



Euribor Code of Obligations of Panel Banks (COPB)

Euribor Governance Framework

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Reference to regulatory requirements

For ease of reference, next to each paragraph in all documents of the Euribor Governance Framework, EMMI includes an explicit mention to the applicable EU BMR requirement, e.g.

BMR 5, 3(c) Refers to article 5, paragraph 3, point (c) in the EU BMR.

Annex 1 Reference to Annex 1 on interest rate benchmarks in the EU BMR.

Furthermore, in case the requirement arises from a regulatory technical standard (RTS) developed by ESMA, EMMI refers to the RTS by indicating the article for which it provides further specification, e.g.

RTS 5, 2.1 Refers to article 2.1 on the RTS further specifying the requirements in EU BMR article 5 on procedures and characteristics of the oversight function.

In case the corresponding RTS includes an annex complementing its main text, reference to the annex will be made applying the same logic, e.g.

Annex 5, 1 Refers to article 1 in the annex to the RTS article further specifying the requirements of EU BMR article 5.

Purpose

- BMR 15** 1. The European Money Markets Institute, as Administrator of Euribor, has the responsibility to set uniform standards for Euribor Panel Banks (hereinafter, Panel Banks) with respect to their activities in contributing input data for the provision of the benchmark. These standards are defined in the Euribor Code of Obligations of Panel Banks (hereinafter COPB).
- BMR 15, 1** 2. The primary objectives of the COPB are:
- i) to ensure the integrity of Euribor by setting baseline standards for the contribution of input data by Panel Banks;
 - ii) to define specific obligations for Panel Banks with respect to governance, methodologies, control frameworks and independent review related to their contribution of input data;
 - iii) to assist Panel Banks establishing and maintaining a robust internal control environment in order to discharge their obligations with respect to Euribor; and
 - iv) to provide transparency to stakeholders regarding the standards for the provision of Euribor.

Authority and status

- 3. The COPB forms an integral component of the Euribor Governance Framework and has been adopted on 31 January 2019 by EMMI's General Assembly,, following a recommendation by EMMI's Board of Directors (hereinafter, the Board) and by the Euribor Steering Committee (as of December 2020: the Oversight Committee).
 - 4. The COPB is available to the public on EMMI's website.
 - 5. The COPB is reviewed by the Oversight Committee at least annually. Enhancements will be introduced where appropriate in order to cope with changes in market conditions, relevant legislation or regulations, as well as with the developments of enhanced international standards for benchmark provision.
- BMR 15, 1** 6. Panel Banks should confirm compliance with the COPB to EMMI on an annual basis. If recent changes have been introduced in the COPB and a Panel Bank is not yet in compliance at the time of the annual confirmation, EMMI and the Panel Bank should discuss and agree on needed actions and a reasonable timeframe to achieve full compliance. EMMI will inform its competent authorities on any instance of non-compliance
- BMR 15, 1** 7. A Panel Bank experiencing difficulty in complying with a standard required by the COPB should notify EMMI, detailing the reasons for non-compliance and providing relevant mitigating organisational controls or processes.
8. The standards set in this COPB are additional to and do not supersede any relevant legislation, regulation or other regulatory guidance applicable to Panel Banks. EMMI

and the competent supervisory authorities should be notified of any potential inconsistency between the COPB and such legislation or regulation.

9. In particular, Panel Banks should ensure they comply with BMR requirements for supervised Panel Banks (BMR art. 16) and any requirement from their competent authority.

