

Financial Benchmark Administrator Application

Note: If you require more space to provide your responses please attach as a supporting document.

1. Applicant Details

1.1 What is your FSP number? *If you don't have an FSP number, you can apply online [here](#)* FSP

What is your NZBN number?

1.2 What is the name of the entity applying?

1.3 Is this a separate or related body application?

'Separate' means the entity is applying for a licence in its own right

'Related body' relates to another entity or company within the corporate group that will be named on the licence as an authorised body.

1.4 What financial benchmarks do you maintain?

Provide a list of the relevant financial benchmarks this application is intended to cover.

1.5 Does the entity have any relevant parties?

Relevant parties are defined in [the Regulations](#).

If yes, provide the following details, where relevant, for **each** relevant party, and **on a separate sheet**, and attach these to this application:

- Role
- FSP Number
- Full legal name / Company name
- Date of birth
- Any other name/s they are, or have ever been known by (e.g. maiden names or aliases)

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1.6 An entity may request special limits to its licence. Is the entity requesting any special limits in this licence application?
If yes, provide details.

1.7 Please use the space below to list all supporting documents attached to your application, or applicable websites, including a reference to which question each document or website is relevant to.

2. Compliance History

- 2.1 Is the entity applying for the licence currently subject to any proceedings or investigations, in New Zealand or overseas?
If yes, provide details.

- 2.2 Does the entity applying for the licence have any past criminal prosecutions, or has it been subject to past civil litigation or administrative actions, in New Zealand or overseas?
If yes, provide details.

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2.3 Has the entity ever applied for and been refused a license or registration, in New Zealand or overseas?

If yes, provide details.

2.4 Does the entity, or any of its directors or senior managers, hold a licence or registration relevant to financial services, in any overseas jurisdiction?

If yes, provide details.

3. Application Details

3.1 Provide a high-level description of the entity’s business and organisation chart, including any related entities, detailing roles, responsibilities and the decision-making framework.

Include position descriptions, charters, and the responsibilities of teams, committees, sub-committees, and any independent committees.

4. Fit and Proper

Entities must ensure directors, senior managers, and proposed directors and senior managers, are fit and proper persons to hold their respective positions.

- 4.1 Explain how the entity ensures its directors and senior managers meet and maintain the required standards of being fit and proper persons to hold their positions.

This requirement broadly covers the following tests, for which the entity needs to demonstrate what information is required and how it assesses:

- good character – including someone’s integrity, probity, trustworthiness and reputation
- capability – including the competence, skills and experience relevant to the position they hold.

Entities should demonstrate that they have appointment, recruitment, and human resource processes to ensure directors and senior managers undergo a character assessment, and that someone’s competence, skills and experience are evaluated before they assume their roles. This includes directors and senior managers of any related bodies covered in this application.

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4.2 How many directors and senior managers is the entity supplying details for in relation to this application (including those of any related body included in the application)?

Directors

Senior Managers

Provide the following details **for each director and senior manager** (including those of any related body), on a separate sheet and attached to this application.

- Full legal name
- Date of birth
- Position
- Other name(s) if they are, or have ever been, known by any other name (e.g. maiden names or aliases)
- For each alias, provide the following:
 - o First name
 - o Middle name(s)
 - o Last name

Each person listed in the application must complete a BMA.3 declaration form and give consent for third party checks. The declarations can be downloaded from [here](#)

Please attach all declarations to this application. We may ask for hard copies of these declarations.

5. Capability

Entities must have sufficient resources (including human, technological and financial resources) to ensure it is able to generate and operate the specified financial benchmark in a manner that:

- a) maintains its accuracy, integrity and reliability; and*
- b) provides for its continued availability*

Entities must also have adequate and effective arrangements to manage and supervise staff, with staff who are suitable for their roles and act professionally.

For each section below, in addition to providing an overarching description of how the entity undertakes each task, provide copies of all relevant policies and procedural documents to evidence this. These should include the policies and procedures to undertake the tasks, as well as those to test or monitor the operational effectiveness. Where applicable, provide evidence of any internal or external assurance engagements undertaken.

