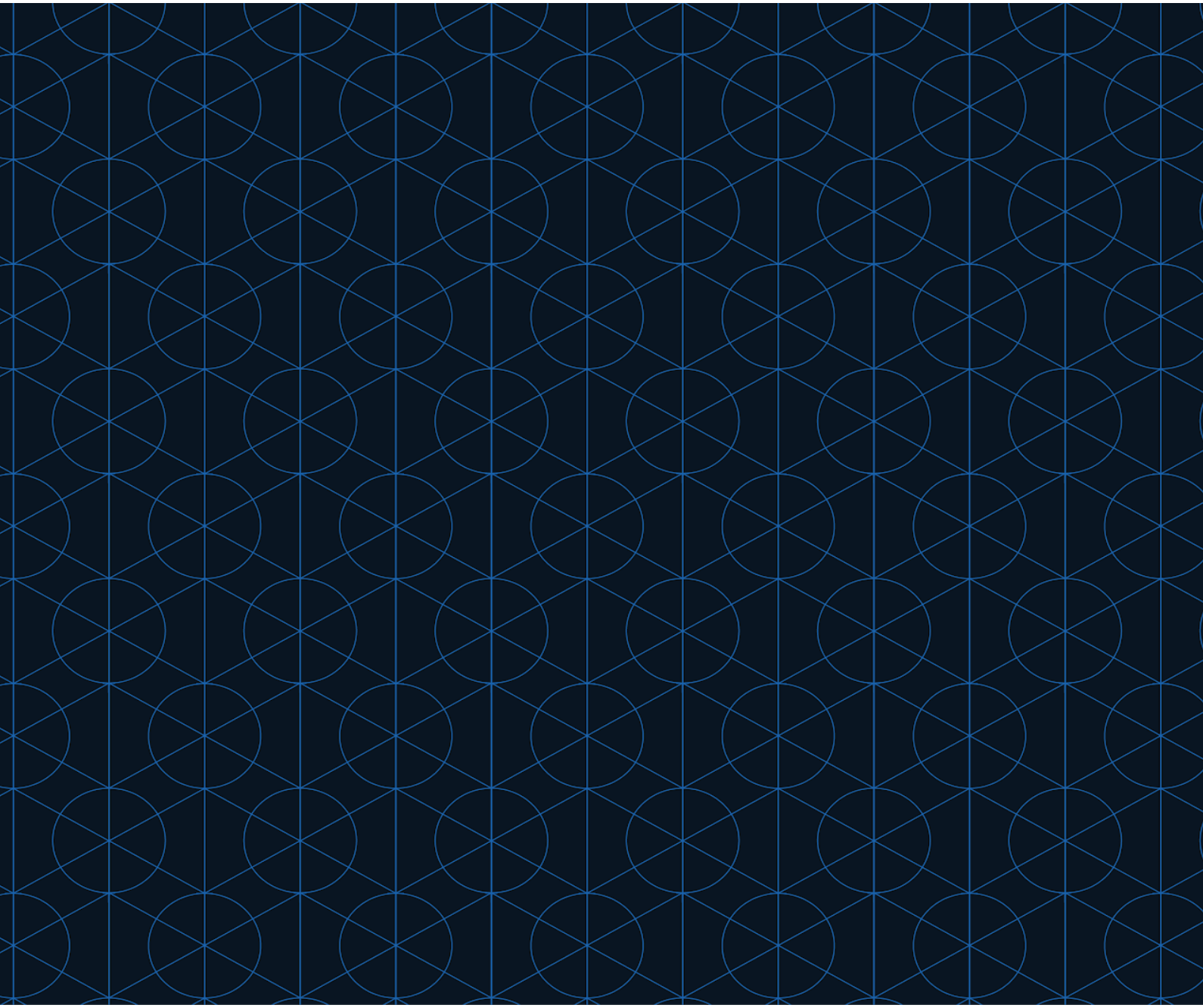


EU Benchmarking Regulation Compliance Statement v.1.0





A. General Information

This Compliance Statement was written as per Article 26(3) of Regulation (EU) 2016/1011 by Elucidate GmbH. The table in Section B contains a list of the provisions of the BMR that Elucidate has chosen not to apply, accompanied by a justification for each provision. This Compliance Statement follows the template provided in Annex II of the Commission Implementing Regulation (EU) 2018/1106.