General obligations

1. Documentation of policies and procedures

10. Panel Banks should ensure that their internal policies and procedures regarding organisational arrangements, processes and control frameworks for activities related to their contributions to Euribor are:
 - compliant with BMR requirements for supervised Panel Banks;
 - compliant with the requirements established in the COPB;
 - fully and specifically documented; and
 - readily available for the independent reviews required under Section 'Accountability' of this COPB.
- BMR 15, 2(c)**
BMR 15, 2(d)
RTS 15, 1.1
RTS 15, 3
RTS 15, 4.3

 11. Policies to be developed and maintained by Panel Banks shall include but not be limited to:
 - i) an input data policy that includes at least a description of:
 - the data to be taken into account in determining the input data contribution; and
 - the data that the Panel Bank may exclude from a contribution of input data, detailing the reasons for which that data may be excluded.
 - a procedure to address any errors in the contributed input data.
 - ii) a policy on the transmission of data to EMMI that includes at least:
 - a description of the process to be used for the secure transfer of data; and
 - contingency plans for submitting input data in the event of: technical or operational difficulties, temporary absence of a submitter, or the unavailability of the input data required by the methodology.
 - BMR 15, 2(d)**
RTS 15, 5

 12. The principles guiding the use of discretion in the input data policy referred to in paragraph 11 of this COPB should specify at least the following:
 - i) the circumstances in which the Panel Bank may exercise discretion;
 - ii) the individuals within the Panel Bank who are permitted to contribute on their behalf ('submitters');

- iii) the internal controls that regulate the exercise of the Panel Bank's discretion in accordance with its policies; and
- iv) the individuals within the Panel Bank who are authorised to conduct an ex-post evaluation of its contributed input data.

2. Co-operation with supervisory authorities

- 13. A Panel Bank should comply with any reasonable query from its competent supervisory authorities related to its Panel Bank activities and is encouraged to co-operate with the supervisory authorities responsible for other participants involved in Euribor determination.

3. Notice period

- 14. In order to minimise potential disruption to the determination of Euribor, a Panel Bank should give at least a six week notice to EMMI before voluntarily withdrawing from the Panel.

Governance and organisation

4. General requirements

- BMR 15, 2(d)** 15. Panel Banks should establish and maintain effective organisational, internal oversight and staff resourcing arrangements for their activities related to their contribution to Euribor. These arrangements should ensure that:
- BMR 15, 2(d)** 16. An effective organisation structure is in place ensuring that contributions are made in a disciplined and controlled fashion, in conformity with EMMI's requirements;
- BMR 15, 2(d)** 17. Clear roles and responsibilities are assigned to the units, management and staff associated with performing, overseeing and reviewing the contributions activities;
- BMR 15, 2(b)** 18. Managers and staff involved in the contribution process possess sufficient knowledge and expertise for the conduct of their duties, are specifically authorised within the Panel Bank to perform such duties, and acknowledge their obligations;
- BMR 15, 2(d)** 19. Potential conflicts of interest associated with Euribor related activities within the Panel Bank or between the Panel Bank and third parties, are identified, avoided or mitigated, documented and disclosed.
- 20. In general, Panel Banks will leverage their existing organisation structure to accommodate the contribution activities. EMMI notes that the internal structures of Panel Banks may differ significantly from one to another and that some flexibility in the detailed application of the COPB in individual Panel Banks might be necessary.

5. Internal oversight and verification procedures

- BMR 11** 21. Panel Banks should have in place adequate internal oversight and verification procedures.
- RTS 11, 3** 22. Where input data is contributed from a front office function, the internal oversight and verification procedures that Panel Banks must have in place should include a three level control model as specified in paragraphs 23, 24 and 25 hereunder:
- RTS 11, 3.1(a)** 23. The internal function serving as the first level of control for the contribution of input data shall be responsible for carrying out the following duties:
- undertaking an effective check of input data prior to its contribution, including ensuring compliance with any requirement for the validation of input data, and reviewing input data prior to its contribution with respect to its integrity and accuracy;
 - checking that the submitter is authorised to contribute input data on behalf of the Panel Bank in accordance with paragraph 33;
 - ensuring that access to contributions of input data is restricted to persons involved in the contribution process, except where access is necessary for audit purposes, investigation purposes or purposes required by law.
- RTS 11, 3.1(b)** 24. The internal function serving as the second level of control shall be responsible for carrying out the following duties:
- RTS 15, 4.1**
- conducting a review of input data after its contribution, independent of the review carried out by the first level control function, in order to confirm the integrity and accuracy of the contribution;
 - establishing and maintaining a whistle-blowing procedure that includes appropriate safeguards for whistle-blowers, as per Section 17;
 - establishing and maintaining procedures for the internal reporting of any attempted or actual manipulation of the input data, for any failure to comply with the Panel Bank's own benchmark-related policies and for the investigation of such events as soon as they become apparent;
 - establishing and maintaining internal reporting procedures for reporting any operational problems in the contribution process as soon as they arise;
 - ensuring regular presence in person of a staff member from the second level control function in the office area where the front office function is based;
 - maintaining oversight of relevant communications between front office function staff directly involved in contributing input data and also of relevant communications between such staff and other internal functions or external bodies;
 - establishing, maintaining and operating a conflicts of interest policy in line with Section 9.