5.1 Skills and experience of the management team

- 5.1(a) Explain how the management team has the right skills and experience to collectively manage the entity's licensed service. This may include the appropriate breadth and depth of relevant experience, whether gained in New Zealand or overseas, as well as appropriate qualifications for the nature of each role.

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5.1(b) Explain how the entity's appointment, recruitment and human resource processes ensure that the competence, skills and experience of the management team are assessed before they assume their roles.

5.1(c) Explain and demonstrate how the entity documents the roles, responsibilities and accountabilities of its management team.

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5.1(d) Following initial recruitment, explain how the entity assesses its management team for ongoing capability and competency, including identifying and providing for, where necessary, learning and development needs.

5.1(e) Explain or demonstrate how the entity accesses external advice when its management team's capabilities do not cover an area of expertise needed by the business.

5.2 Skills and experience of directors

5.2(a) Explain and demonstrate how the entity ensures that its directors have the right skills and experience to collectively govern the licensed entity.

This may include the appropriate breadth and depth of relevant experience, whether gained in New Zealand or overseas, as well as appropriate qualifications for the nature of each role.

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5.2(b) Explain how the entity's appointment, recruitment and human resource processes ensures that the competence, skills and experience of directors is assessed before they assume their roles.

5.2(c) Explain and demonstrate how the entity documents the roles, responsibilities and accountabilities of its directors.

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5.2(d) Following initial recruitment, explain how the entity assesses its directors for ongoing capability and competency, including identifying and providing for, where necessary, learning and development needs.

6. Operations

To the extent reasonably practicable, specified financial benchmarks must be designed to be an accurate and reliable representation of the state of affairs it is intending to represent.

For each section below, in addition to providing an overarching description of how the entity undertakes each task, provide copies of all relevant policies and procedural documents to evidence this. These should include the policies and procedures to undertake the tasks, as well as those to test or monitor the operational effectiveness. Where applicable, provide evidence of any internal or external assurance engagements undertaken.

6.1 Financial benchmark data

6.1(a) Describe the systems and procedures put in place by the entity to control the collection, retention, and use of financial benchmark data, including systems and procedures designed to ensure that:

- i. The entity obtains, retains, and uses the data in a manner that maintains its security and integrity.
- ii. The data is accurate and complete.

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6.1(b) Describe how the entity adequately maintains the systems referred to at 6.1(a) above, to ensure they are fit for purpose on an ongoing basis.

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6.1(c) Describe how the entity operates the specified financial benchmark in a manner that:

- i. Is appropriate for the nature, complexity, and intended use of the benchmark.
- ii. Maintains the accuracy, integrity, reliability, and continued availability of the benchmark.
- iii. Does not adversely affect the integrity of any market connected with the benchmark.

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6.1(d) Describe how the entity ensures that the financial benchmark data:

- i. Is sufficient to accurately and reliably represent the state of affairs the specified financial benchmark is intended to represent.
- ii. Is based on active market data if suitable active market data is available.

6.2 Methodology for generating financial benchmark

6.2(a) Explain how the entity ensures that the financial benchmark methodology is designed and maintained to comply with the requirements under the FMC Regulations.

For example, how the financial benchmark methodology:

- i) is designed to ensure accuracy, integrity, reliability, and continued availability of the benchmark in the widest range of market circumstances,
- ii) establishes the criteria for the information or data to be used,
- iii) establishes the minimum quantity and quality of the financial benchmark data,
- iv) establishes how the data will be used to generate the benchmark,
- v) establishes contingency arrangements that apply if the quantity or quality of the financial benchmark data is insufficient or inadequate to generate the benchmark,
- vi) establishes adequate systems or procedures for handling errors, discrepancies, or reports of suspicious activity in relation to the financial benchmark data,
- vii) establishes the procedures required for consulting on a proposed material change to the methodology,
- viii) establishes the frequency of review and testing of the methodology and the administrator's use of the methodology, and
- ix) establishes if, and how, expert judgement or discretion may be exercised in generating the benchmark

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6.2(b) If more than one type of financial benchmark data may be used to generate the benchmark, explain how the methodology:

- i. Establishes the hierarchy for the order in which the financial benchmark data will be used.
- ii. Requires that active market data is used first if suitable active market data is available.

