



Conflicts of Interest Policy



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1. Purpose and Objectives

In compliance with the EU Benchmark Regulation (EU BMR), the purpose of this Policy is to provide a comprehensive framework for the identification, prevention, and management of conflicts of interest that may arise within The European Money Markets Institute (EMMI). The aim of this policy is to maintain stakeholders' confidence and to protect the integrity and reputation of EMMI's governing bodies and staff, with particular reference to the activities related to the benchmark administration.

For the purpose of this Policy, the following definition of a conflict of interest applies:

- **An actual conflict of interest** refers to a situation where the impartiality and objectivity of a decision, opinion or recommendation of a body or a person is compromised by a personal or business interest held by or entrusted to a given individual.
- **A perceived conflict of interest** refers to a situation where the impartiality and objectivity of a decision, opinion or recommendation of a body or a person might be perceived as being compromised by a personal or business interest held by or entrusted to a given individual, even if in fact there is no such undue influence.

The objectives of this Policy are:

- The protection of the integrity and the independence of benchmark determination. In order to reach this objective EMMI operationally separates the provision of its benchmarks from any part of its business. Furthermore, EMMI establishes and operates adequate policies and procedures, and introduces effective organizational arrangements for the identification, prevention and management of actual or perceived conflicts of interest.
- The integrity and reliability of employees and other natural persons involved in the provision of the benchmark. In order reach this objective EMMI establishes necessary measures to ensure that:
 - EMMI's employees and any other natural persons whose services are placed at EMMI disposal or under EMMI control and who are directly involved in the provision of a benchmark are not subject to undue influence or conflict of interest, and
 - the compensation and performance evaluation of those persons do not create conflicts of interest or otherwise impinge upon the integrity of the benchmark determination process.

2. Principles

EMMI's Conflict of Interest Policy is based on principles of accountability and transparency.

2.1. Accountability

EMMI's benchmarks governance framework has in place robust procedures to identify, prevent and manage actual or potential conflicts of interest and specifies in a clear and well documented manner the accountability of at least the following persons:

- persons responsible for the publication or disclosure of existing or potential conflicts of interest.
- persons responsible for the internal reporting of any circumstance which may give rise to conflicts of interest.

2.2. Transparency

Transparency is crucial for maintaining public's trust in the integrity and independence of benchmark determination. In this regard, EMMI publishes on its website the CIOC annual report. Moreover, EMMI discloses all actual or potential conflicts of interest to users of its benchmarks, to the relevant competent authority and, where relevant, to contributors.

3. Scope

This Policy applies to actual or perceived conflicts of interest which may affect the following Relevant Persons of EMMI:

- members of EMMI's General Assembly (Banking Associations)¹,
- members of the Board of Directors,
- members of the benchmarks Oversight Committees (Oversight Committee),
- members of the Audit and Risk Committee,
- members of the Conflicts of Interest Oversight Committee (CIOC),
- members of the Nomination Committee,
- members of the STEP Market Committee²,
- the Chief Executive Officer (CEO),
- the Deputy Chief Executive Officer (Deputy CEO),
- members of EMMI's Staff.

This Policy is also applicable to each entity contributing to the determination, calculation and dissemination of EMMI's financial benchmarks, in particular Panel Banks and Calculation Agents. Panel Banks and Calculation Agents adopt their own internal regulations on conflicts of interest. If they include more stringent requirements, these will prevail.

Measures to identify, prevent or manage actual or perceived conflicts of interest within EMMI and throughout the process of the determination, calculation and dissemination of EMMI's financial benchmarks, are specified in EMMI's Conflicts of Interest Procedure.

The Conflicts of Interest Oversight Committee is established on the basis of this Policy and acts in accordance with the Conflicts of Interest Oversight Committee Charter and the Conflicts of Interest Procedure.

4. Organisational measures

Organisational measures aim at the identification, prevention and management of actual or perceived conflicts of interest and can be categorized as follows:

¹ The members of EMMI's General Assembly are sitting in the Assembly as representatives of the national banking associations. Accordingly, the respective Association is also responsible to ensure that conflicts of interest are managed by its representatives in General Assembly meetings.

² Given the specific nature of the STEP Market Committee, its Members commit to comply with the Code of Conduct of the STEP Market Committee by signing an annual Declaration of Adherence to the Code of Conduct of the STEP Market Committee.

- **Structural measures** based on the organisational structure (segregation of functions through the three lines of defence model);
- **Policy measures** based on the adoption and implementation of specific internal policies and procedures, such as criteria for the participation in decision-making procedures (e.g. preventive disclosure of interest) and bodies, (e.g. balanced composition of Oversight Committee between panel banks, users and independent members);
- **Functional measures** based on specific functions dedicated to the management of conflicts of interest (establishment of the CIOC); and
- **Conduct measures** based on codes of conduct.

The efficiency of these organizational measures is evaluated by the CIOC with respect to their capacity to:

- establish an organisational separation between conflicting activities.
- give clear rules of action to the persons concerned.
- independently supervise actual or perceived conflicts of interest .

5. Monitoring and Review of EMMI's Conflicts of Interest Policy

The CIOC monitors the effectiveness of EMMI's Conflicts of Interest Policy by providing recommendations to the Board of Directors and, where applicable, to the Oversight Committee. The Board of Directors reviews and updates this Policy at least every two years, where appropriate, to ensure its continued effectiveness. Before approval, the Board of Directors consults the CIOC on proposed changes to this Policy. The Oversight Committee is informed about changes in this Policy.