- RTS 11, 3.1(c)** 25. The internal function, independent from the first and second level control functions, serving as the third level of control, shall be responsible for performing checks, on a regular basis, on the controls exercised by the other two control functions.
- RTS 11, 3.1(d)** 26. Panel Banks should establish procedures governing:
- the means of cooperation and flow of information between the three control functions required by paragraphs 23, 24 and 25;
 - regular reporting to the senior management in the Panel Bank, on the duties carried out by those three control functions;
 - communication to EMMI, upon request, of information related to the Panel Bank's internal oversight and verification procedures.
- RTS 11, 3.2** 27. A simpler organisational control structure than the one described in paragraphs 23, 24 and 25 may be permitted, provided that (i) all duties listed in paragraphs 23, 24 and 25 are performed and (ii) the Panel Bank's competent authorities do not object with the Bank's simpler organisational control structure. In those circumstances, points 1 and 2 of paragraph 26 will be applied in a manner reflecting the simpler control structure.

6. Roles and responsibilities

- BMR 15, 2(b)** 28. The roles and responsibilities of the organisational units with relevant operational and oversight duties should be clearly defined and documented.
- BMR 15, 2(d)** 29. As part of the first level of control established in line with paragraph 23, in case of automated contribution as foreseen in article 65, Panel Bank should operate as follow:
- RTS 11, 3.1(a)**
- Submitters are responsible for contributing input data, based on the processes outlined in this COPB;
 - Submitters shall also be available at least between 08:30 a.m. and 11:15 a.m. (CET) to re-confirm the Panel Bank's contribution to the Calculation Agent if necessary.
30. In case the contribution of input data is not automated, Panel Banks should operate a Submitter-Approver process:
- Submitters are responsible for contributing input data, based on the processes outlined in this COPB.
 - Approvers are responsible for checking the contributions prior to contribution and overseeing the daily contribution process.
 - Approvers shall also be available at least between 0830 a.m. and 11:15 a.m. (CET) to re-confirm the Panel Bank's contribution to the Calculation Agent if necessary.

- 31. Panel Banks should appoint at least two Submitters, and if it is necessary, two Approvers, and establish appropriate back-up coverage arrangements among the appointed persons.
- BMR 15, 2(b)** 32. The detailed roles and responsibilities of the staff directly involved in the daily contribution process should be well-defined and properly documented in the Panel Bank's policies and procedures.

7. Authorisation and acknowledgement by contributing staff

- RTS 15, 2.2** 33. Panel Banks should ensure that a person is only permitted to act as a submitter of input data on behalf of the Panel Bank if the latter is satisfied that the person has the necessary skills, knowledge, training and experience for the role.
- RTS 15, 2.2** 34. Panel Banks should establish and apply a due diligence process to verify that a person has the necessary skills, knowledge, training and experience to submit input data on its behalf. This process shall include checks to verify (i) the person's identity, (ii) the person's qualifications and (iii) the person's reputation, including whether the person has been previously excluded from submitting input data to a benchmark for reasons of misconduct.
- BMR 15, 2(b)** 35. The staff involved in the contribution process must acknowledge their appointments to these roles and confirm that they understand and comply with their responsibilities with respect to the contribution process as set out in this COPB and any associated Panel Bank policies and procedures.
RTS 15, 2.2
- BMR 15, 2(b)** 36. Panel Banks must communicate to EMMI the names of the authorised persons involved in the Euribor contribution process using the form established by EMMI for such a purpose. Any changes in the appointments should be communicated immediately to EMMI.
RTS 11, 2.1(a)
RTS 15, 2.3
- BMR 15, 2(b)** 37. Appointments and acknowledgements should be reconfirmed at least annually, and thereafter communicated to EMMI.
RTS 11, 3.1(a)
RTS 15, 2.3

