedy if necessary. ILM includes sandboxing functionality which allows you to compare substituting one benchmark for another (e.g. on a fund) and see the impact of such scenarios. If you are an administrator, ILM can be used as the repository for the supporting documentation released with each benchmark such as the Benchmark Statement and Compliance Statements.

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FEATURES SUMMARY

- Inventory tool tracks the allocation of the benchmark to the product(s) using the benchmark (e.g. fund, structured product).

- Catalogue of benchmarks used, including key attributes per benchmark:

  - BMR Classification: Benchmark as Critical, Significant or Non-Significant.
  - BMR Role: Administrator, Contributor, User
  - BMR Authorisation status of the benchmark provider (Art. 29)
  - Uploading and management of Benchmark Statements (Art. 27)
  - Secondary /substitute benchmark selection (e.g. in the event of cessation. Art 28)
  - BMR Regulatory Competent Authority
  - BMR Regime Classification (Interest Rate, Commodity, Regulated Data etc)

- Export benchmarks and administrator statuses to external systems

- Task Management

- AUM/NV Reporting by product (e.g. fund, structured product)

- Audit reporting.

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For a demonstration visit mdsl.com/request-demo