1. Date of creation of this document and, where applicable, of the latest update to it	Created: 29/02/2020 Last updated: 29/02/2020
2. Name of the administrator	Elucidate GmbH

B. Elucidate GmbH chooses not to apply the following provisions of Regulation (EU) 2016/1011 with respect to the non-significant benchmark identified below

1. The benchmark or benchmarks in respect of which the provision(s) do not apply	
Elucidate FinCrime Index (EFI)	
2. (i) The provision or provisions of Regulation (EU) 2016/1011 that do not apply (ii) For each provision, the reasons why it is appropriate for the administrator not to comply with that provision	
<p><i>Article 4(2)</i> The provision of a benchmark shall be operationally separated from any part of an administrator's business that may create an actual or potential conflict of interest.</p>	<p>The Elucidate Product and Data Science teams operate separately from the Sales team. As such, the methodology is developed and executed independently. In addition, the results are delivered through the EFI platform in which the methodology is automatically applied to the input data and results are produced and published. All employees are subject to the Conflicts of Interest Policy and associated disclosure requirements.</p>
<p><i>Article 4(7)(c)(d)(e)</i> <i>Administrators shall ensure that their employees and any other natural persons whose services are placed at their disposal or under their control and who are directly involved in the provision of a benchmark:</i></p> <ul style="list-style-type: none"> (c) do not have any interests or business connections that compromise the activities of the administrator concerned; (d) are prohibited from contributing to a benchmark determination by way of engaging in bids, offers and trades on a personal basis or on behalf of market participants, except where such way of contribution is explicitly required as part of the benchmark methodology and is subject to specific rules therein; and (e) are subject to effective procedures to control the exchange of information with other employees involved in activities that may create a risk of conflicts of interest or with third parties, where 	<p>Elucidate requires employees to disclose outside business interests and to request approval prior to entering in additional paid contractual work engagements as per our Conflicts of Interest Policy In addition, Elucidate controls access to key documentation, information and data so as to prevent employees from being able to access and/or information in a manner which creates a risk of conflict of interest.</p>



<p>that information may affect the benchmark.</p>	
<p><i>Article 4(8)</i> An administrator shall establish specific internal control procedures to ensure the integrity and reliability of the employee or person determining the benchmark, including at least internal sign-off by management before the dissemination of the benchmark.</p>	<p>Elucidate employees are subject to background checks, conflict of interest disclosures, and required to formally accept the Employee Handbook.</p> <p>In addition, as the benchmark is automated, material changes to the model are subject to approval by Elucidate’s Senior Management. The Advisory Board is informed of material changes and given an opportunity to challenge them and/or object to them.</p>
<p><i>Article 6(1)</i> Administrators shall have in place a control framework that ensures that their benchmarks are provided and published or made available in accordance with this Regulation.</p>	<p>Elucidate documents governance and control processes in the Governance and Control Framework Document. In addition, the EFI results are made available to subscribed users directly through the EFI Platform to subscribers. In some cases, the EFI results may also be made available through partners, who are to be verified by way of performing counterparty due diligence.</p>
<p><i>Article 6(3)</i> The control framework shall include:</p> <ul style="list-style-type: none"> (a) management of operational risk; (b) adequate and effective business continuity and disaster recovery plans; (c) contingency procedures that are in place in the event of a disruption to the process of the provision of the benchmark. 	<p>Provisions for maintenance of the EFI platform and continuity are included in the Terms of Use. Elucidate has a Business Continuity Plan in place. At the moment the EFI is used by Users to inform decisions internally with regards to counterparty risk or internal risk, it is not an integrated part of daily operations or workflows in a way such that its interruption would prevent Users from conducting business.</p>
<p><i>Article 7(2)</i> An administrator shall designate an internal function with the necessary capability to review and report on the administrator’s compliance with the benchmark methodology and this Regulation.</p>	<p>The members of the company’s Senior Management team are accountable to the Advisory Board, whose role includes the oversight of Elucidate’s compliance with the requirements of the BMR and with internal policies and standards.</p>
<p><i>Article 11(1)(b)</i> The provision of a benchmark shall be governed by the following requirements in respect of its input data:</p> <ul style="list-style-type: none"> (b) the input data (including transaction data, estimated prices, quotes and committed quotes, or other values) referred to in point (a) shall be verifiable. 	<p>The EFI input data is verified in line with the provisions included in the Technical Model Description. Where information is supplied by Users, Elucidate, as per the Terms of Use, maintains the right to perform audits if there is suspicion that the data provided has been tampered with.</p>
<p><i>Article 11(2)(b)</i> Administrators shall ensure that their controls in respect of input data include:</p> <ul style="list-style-type: none"> (b) a process for evaluating a contributor’s input data and for stopping the contributor from providing further input data, or applying other penalties for non-compliance against the contributor, where 	<p>Elucidate does not use data coming from contributors. Should Elucidate start using data from contributors, it will review its position as to the applicability of this provision.</p>