8. Ethical standards

- BMR 15, 2(d)** 38. Panel Banks should develop a set of ethical standards specifically addressing the contribution activities. Panel Banks should communicate these standards clearly to their relevant staff and require them to confirm their adherence. Panel Banks should provide training in these standards, periodic reminders, and refresher courses.

- BMR 15, 2(d)** 39. All staff associated with the operation and control of the contribution activities should act with integrity in carrying out their duties. They should not use any information that they obtain in the course of their duties in return for monetary or other rewards or for personal interest. They should not disclose such information other than in association with their prescribed duties for performing the contributions.
- BMR 15, 2(d)** 40. Panel Bank staff must not attempt to inappropriately influence the contribution process in any manner including, but not limited to, by manipulating, attempting to manipulate, or colluding in an actual or attempted manipulation of a contribution of their own or any other Panel Banks.
- BMR 15, 2(d)** 41. Panel Bank staff should, furthermore, not engage in any activity with the objective of violating any applicable regulatory requirements, administrator requirements, or internal Panel Bank policies related to contribution activities.
- BMR 15, 2(d)** 42. All staff should immediately report, using established escalation channels, including whistleblowing, if they suspect that any person is engaging in any of the activities described above, either currently or in the past.

9. Conflicts of interest

- BMR 15, 2(d)** 43. Panel Banks should establish and maintain an effective Conflicts of Interest Policy to enable them to identify potential conflicts of interest that may arise with respect to their Euribor contributions activities.
- RTS 15, 8**
- RTS 15, 8** 44. The Conflicts of Interest Policy established by Panel Banks should address:
- the process for identifying and managing conflicts of interest, including internal escalation of conflicts of interest;
 - steps to prevent, or minimise the risk of conflicts of interest in the process for recruiting staff involved in the contribution process;
 - steps to prevent, or minimise the risk of conflicts of interest in the remuneration policies for the staff involved in contribution activities;
 - steps to prevent, or minimise the risk of conflicts of interest arising from the Panel Bank's management structure;
 - requirements with respect to communications between staff involved in the contribution process and other Panel Bank's staff;
 - any physical or organisational separation between submitters and other staff required to prevent, or minimise the risk of, conflicts of interest;
 - rules and measures to address any financial exposure that the Panel Bank may have to a financial instrument or financial contract with references to Euribor.
- RTS 11, 3(b)** 45. Where the input data is contributed from a front office function, the Conflicts of Interest policy established by Panel Banks must ensure:

- the identification and disclosure to the administrator of actual or potential conflicts of interest concerning any of the Panel Bank's front office function staff who are involved in the contribution process;
- the absence of or any direct link between the remuneration of a submitter and the value of the benchmark, the value of specific contributions made or the performance of any activity carried on by the Panel Bank that might give rise to a conflict of interest related to the contribution of input data and other front office function staff;
- a clear segregation of duties and a physical separation between front office function staff involved in contributing input data and other front office function staff;
- effective controls over the exchange of information between front office function staff and other staff of the Panel Bank involved in activities that may create a risk of conflicts of interest, insofar as the information being exchanged is information that may affect the input data contributed;
- the existence of contingency provisions in case of temporary disruption of the controls regarding the exchange of information referred to hereinabove;
- the taking of measures to prevent any person from exercising inappropriate influence over the way in which front office function staff involved in contributing input data carry out their activities.

RTS 11, 3.2 46. A simpler organisational control structure may be permitted under the conditions set out in paragraph 27.

RTS 15, 8 47. Panel Banks should establish a register of conflicts of interest to record any conflicts of interest identified and any measures taken to manage them, together with requirements to keep the register up-to-date and to provide internal or external auditors with access to it.

