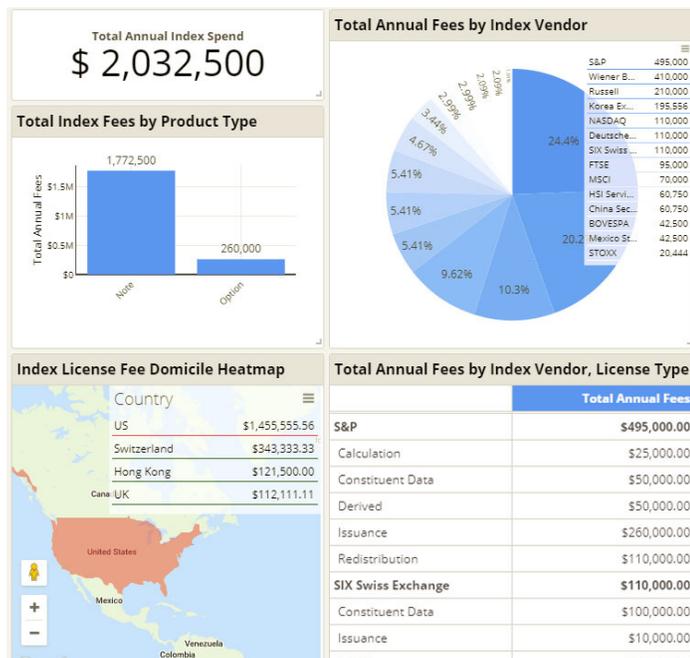# INDEX LICENSE MANAGER

Index License Manager (ILM) reduces your manual processes, enriches your reporting capabilities, improves your cost allocation methodologies, and helps you conform with the recently enforced European Benchmark Regulation and IOSCO's Principles for Financial Benchmarks.

MANAGEMENT CHALLENGES AROUND SELL-SIDE INDEX LICENSES

- Index licensing fees have skyrocketed through the use of fee models and formulas that increasingly benefit the index providers. Structured Products issuers, Delta One desks, and Index Swaps desks are often managing index license budgets exceeding $10 million per annum.

- Equity Derivative and Delta One desks are discovering that spreadsheets currently in use to track index licenses aren't scaling well for the 1,000+ licensed indices their business may require across multiple asset classes, currencies, and regions.

- Index license inventories at firms are fragmented and unconsolidated. Issuance license inventories on spreadsheets with disclaimer texts and scanned contracts pdfs are often managed by front-office business managers or by legal and compliance staff, and not by the index data/market data management team.

- Best practices are a centralized database with index data licenses and issuance licenses and all other index license types, with an intuitive user interface developed specifically for index license management, providing an informed and complete holistic dashboard view of the firm's enterprise-wide licensing with all its index providers.

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INTRODUCING MDSL'S INDEX LICENSE MANAGER (ILM)

The ILM platform automates sell-side index licensing workflow typically dependent upon spreadsheets, paper records, pivot tables or similar. Software replaces manually intensive cycles devoted to index license tracking, reporting, and spend optimization.

Reduce index licensing spend with the Index Catalog display by removing the possibility of redundantly licensing an index family. Identify the hundreds or thousands of additional indices in any licensed index family which an organization may use without incurring any additional index sponsor fees. Wean from reliance on the index vendor sales staff or index aggregator client support, multiple email exchanges and telephone calls, and frequently unsatisfactory responses.

IOSCO has recommended that firms comprehensively identify and track their index usage across all business areas, and immediately strengthen governance, controls, and management of their index usage – especially those indices which have been used in the creation of financial products or in swap trading. IOSCO has also recommended that firms implement systems to manage the risks posed by index usage.

Understanding and assigning or allocating invoices is an everyday challenge, with heavy reliance on staff with experience at deciphering index vendor's invoices, which are rarely clear, easy to understand, or intuitive. ILM eases invoice identification and recovery challenges, and significantly improves billing error visibility.

NOTE: The fees in this image have been created for illustrative purposes only, and have not been sourced from any actual index license agreements.

Index providers are requiring comprehensive quarterly issuance reports with aggregate NV totals for every issuance license, and are unwilling to waive this requirement any longer. Increased administrative burdens equals increased human resources unless this process and others are automated.

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For a demonstration visit mdsl.com/request-demo