6. Training and Awareness

All Relevant Persons are informed of their obligations in relation with conflicts of interest. EMMI adopts a risk-based approach to compliance awareness that includes activities aimed at ensuring the knowledge and understanding of the principles and processes specified in the Conflicts of Interest Procedure.

Annex 1: Conflicts of Interest Oversight Committee Charter

1. Purpose

- 1.1. The Conflicts of Interest Oversight Committee (hereafter – the CIOC) is an independent committee established by The European Money Markets Institute (hereafter abbreviated to 'EMMI') in accordance with EMMI's Articles of Association and regulatory requirements.
- 1.2. Within EMMI's conflicts of interest management system, the CIOC's primary responsibilities are to identify and prevent actual or perceived conflicts of interest, in order to protect the integrity and independence of benchmark determinations.
- 1.3. The primary objective of the CIOC is the effective management of actual or perceived conflicts of interest when such situations arise.
- 1.4. In accordance with the said responsibilities and objective, the CIOC encourages the continuous improvement of, and fosters adherence to, EMMI conflicts of interest policies and procedures at all levels of the organisation.

2. Composition and Membership

- 2.1. The CIOC is composed of at least three persons (one Chairperson and two members) chosen among experts having recognised independence, standing and experience in financial markets and/or financial services and/or in financial regulation and control systems. The members of the CIOC do not put themselves in a position that would endanger their independence.
- 2.2. The CIOC Chairperson and members are appointed by the EMMI General Assembly, following a proposal by the Board of Directors. EMMI's Nomination Committee recommends to the Board of Directors the best qualified candidates for the CIOC following a rigorous and transparent process according to the Nomination Committee Procedure.
- 2.3. The Chairperson and the members of the CIOC are appointed for a period of two years. The mandate is renewable. The composition of the CIOC is publicly available on the EMMI website.

3. Meeting and Voting Rules

- 3.1. The meetings of the CIOC are called by the Chairperson at least once a year and more frequently if needed. The CIOC can meet either physically or virtually (e.g. teleconference and/or video conference). In its activity, the CIOC is assisted by EMMI's Staff.
- 3.2. The agenda of each meeting is determined in advance by the Chairperson, in collaboration with the Deputy CEO and the Corporate Governance Officer.
- 3.3. The CIOC cannot deliberate and take decisions validly unless at least half of its members are present.

- 3.4 Each member of the CIOC has one vote. Decisions are taken by a simple majority of the votes of the members present at the meetings. In case of a tie vote, the Chairperson of the CIOC has a casting vote.

4. Duties

- 4.1 The CIOC identifies, prevents and manages situations of actual or perceived conflicts of interest, as described in EMMI's Conflicts of Interest Policy and its Procedure. The CIOC advises the Oversight Committee, the Board of Directors, or the General Assembly where relevant, on actions to be taken in respect of actual or perceived conflicts of interest. The advice is not binding. When the Oversight Committee, the Board of Directors, or the General Assembly, where relevant, decide not to follow the advice given by the CIOC, they provide a reasoned opinion for this. In this event, the CIOC describes the situation in its annual report and indicates that its advice has not been followed.
- 4.2 With the aim to identify actual or perceived conflicts of interest, the CIOC considers, among others:
- communications made by Relevant Persons;
 - representations or complaints made from external parties to EMMI;
 - other internal EMMI documents and information.
- 4.3 Complaints are addressed to the CIOC as described in EMMI's Conflicts of Interest Procedure.
- 4.4 The CIOC is responsible for monitoring the effectiveness of EMMI's Conflicts of Interest Policy and EMMI's Conflicts of Interest Procedure and for providing recommendations to identify, prevent and manage conflict of interest situations to the Board of Directors and to the Oversight Committee (for aspects related to benchmark operations).
- 4.5 The CIOC has unlimited and direct access to the information relevant for the proper performance of its duties and can dispose of all resources necessary to perform its tasks.

5. Reporting Responsibilities

- 5.1 The CIOC prepares an annual report of its activity and presents it to the Board of Directors and the General Assembly. The report contains an assessment of the overall conflicts of interest management and includes all measures and actions taken by the CIOC, as well as conflicts of interest matters addressed at the Oversight Committee level.
- 5.2 The CIOC annual report is public and made available to the relevant competent authority and, where relevant, to contributors and to internal or external auditors.

6. Other Matters

- 6.1 The CIOC has sufficient time and resources to carry out its duties, including access to EMMI's Staff for assistance as required.
- 6.2 The CIOC reviews the present Charter at least every two years or every time it is deemed necessary to ensure compliance with EMMI's regulatory framework and recommends any changes it considers necessary to the Board of Directors for approval.
- 6.3 The CIOC implements an anonymized self-assessment at least every two years by means of a questionnaire set by the Corporate Governance Officer, the results of which are discussed by the

CIOC during one of its meetings. Minutes are drawn of this discussion, indicating the conclusions of these assessments as well as of the measures taken in order to improve the functioning of the CIOC.

- 6.4 The CIOC is subject to EMMI's Conflicts of Interest Policy and EMMI's Confidentiality Policy.
- 6.5 CIOC members are required to sign an annual declaration of interests.