RTS 15, 8 48. Panel Banks' staff involved in the contribution process should be trained in all policies, procedures and controls relating to the identification, prevention and management of conflicts of interest.

10. Communications

BMR 15, 2(d) 49. Panel banks should establish and maintain controls on communications, both within the Panel Bank, and between the Panel Bank and third parties, including other Panel Banks or brokers, to avoid any inappropriate influence over Submitters (and Approvers) and any collusive activity with respect the Panel Bank's contribution of input data. Communications include, but are not limited to, physical documents, emails, exchanges through other electronic messaging systems, or telephone conversations. Communications include internal exchanges between staff at the Panel Bank, and between Panel bank staff and external parties.

Determination and validation of contributions

11. General principles

- BMR 15, 2(d)** 50. Panel Banks should observe the following general principles, elaborated further in this section, in developing and corroborating their contributions for Euribor.
- BMR 15, 2(d)** 51. Panel Banks' adherence to these principles shall be evaluated as part of the independent reviews described in Section 21.
- BMR 15, 2(d)** 52. Panel banks should develop comprehensive, structured and documented policies and procedures for determining Euribor contributions.
RTS 15, 3
- BMR 15, 2(d)** 53. Contributions of input data should be prepared by an authorised Submitter, according to the Policies and Procedures for the Panel Bank's contributions.

12. Contributions toward Euribor Hybrid Methodology

- BMR 11, 1(a)** 54. EMMI seeks to ground the calculation of Euribor, to the extent possible, in euro money market transactions that reflect the Underlying Interest, as defined in the Benchmark Determination Methodology for Euribor (BDM).
- BMR 11, 1(c)** 55. The Euribor Determination Methodology follows a hierarchical approach consisting of two levels, as described in the BDM. Each day, each individual Panel Bank contribution of input data, for each defined Euribor tenor, will be determined on the basis of one of the methodology levels:
RTS 11, 2
BMR 15, 2(a)
- **Level 1.** Contribution based solely on transactions in the Underlying Interest at the defined tenor from the prior TARGET2 day, using a formulaic approach specified by EMMI;
 - **Level 2.** Contribution based on transactions in the Underlying Interest across the money market maturity spectrum from the prior TARGET2 day and from prior TARGET2 days, using a defined range of formulaic calculation techniques specified by EMMI.

A full account of the methodology can be found in the BDM.

13. Guidelines for the conversion of floating rate transactions

- BMR 11, 1(c)** 56. Transactions conducted at a floating rate, provided that they reference the unsecured euro overnight interest rate, are considered as eligible, as stated in
BMR 15, 2(a) paragraph 18 of the Euribor Benchmark Determination Methodology.

- BMR 11, 1(c)** 57. EMMI requires Panel Banks to report these transactions as per the Technical Specifications for Panel Banks, including:
- BMR 15, 2(a)**
- a) the applicable ISIN code for the reference rate index of the transaction;
 - b) the number of basis points added to or deducted from the underlying reference rate to calculate the actual interest rate applicable for a given period at issuance of the floating rate instrument (commonly known as *spread*); and
 - c) the equivalent fixed rate of the transactions.
- BMR 11, 1(c)** 58. Panel Banks are responsible for the conversion of the floating rate inferred from a) and b) in paragraph 56 above to the fixed-rate equivalent in c).
- BMR 15, 2(a)**
- BMR 11, 1(c)** 59. The rate conversion process should be automated to the greatest extent possible, and should be performed as close to the time of execution of the transaction as technically feasible, in order to avoid potential misalignment of prices for similar products.
- BMR 15, 2(a)**
- BMR 11, 1(c)** 60. The conversion methodology applied by Panel Banks should be reviewed and approved at least annually by an independent Risk Management or equivalent function within the Panel Bank with sufficient expertise and market knowledge to render an informed judgment and recommendations, if any, for adjustment.
- BMR 15, 2(a)**
61. EMMI performs periodic surveys of conversion methodologies and provides feedback to Panel Banks on how each individual Panel Bank's approach compares to peers. However, each Panel Bank is ultimately responsible for the analytic and operational robustness of its approach.