6.3 Using, reviewing, and updating the methodology

- 6.3(a) Explain the methods in place, and how the entity regularly reviews, tests, and systematically identifies deficiencies in:
- i) the methodology; and
 - ii) the use of that methodology

- 6.3(b) Explain how the entity ensures that any deficiencies in the methodology are promptly remedied.

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6.3(c) Before a material change is made to the specified financial benchmark (other than a change made to comply with a direction from the FMA), describe how the entity intends to undertake steps to consult with those users of the benchmark who will be substantially affected by such a change.

6.3(d) Describe how the entity maintains a methodology for generating and operating the benchmark that is designed, to the extent reasonably practicable, to allow it to generate and operate the benchmark when other methodologies that would normally be used to generate and operate the benchmark have failed or are likely to fail.

6.4 Publicly available data

6.4(a) Describe how the entity makes publicly available the following information, to the extent necessary to ensure that users of a specified financial benchmark have sufficient information to understand how the benchmark is generated, and the intended use of the benchmark:

- i. An explanation of the state of affairs the benchmark is intended to represent.
- ii. A description of the financial benchmark methodology.

In addition to describing and providing policies, provide links to where this information is publicly available. If this information is not yet publicly available, describe how this information will be made available.

7. Contributor conduct rules

The administrator must have adequate written rules for contributors regarding the provision or making available of financial benchmark data, and the generation or operation of the specified financial benchmark.

Please provide a copy of the Contributor Conduct Rules (the **Rules**) for our review. For questions 7(a)-(d) below, provide references to where in the Rules the required content is covered. For question 7(e), provide a description of how the entity undertakes monitoring of the Rules on an ongoing basis, and where applicable, provide evidence of any internal policies or procedures supporting this.

7(a) Advise where the contributor conduct rules deal with a contributor providing or making available financial benchmark data to the administrator or a person authorised in accordance with the rules, including:

- i. the information or data to be provided or made available; and
- ii. the form and manner in which the information or data is to be provided or made available; and
- iii. the persons who are authorised to provide the information or data or make it available.

7(b) Advise where the contributor conduct rules specify the systems and procedures that a contributor must have for:

- i. ensuring only persons authorised in accordance with the rules provide information or data to the administrator; and
- ii. providing, or making available, information or data in accordance with the requirements of the administrator; and
- iii. managing conflicts of interest in connection with providing, or making available, information or data to the administrator; and
- iv. governing the exercise of expert judgement or discretion (if any) in connection with providing, or making available, information or data to the administrator, including by ensuring that persons who exercise expert judgement or discretion are adequately trained and supervised; and
- v. notifying the administrator of any errors, discrepancies, or suspicious activities; and
- vi. keeping records that demonstrate compliance with the contributor conduct rules.

7(c) Advise where the contributor conduct rules require the contributor to notify the administrator, within a reasonable time, if the contributor (or any director, employee, or agent of the contributor) has contravened, may have contravened, or is likely to contravene the contributor conduct rules.

7(d) Advise where the contributor conduct rules specify the steps that the administrator will take in response to:

- i. the contributor reporting an error, a discrepancy, or a suspicious activity; or
- ii. the contributor notifying the administrator of a contravention of the contributor conduct rules.

7(e) Describe how the entity:

- i. monitors each contributor's compliance with the contributor conduct rules; and
- ii. takes steps specified in those rules if either of the following occurs:
 - the contributor reports an error, a discrepancy, or a suspicious activity
 - the contributor notifies the entity, as administrator, of a breach of the contributor conduct rules.

