High Level Contingency plans as per article 28(2) of BMR in case of Benchmark change or cessation

As a supervised entity and a user of benchmarks in the EEA and in order to comply with article 28(2) of the European Benchmarks Regulation (BMR)[1], CACEIS has produced and will keep maintaining robust written plans setting out the actions that it would take in the event that a benchmark it uses:

- **materially changed** (for instance in the event where a benchmark administrator took the decision to implement a new methodology resulting in a **substantive change** of the underlying interest the benchmark is trying to measure);
- **ceases to exist or being published by its administrator (temporary or permanently);**
- **is not authorized (**i.e. as per the BMR not put on the ESMA register**):**
  - o **before 01.01.2020 for non-critical benchmarks administrated by EEA benchmark administrators**
  - o **before 01.01.2022 for critical benchmarks and third-country (i.e non-EEA) benchmark administrators**
- **is withdrawn from the list of authorized administrators and benchmarks (i.e. ESMA register).**

These contingency plans is designed to cover:

1. **an emergency plan** in case a benchmark is suddenly no longer unavailable (i.e. stop being published or made available to the public) or an administrator/calculation agent suddenly stops to administrate / calculate one of its Benchmarks;
2. **a medium/long-term plan** preparing a transition roadmap when the change or cessation of a benchmark is known well in advance.

These plans are referencing how CACEIS is monitoring such potential events in order for it to launch these plans as soon as an event occurs and is detected.
In addition, a list of important actions to be taken into account in these plans was also created and include the following points:

- an emergency inventory of positions / expositions to determine the impacts of such an event and to assess the consequences as well as the highest priorities, analyze the existing documentation and products;
- as per the fallback clause, CACEIS will communicate, propose and agree with the client/counterparty a sustainable benchmark alternative if technically possible;
- CACEIS may focus primarily on its major exposures and more sensitive clients;
- depending on the Benchmark type (critical, significant, non-significant), CACEIS shall liaise with the relevant authorities (Supervisor of the Benchmark Administrator, the National Competent Authority (AMF in France), ESMA, the Central Bank), the Benchmark Administrator, the relevant trade association or working group to seek guidance and a single outcome to avoid any market fragmentation;
- a risk assessment of any potential hedging mismatch.

A responsibility assignment matrix and an escalation process have also been put in place to describe the participation by the various departments and function of CACEIS to handle and take part in these plans as quickly and effectively as possible.
As a reminder, this publication only provides general information background regarding these potential issues and regulatory obligations.
CACEIS is internally maintaining and updating when necessary detailed and robust written contingency plans.
This publication and internal plans may also be subjected to updates without notice and especially in case where the regulation would change or any other cases where adjustments will need to be considered.

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[1] "*Supervised entities other than an administrator as referred to in paragraph 1 that use a benchmark shall produce and maintain robust written plans setting out the actions that they would take in the event that a benchmark materially changes or ceases to be provided. Where feasible and appropriate, such plans shall nominate one or several alternative benchmarks that could be referenced to substitute the benchmarks no longer provided, indicating why such benchmarks would be suitable alternatives. The supervised entities shall, upon request, provide the relevant competent authority with those plans and any updates and shall reflect them in the contractual relationship with clients*"