14. Procedures and controls of the contribution of input data

- BMR 15, 2(d)** 62. Panel Banks must provide their contribution of input data:
- RTS 15, 1**
- in accordance with the definition of Euribor set out in the Benchmark Determination Methodology for Euribor;
 - in such a manner and format specified by EMMI in order to ensure the secure transfer of data¹;
 - that can be associated to the tenors set out in the BDM
 - on a timely basis, within the contribution window specified by EMMI;
 - on all days when the Trans-European Automated Real-time Gross Settlement Express Transfer (TARGET2) system is open;

¹ As detailed in the Technical Specifications for Panel Banks.

- ensuring the quality, integrity and accuracy of their input data; and
 - respecting the technical reporting instructions.
- BMR 15, 2(d)** 63. The actual transmission of the input data to the Euribor Calculation System should be automated to the extent feasible and overseen according to the third point in Paragraph 64 below.
- BMR 15, 2(d)** 64. Panel Banks must have in place systems and controls including , among other things:
- RTS 15, 4.1**
- Pre-contribution checks of input data to identify any suspicious input data, including checks in the form of a review of the data by a second person;
 - Post-contribution checks of input data to confirm that the input data has been contributed in accordance with the requirements of the COPB and to identify any suspicious input data;
 - Monitoring of the transfer of input data to EMMI in accordance with the technical and operational procedures specified by EMMI
- RTS 15, 4.2** 65. In the case of fully automated systems for the contribution of input data (meaning transmission of the data to EMMI), in which natural persons are not able to modify the contribution of input data, the Panel Bank may opt not to establish the checks referred to in the first and second bullet points of in paragraph 64, as long as the following two conditions are satisfied:
- The Panel Bank is able to monitor the proper functioning of the automated system on a continuous basis; and
 - The Panel Bank checks the automated system following any update or change to its software, before new input data is contributed.
66. The connection ID numbers and names of the Submitter and Approver, as applicable, for each daily contribution of input data will be recorded and retained.
- RTS 15, 4.4** 67. Panel Banks must review the systems and controls established by it concerning the contribution of input data on a regular basis and, in any event, at least annually.

Control environment

15. Confidentiality and data protection

68. Panel Bank's contribution of input data should be classified and treated as confidential, non-public, price-sensitive information – or similar classification defined by the Bank. This designation should be reflected in the operating procedures adopted by the Panel bank for the handling of such information.
69. Panel Banks should maintain contingency arrangements should information related to its contribution of input data be exposed to unauthorised parties, either

within or outside the Panel Bank, before such information is publicly available. In such cases, EMMI and competent supervisory authorities should be notified promptly, in accordance with established provisions for the exposure of confidential data.

70. The system(s) used for the contribution of input data process must meet minimum security standards in order to avoid unwanted, uncontrolled changes and amendments to the contribution of input data (e.g. personal logins, passwords, etc.).

16. Record retention

- | | |
|---|---|
| BMR 15, 2(d)

RTS 15, 6 | 71. Panel Banks should retain records of all relevant aspects of their activities with respect to their Euribor contribution of input data activities and establish record-keeping policies that ensure that a record is kept by the Panel Bank of all information necessary to check its adherence to the COPB. |
| BMR 15, 2(d)

RTS 15, 6 | 72. Records should be retained in a register and format that makes it readily accessible for future reference. Appropriate security measures should be applied so that records cannot be changed or manipulated. Records should be furnished to independent reviewers, EMMI and competent supervisory authorities in a timely manner upon request. |
| BMR 15, 2(d)

RTS 15, 6 | 73. Physical and electronic records should be retained for a minimum period of five years. Telephone conversations or electronic communications should be retained for a minimum period of three years. |
| BMR 15, 2(d)