8. Material issues and complaints

Entities must have effective processes and procedures to identify and deal with material issues in their business.

For each section below, in addition to providing an overarching description of how the entity undertakes each task, provide copies of all relevant policies and procedural documents to evidence this. These should include the policies and procedures to undertake the tasks, as well as those in place to test or monitor operational effectiveness. Where applicable, provide evidence of any internal or external assurance engagements undertaken.

- 8(a) Describe the procedures in place for dealing with how the entity will identify and report to FMA any material changes of circumstance, or contravention or likely contraventions, of market services licensee obligations.

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8(b) Describe the entity's procedures for investigating complaints from any person in relation to the specified financial benchmark, including complaints about the conduct of the entity, as administrator, in relation to the generation or operation of the benchmark.

8(c) Provide the link to where the documentation of the above complaints procedures is available on the entity's website.

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8(d) Describe how the entity investigates complaints, including its policy on the time allotted to undertaking an investigation, and to providing outcomes to the complainant.

9. Outsourcing

Entities must ensure outsourced functions are adequate and effective, and comply with their licence obligations.

For each section below, in addition to providing an overarching description of how the entity undertakes each task, provide copies of all relevant policies and procedural documents to evidence this. These should include the policies and procedures to undertake the tasks, as well as those in place to test or monitor operational effectiveness. Where applicable, provide evidence of any internal or external assurance engagements undertaken.

If you do not, and do not intend to, outsource any functions required for you to effectively perform the licence, confirm this section is “not applicable” in the comment section, and skip to section 9 (Records).

9(a) Provide a list of any activities related to the administration of financial benchmarks that the entity outsources.

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- 9(b) Provide details of the terms of all outsourcing arrangements, confirming they do not materially limit or restrict:
- i. the entity's control over the specified financial benchmark; or
 - ii. the FMA's ability to:
 - a. monitor compliance with the market services licensee obligations of the entity; or
 - b. investigate conduct that constitutes or may constitute a contravention, or an involvement in a contravention, of the market services licensee obligations of the entity; or
 - c. enforce the market services licensee obligations of the entity.

Please note that copies of any material outsourcing arrangements may be requested by the FMA for review.

BMA.1

9(c) Describe the policies and procedures in place to maintain records and information relating to outsourcing arrangements, and their availability for inspection by the FMA on request.

9(d) Describe and provide policies and procedures in place to regularly review any outsourcing arrangements, including how the entity assesses that the provider is performing the work appropriately, and how the entity determines the frequency in which reviews should take place.

10. Records

The entity must maintain adequate records and provide information to the FMA in a timely manner.

For each section below, in addition to providing an overarching description of how the entity undertakes each task, provide copies of all relevant policies and procedural documents to evidence this. These should include the policies and procedures to undertake the tasks, as well as those in place to test or monitor operational effectiveness. Where applicable, provide evidence of any internal or external assurance engagements undertaken.

10(a) Describe the entity's systems and procedures to maintain proper records in a way that ensures it can:

- i. Create and maintain records that demonstrate compliance with the entity's market services licensee obligations.
- ii. Create and maintain records of any matters notified by the contributor under the contributor conduct rules.
- iii. Keep all other information or data provided or made available by each contributor.
- iv. Store and retain the data for at least seven (7) years.
- v. Make available any data requested by the FMA in writing within a reasonable time, if required.

11. Resources

The entity must have sufficient resources (including human, technological and financial) to ensure that the administrator is able to generate and operate the specified financial benchmark in a manner that maintains its accuracy, integrity and reliability; and provides for its continued availability.

For each section below, in addition to providing an overarching description of how you undertake each task, provide copies of all relevant policies and procedural documents to evidence this. These should include the policies and procedures to undertake the tasks, as well as those in place to test or monitor operational effectiveness. Where applicable, provide evidence of any internal or external assurance engagements undertaken.

11.1 IT Systems

11.1(a) Describe the entity's procedures to ensure that its IT systems include all necessary functionality to provide its service and perform the intended processes effectively and reliably.

