
TO : **Benchmark Administrators**

FROM : **Cyprus Securities and Exchange Commission**

DATE : **May 24, 2022**

CIRCULAR NO. : **C515**

SUBJECT : **ESMA Guidelines on methodology, oversight function and record keeping under the Benchmarks Regulation**

1. The Cyprus Securities and Exchange Commission (“CySEC”) wishes to draw the attention to Benchmark Administrators that the European Securities and Markets Authority (ESMA), has published the Guidelines on methodology, oversight function and record keeping under the Benchmarks Regulation ([the Guidelines](#)). The Guidelines, which were published on 07 December 2021, are intended to establish consistent, efficient and effective supervisory practices within the European System of Financial Supervision (ESFS) and to ensure the common, uniform and consistent application of the requirements related to material changes to the methodology, the use of an alternative methodology in exceptional circumstances and the oversight function. The Guidelines are translated in all official languages of the EU.
2. Specifically, the Guidelines achieve the above mentioned objectives by setting out a transparent framework for administrators of critical and significant benchmarks when consulting on material changes to the methodology or using an alternative methodology in exceptional circumstances, together with an adequate oversight function.
3. Furthermore, the Guidelines aim at ensuring the common and consistent application of the record-keeping requirements related to the use of an alternative methodology for all benchmark administrators.
4. These guidelines apply to the competent authorities designated under Article 40(2) and (3) of the Benchmarks Regulation and administrators as defined in Article 3(1)(6) of the Benchmarks Regulation.
5. The guidelines set out in Section 6 are based on Articles 5(6) and 13(4) of the Benchmarks Regulation. The purpose of these guidelines is to amend the existing Guidelines on non-significant benchmarks, in line with the new guidelines introduced for administrators of critical and significant benchmarks, with regard to the oversight function and the use of an alternative methodology in exceptional circumstances.
6. The Guidelines will apply from 31 May, 2022.

7. CySEC has adopted these Guidelines by incorporating them into its supervisory practices and regulatory approach.
8. Benchmark Administrators to which these Guidelines apply should take all necessary actions in order to ensure their compliance with the Guidelines.

Sincerely,

Dr George Theocharides
Chairman
Cyprus Securities and Exchange Commission