<p>appropriate; and</p>	
<p><i>Article 11(2)(c)</i> Administrators shall ensure that their controls in respect of input data include:</p> <ul style="list-style-type: none"> (c) a process for validating input data, including against other indicators or data, to ensure its integrity and accuracy. 	<p>Elucidate publishes guidelines on input data to be provided by the institution subject to the assessment in its data protocols, as well as data input prioritisation guidance. In addition, Elucidate documents, but does not publish, remaining input data as well as where expert judgement used in the methodology. This documentation is to be made available to EFI platform subscribers and the authorities as and when required.</p>
<p><i>Article 11(3)</i> Where the input data of a benchmark is contributed from a front office function, meaning any department, division, group, or personnel of contributors or any of its affiliates that performs any pricing, trading, sales, marketing, advertising, solicitation, structuring, or brokerage activities, the administrator shall:</p> <ul style="list-style-type: none"> (a) obtain data from other sources that corroborate that input data; and (b) ensure that contributors have in place adequate internal oversight and verification procedures. 	<p>The EFI does not use such data as inputs for the methodology.</p>
<p><i>Article 13(2)</i> The procedures required under point (c) of paragraph 1 shall provide for:</p> <ul style="list-style-type: none"> (a) advance notice, with a clear time frame, that gives the opportunity to analyse and comment upon the impact of such proposed material changes; and (b) the comments referred to in point (a) of this paragraph, and the administrator's response to those comments, to be made accessible after any consultation, except where confidentiality has been requested by the originator of the comments. 	<p>Changes to the EFI methodology are reviewed, justified, tested and documented by the Product and Data Science teams. Material changes are then subject to approval by Elucidate's Senior Management. The Advisory Board is informed of material changes and given an opportunity to challenge them and/or object to them. Material changes are communicated ahead of time to users.</p>
<p><i>Article 14(2)</i> An administrator shall monitor input data and contributors in order to be able to notify the competent authority and provide all relevant information where the administrator suspects that, in relation to a benchmark, any conduct has taken place that may involve manipulation or attempted manipulation of the benchmark, under Regulation (EU) No 596/2014, including collusion to do so.</p> <p>The competent authority of the administrator shall, where applicable, transmit such information to the relevant authority under Regulation (EU) No 596/2014.</p>	<p>Elucidate does not use data coming from contributors. Should Elucidate start using data from contributors, it will review it's position as to the applicability of this provision.</p> <p>In addition, where information is supplied by Users, Elucidate, as per the Terms of Use, maintains the right to perform audits if there is suspicion that the data provided has been tampered with.</p>
<p><i>Article 15(2)</i> The code of conduct shall include at least the following elements:</p> <ul style="list-style-type: none"> (a) a clear description of the input data to be 	<p>Elucidate does not use data coming from contributors. Should Elucidate start using data from contributors, it will review it's position as to the applicability of this</p>



<p>provided and the requirements necessary to ensure that input data is provided in accordance with Articles 11 and 14;</p> <ul style="list-style-type: none">(b) identification of the persons that may contribute input data to the administrator and procedures to verify the identity of a contributor and any submitters, as well as authorisation of any submitters that contribute input data on behalf of a contributor;(c) policies to ensure that a contributor provides all relevant input data;(d) the systems and controls that a contributor is required to establish, including:<ul style="list-style-type: none">(i) procedures for contributing input data, including requirements for the contributor to specify whether input data is transaction data and whether input data conforms to the administrator's requirements;(ii) policies on the use of discretion in contributing input data;(iii) any requirement for the validation of input data before it is provided to the administrator;(iv) record-keeping policies;(v) reporting requirements concerning suspicious input data;(vi) requirements concerning the management of conflicts of interest.	<p>provision.</p>
<p><i>Article 16(2)</i> A supervised contributor shall have in place effective systems and controls to ensure the integrity and reliability of all contributions of input data to the administrator, including:</p> <ul style="list-style-type: none">(a) controls regarding who may submit input data to an administrator including, where proportionate, a process for sign-off by a natural person holding a position senior to that of the submitter;(b) appropriate training for submitters, covering at least this Regulation and Regulation (EU) No 596/2014;(c) measures for the management of conflicts of interest, including organisational separation of employees where appropriate and consideration of how to remove incentives, created by remuneration policies, to manipulate a benchmark;(d) record-keeping, for an appropriate period of time, of communications in relation to provision of input data, of all information used to enable the contributor to make each submission, and of all existing or potential conflicts of interest including, but not limited to, the contributor's exposure to financial instruments which use a benchmark as a reference;(e) record-keeping of internal and external audits.	<p>Article 16 does not apply to Elucidate as we are not seeking supervised contributor status.</p>



Article 16(3)

Where input data relies on expert judgement, supervised contributors shall establish, in addition to the systems and controls referred to in paragraph 2, policies guiding any use of judgement or exercise of discretion and shall retain records of the rationale for any such judgement or discretion. Where proportionate, supervised contributors shall take into account the nature of the benchmark and its input data.

Article 16 does not apply to Elucidate as we are not seeking supervised contributor status.