BMA.1

11.1(b) Describe the entity's procedures for ensuring there are appropriate safeguards and controls over its IT systems.

11.1(c) Describe any legal arrangements the entity has with third-party software vendors, including licenses for software and contracts for any required maintenance and support.

BMA.1

11.1(d) Describe the procedures, and provide any relevant policies, regarding reviews the entity undertakes to ensure it has appropriate IT systems for the scale and complexity of the entity's licensed operations.

11.1(e) Describe the procedures, and provide any relevant policies implemented, to ensure appropriate levels of cyber security – including exchange and storage of data, protection against cyber-attacks – and procedures that need to be followed in response to a cyber-attack.

11.2 Business continuity

11.2(a) Provide a copy of the entity's business continuity plan, with evidence that it is designed to:

- i. address events that pose a significant risk of disruption to the accuracy, integrity, reliability, or continued availability of the specified financial benchmark,
- ii. enable the timely restoration of the accuracy, integrity, reliability, and continued availability of the financial benchmark, and
- iii. regularly review, test and monitor the plan for its effectiveness, and any required updates.

BMA.1

11.2(b) Describe the entity's policies, systems and procedures to manage risks to its ability to generate or operate the specified financial benchmark in a manner that maintains the accuracy, integrity, reliability, and continued availability of the benchmark.

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11.2(c) Describe and provide your policies and procedures for ensuring:

- i. the orderly transfer of the generation or operation of the specified financial benchmark to another person/entity;
and
- ii. the orderly cessation of the generation or operation of the specified financial benchmark.

The arrangements must consider whether the financial products, other securities, or agreements that reference or otherwise use the specified financial benchmark, can be amended to reference or otherwise use another financial benchmark before the proposed date of cessation.

11.3 Financial resources

- 11.3(a) Describe and provide your policies and procedures in place regarding financial stability, including treasury and risk policies which should address, at a minimum, how the entity:
- i. Prepares budgets and forecasts and monitors its financial resource levels on an ongoing basis.
 - ii. Calculates an appropriate level of liquid assets to hold for the business.
 - iii. Assesses the risk of financial resources not being adequate to continue to provide the service, or a serious financial problem occurring.
 - iv. Monitors a material change of circumstances in order to report to the FMA, as required.

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11.3(b) Provide the entity's most recent annual financial statements and monthly management accounts, including any external audit or assurance report prepared thereon.

11.3(c) Provide the entity's active professional indemnity insurance policy, as evidence that it maintains an appropriate level of professional indemnity insurance cover.

12. Governance

Entities must have adequate systems and procedures for governance and management of its business, and for handling conflicts of interest in relation to benchmark generation and operation; and oversight and control of all activities relating to the generation and operation of the specified financial benchmark.

For each section below, in addition to providing an overarching description of how the entity undertakes each task, provide copies of all relevant policies and procedural documents in evidence of this. These should include the policies and procedures to undertake the tasks, as well as those in place to test or monitor operational effectiveness. Where applicable, provide evidence of any internal or external assurance engagements undertaken.

12(a) Describe and provide the entity's reporting and governance framework covering all key aspects of the business, including compliance obligations and key risks of the business.

Systems and processes must, at a minimum:

- i. Specify decision-making processes in relation to the generation and operation of the specified financial benchmark.
- ii. Provide for clearly defined roles and responsibilities in, and accountability for, the governance and management of the business and the oversight and control of all activities relating to the generation and operation of the specified financial benchmark.
- iii. Ensure that, regardless of who carries out a particular activity, the entity, as administrator, retains adequate control of all of the activities relating to the generation and operation of the specified financial benchmark.
- iv. Include the regular review of its governance and oversight systems, to identify deficiencies and the remediation of such.

12(b) Describe the policies, systems, and procedures in place to ensure that conflicts of interest do not adversely affect the accuracy, integrity, reliability, or continued availability of the specified financial benchmark.

