

**Actions to be taken in case of changes to or cessation of a benchmark
-Article 28 of Regulation (EU) 2016/1011-**

Whereas:

- Article 28 para 1. requirements of Regulation (EU) 2016/1011 on indices used as benchmarks in financial instruments and financial contracts and to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) no. 596/2014 (Regulation (EU) 2016/1011).
- The provisions of the BVB *Procedure concerning actions to be taken by the administrator in the event of changes to or the cessation of a benchmark.*

1. Changes to a benchmark

- 1.1.** Changes to a NSB provided by BVB refer to revisions, modification and/or adjustment of the index, in accordance with the provisions of the benchmarks manuals, which can be taken periodically (quarterly) or occasionally - in exceptional cases - by the Index Commission, in accordance with the provisions of the section "Decision making process" in the index manuals.
- 1.2.** Changes to an index refer to the revision of that index (inclusion/exclusion of constituents) and/or elements taken into account the index calculation (e.g. representation factors, free-float factors), except the input data.
- 1.3.** The relevant stages of a modification process are:
 - a)** analysis and supporting documentation;
 - b)** Index Commission decision on changes in the index component, the data the data for carrying out the necessary revisions, the adjustment's date and the date of entry into force of these adjustments;
 - c)** public information on decisions taken;
 - d)** implementation of the decided changes;
 - e)** entry into force of decided updates.

2. Cessation of a benchmark

2.1. In the case of internal situations/proposals regarding the cessation of a benchmark /more benchmarks, BVB Board of Governors will consider at least the following aspects:

- a) the decision is timely and proportionate to the number of licenses** granted by the BVB using the respective index, considering also the features of the products that use that benchmark.
- b) the potential impact of the cessation of the provision of the index.** If it deems it necessary, the BVB Board of Governors may request a consultation process of the interested parties on the benchmark's cessation proposal.
- c) transparency of the decision.** BVB will make public the decision to cease a benchmark as well as the date from which the termination of the calculation and proving the benchmark will take place, via the web page.
- d) notification term:** the date on which the cessation is to take effect takes into account the licensed partners notification period.

2.2. The cessation of a benchmark shall be taken by the BVB Board of Governors on the elements described at point 2.1 (a), (b) and (d), based on the prior decision of the Index Commission.

2.3. The relevant stages envisaged in relation to the termination of an index are:

- (i)** analysis of the impact of a possible decision for cessation of a benchmark and, where appropriate, to establish the initiation of a consultation process of interested parties mentioned at 2.1 lit. (b);
- (ii)** the prior decision of the Index Commission on the proposal to cease the provision of a benchmark including the proposed date of cessation, considering the notification time-limits applicable by licensed parties using the respective index;
- iii)** the decision of the BVB Board of Governors regarding the cessation of providing the benchmark and the corresponding cessation date;
- iv)** public information on the cessation of the provision of the respective benchmark and the date from which the BVB is to cease it.

2.4. BVB makes public a decision of a benchmark cessation through its website and may indicate one or more alternative benchmarks that could replace the benchmark which is no longer provided.

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