

# THOMSON REUTERS BENCHMARK SERVICES LIMITED

THOMSON REUTERS BENCHMARK  
SERVICES  
CONFLICTS OF INTEREST POLICY



## 1. EXECUTIVE SUMMARY

Thomson Reuters Benchmark Services Limited (“TRBSL”) must conduct its business according to the principle that it must manage conflicts of interest fairly, both between itself and its clients and between one client and another.

TRBSL further has a regulatory obligation to ensure that steps are in place to manage conflicts of interest as set out in the FCA Handbook ([SYSC10](#)) and [MAR8.3.3\(R\)](#)

As a Benchmark Administrator, TRBSL faces actual and potential conflicts of interest. TRBSL’s policy is to take all reasonable steps to maintain and operate effective organisational and administrative arrangements to identify and manage relevant conflicts.

This policy applies to all employees and contractors of TRBSL. This policy should be read in conjunction with the [Code of Business Conduct and Ethics](#).

## 2. OBJECTIVE AND SCOPE

TRBSL is required to take reasonable steps to identify and adequately manage conflict of interests entailing a material risk of damage to a client’s interest. The policy specifies the requirement for TRBSL, to have in place appropriate procedures and measures in order to identify and manage any such material conflict of interest

In addition, we must comply with the following FCA Principles:

[FCA Principle 1](#) requires a firm to conduct its business with integrity.

[FCA Principle 3](#) (Management and control) requires us to take reasonable care to organise and control our affairs responsibly and effectively.

[FCA Principle 6](#) requires us to pay due regard to the interests of our customers and treat them fairly.

[FCA Principle 8](#) requires us to manage conflicts of interest fairly, both between ourselves and our customers, and between one customer and another client.

The requirements in [SYSC 10](#) and [MAR8.3.3\(R\)](#) are principles-based and reflect the expectation that TRBSL’s senior management are responsible for overseeing and controlling this aspect of firms’ affairs.

Under SYSC 10, firms should do the following:

- identify their conflicts of interest
- manage their conflicts of interest
- establish and maintain a conflicts policy
- disclose their conflicts of interest (where appropriate)
- keep records of their conflicts of interest



Under MAR 8.3.3 (R), the benchmark administrator must maintain and operate effective organisational and administrative arrangements to enable it to identify and manage any conflicts of interest that may arise from the process of administering a specified benchmark.

For the purposes of this document this policy applies to those conflicts of interest that may give rise to a material risk of damage to the interests of TRBSL or a client. Conflicts of interest may arise between:

- TRBSL and a client
- a “relevant person” (director, manager, appointed representative or employee of TRBSL) and a client
- two or more clients of TRBSL in the context of the provision of services by TRBSL to those clients

### 3. IDENTIFYING CONFLICTS OF INTEREST

Should a conflict arise, it must be managed promptly and fairly. When identifying a conflict of interest, TRBSL will consider all relevant factual circumstances. The regulator requires that at a minimum, we take into account whether the firm or its personnel:

- is likely to make a financial gain or avoid a financial loss at the expense of the firm or its clients
- is likely to have an interest in the outcome of a service provided to a client, which is distinct from the client’s interest in that outcome
- is likely to have an incentive to favour the interest of one or a group of clients over the interests of another client
- carries on the same business as the client

The following are non-exhaustive examples which TRBSL considers may be “typical” conflicts of interest that might arise in relation to the services it provides:

- TRBSL or its employees receive substantial gifts and/or entertainment (including non-monetary inducements) that may influence behaviour in a way that conflicts with the firm’s interests and/or its clients
- Personal account dealing (though, bearing in mind the financial instruments that TRBSL focuses on, this is of a lower risk)
- Promoting other products and services that may be in direct competition with TRBSL
- Overlapping Thomson Reuters Group roles and responsibilities (including Directorships) such that priorities become unclear
- The failure to implement measures to ensure the confidentiality of benchmark submissions and other information from benchmark submitters (to the extent that such submissions and information has not been made public).
- TRBSL Oversight Committee constituents may include Benchmark Submitters or Benchmark



Participants who may face a conflict between their duty and role as a committee member versus the interest of their employer and

- TRBSL's Oversight Committees constituents include representation from market participants who may face a conflict between their obligation to have regard for the interests of the benchmark end users and the interests of their employers.

## 4. MANAGING CONFLICTS OF INTEREST

TRBSL must have controls in place to manage / mitigate actual and potential conflicts of interest. A non-exhaustive list includes:

### **Board appointments**

- Directors are not permitted to take on external executive roles without the permission of the Board Chair, and then only in limited circumstances.

### **Gifts and Entertainment**

- Gifts, entertainment and hospitality procedures that are applicable to you and look to manage / mitigate potential conflicts;

### **Outside Interests**

- Policy requires disclosure and approval of all external directorships and outside business interests;

### **Ongoing Training**

- The provision of training to you on conflicts of interest identification and management.

The below list are some considerations for TRBSL to implement:

- Information barriers.
- Electronic separation through separate e-mail and computer access.
- Physical barriers, such as locating different parts of the business in different geographical locations.
- Remuneration structures which do not allow for employees to be incentivised in such a way that conflicts may arise.
- Measures to stop relevant employees exercising undue influence over the way other employees perform their roles.
- Identification and separation of relationships where conflicts may exist.
- Independent management structures and reporting lines which only meet at board level.



## 5. CONFLICTS OF INTEREST REGISTER

TRBSL must keep and regularly update a record of the kinds of service or activity carried out by them or on their behalf in which a conflict of interest entailing a material risk of damage to the interests of one or more clients has arisen or, in the case of an ongoing service or activity, may arise (SYSC 10.1.6R).

This record-keeping requirement is in addition to TRBSL's general obligations to keep appropriate records in order to demonstrate compliance with the FCA's conflicts of interest requirements.

The information contained within the register facilitates the effective identification and management of any potential conflicts of interest.



**You are required to report all actual, potential or perceived conflicts of interest to F&R Compliance**

## 6. POLICY REVIEW AND RECORD KEEPING

This policy will be reviewed on an annual or ad hoc basis to ensure it remains appropriate and consistent with industry standards. The policy will also be reviewed each time there is a change in the regulatory environment and in line with business changes. The Board will approve each new version of this policy; new versions will be published as required.