Systems and processes must, at a minimum, address any conflicts of interest between:

- i. The administrator's interests that relate to the activities to be covered by the market services licence.
- ii. The interests of any of the following persons:
 - A director, an employee, or an agent of the administrator.
 - A person associated with a person described in paragraph (a).
 - A person who carries out an activity under an outsourcing arrangement.
 - A contributor.
 - A user of the specified financial benchmark.
- iii. The administrator's interests that relate to the activities to be covered by the market services licence.
- iv. The administrator's interests that relate to activities other than the activities that are to be covered by the market services licence.

Policies must also ensure that the entity, as administrator, regularly reviews, and systemically identifies deficiencies in conflict of interest systems and procedures, and adequately remediates when required.

12(c) Describe and provide details of the entity's Independent Oversight committee.

A committee must be in place that is sufficiently independent of the administrator that has responsibility for:

- i. Monitoring and reviewing the design of the specified financial benchmark and any changes to the design.
- ii. Monitoring the management and operation of the administrator's business and the activities relating to the generation and operation of the specified financial benchmark (including, for example, the contributor conduct rules and any outsourcing arrangements).
- iii. Reviewing and approving arrangements for cessation of the generation or operation of the financial benchmark.
- iv. Considering any assurance report.
- v. Monitoring the actions that are taken to remedy or otherwise address any deficiencies that are identified in any assurance report.
- vi. Notifying the FMA if the committee knows or suspects that, in connection with the service covered by the licence:
 - a. the licensee or an authorised body has contravened, may have contravened, or is likely to contravene a market services licensee obligation; or
 - b. a contributor has contravened, may have contravened, or is likely to contravene an obligation imposed by or under the Act.
- vii. Making recommendations to the administrator regarding the matters set out in paragraphs (i) to (v).

12(d) Describe and provide the entity's policies and procedures to ensure its Board:

- i. provides the Independent Oversight Committee with an opportunity to provide comment, and make recommendations, on any matter within the committee's responsibility.
- ii. has regard to each recommendation of the Independent Oversight Committee.
- iii. notifies the committee in writing of any steps taken in response to a recommendation, or any reasons for declining to adopt a recommendation.

12(e) Describe and provide the Independent Oversight Committee's policies and procedures for undertaking its activities, including reviewing the adequacy and robustness of its governance and compliance arrangements at least annually.

12(f) Describe the entity's compliance culture, and how this is supported by systems, policies, procedures and controls, including how the entity's:

- Conduct expectations are communicated to staff, for example through a code of conduct or code of ethics
- Management actively supports professionalism in their messages to staff
- Remuneration, reviews, promotions and other incentives recognise professionalism and compliance
- Time and resources are adequately allocated for training, supervision and compliance activities
- Management encourages staff to report breaches or inappropriate behaviour, and deals appropriately with staff who report matters (for example through an independent whistle-blowing policy)
- Management willingly engages with relevant regulators in an open and honest manner and are responsive to any regulatory concerns they may raise.

BMA.1

12(g) Describe the entity's risk and assurance policies and procedures, including what monitoring, if any, is undertaken by the entity to ensure that certain policies and procedures are complied with. This includes any internal and external assurance programmes in place, including the assurance engagement with a qualified auditor as required by the Regulations.

Provide a copy of any internal and external assurance engagement undertaken in the last 24 months, including the scope of the engagement and detailed outcomes.

13.APPROVAL TO APPLY

Provide a certificate confirming that you have authority to apply. The certificate (BMA.2) can be downloaded [here](#). Two directors of the entity's board must sign this document, and a scanned copy must be included with your application.

14.ADDITIONAL INFORMATION

Do you wish to submit any other information that is material and relevant to the licence applied for but not already submitted above?

Date of application:

Please email the following to fmapplications@fma.govt.nz:

1. This application form.
2. Any related body application form.
3. The BMA.2 checklist and declaration form.
4. Signed BMA.3 declaration forms for any and all individuals listed in this application.
5. All supporting documentation listed in section 1.7.