RTS 15, 6 | 74. Records retained by Panel Banks should include: <ul style="list-style-type: none"> • Policies and procedures relating to the governance, oversight and methodologies applied for the contribution of input data – including the sign-off of input data – and any material changes to those policies and procedures. • The register of conflict of interest referred to in paragraph 47 of this COPB. • Reports produced from the independent review processes, including regular monitoring reports and the reports of internal and external auditors. Subsequent reports on actions taken and progress in implementing remedial actions should also be retained. • Records of the contribution of input data queries and complaints, and their respective outcomes. • Listing of the submitters(approvers) and other persons performing checks in respect of the contribution of input data, including their names and roles with the Panel Bank's organisation and the dates when they were authorised and, where applicable, ceased to be authorised to carry out their contribution-related roles. |

- Any disciplinary actions taken against any Panel Bank staff in respect of benchmark-related activities.
- Communications of the Panel Bank with EMMI or the Calculation Agent.
- Daily records of each contribution of input data, including:
 - i. the input data contributed;
 - ii. the data taking into account in determining the input data contribution, and any data that was excluded;
 - iii. any use of discretion and related rationale;
 - iv. any input data checks undertaken;
 - v. any communications in relation to the contribution of input data between the submitter and anyone within the Panel Bank's organisation performing checks in this respect.

BMR 15, 2(d) 75. Submitters (and Approvers) should conduct all communications related to the contribution of input data activities on the Panel Bank's recorded communications systems (email, phone or other) or on systems specifically provided by EMMI for the transmission of input data. No communication related to contribution of input data should be conducted in a manner that prevents the Panel Bank from recording them.

RTS 15, 6

17. Complaints procedures and reporting of suspicious input data

BMR 15, 2(d) 76. Panel Banks should establish, implement and enforce policies and procedures for handling complaints and reporting of suspicious input data from internal or third parties, including EMMI and the Calculation Agent, in respect of their Panel Bank obligations or of other factors of which they become aware that may compromise the integrity of the Euribor.

RTS 15, 7

BMR 15, 2(d) 77. These policies and procedures should cover at a minimum:

RTS 15, 7

- the assignment of overall responsibility for complaints management to an independent function (typically Compliance) and to the Panel Bank's senior management;
- the operational processes to record all complaints and reporting of suspicious input data;
- the implementation and communication to staff of a well-documented complaints and whistleblowing escalation process within the Panel Bank;
- the timely allocation of sufficient staff resources, independent from the staff involved in the contribution of input data process, to review and investigate complaints;

- the review of complaints by senior independent management, the Chief Compliance Officer or equivalent;
 - the reporting of material complaints or reporting of suspicious input data, actions recommended, and/or actions taken, to the Chief Executive Officer and/or Board of Directors; and
 - the reporting of misconduct and internal disciplinary proceedings to competent supervisory authorities.
- BMR 15, 2(d)** 78. The Panel Bank should inform EMMI and the competent supervisory authority without delay if they suspect that any person is manipulating, attempting to manipulate, or colluding in an actual or attempted manipulation of a Euribor contribution of input data or fixing, either currently or in the period from the Effective Date of this COPB.
- RTS 15, 7**
- BMR 15, 2(d)** 79. Any material report of suspicious input data shall be addressed to EMMI using the following
- RTS 15, 7**
- <https://www.emmi-benchmarks.eu/emmi/euribor-whistleblowing-web-portal.html>

Accountability

18. General principles

- BMR Annex 1** 80. Panel Banks should establish, implement and maintain policies for independent reviews of their compliance with Panel Bank obligations in relation to their Euribor contribution of input data.
- BMR Annex 1** 81. Such reviews should include:
- RTS 15, 4.4**
- monitoring of input data and review of the contribution of the input data process by independent Risk Management and/or Compliance functions on a regular basis;
 - review of the systems and controls concerning the contribution of input data at least annually;
 - review by an external auditor according to section 21 below at least every two years;
 - review by the Panel Bank's Internal Audit function according to section 20 below at least every two years, provided that either an internal audit, an external audit or both are conducted each calendar year.
82. Reports of the findings of the reviews, recommendations and follow-up actions should be made to senior management.
- BMR 15, 2(d)** 83. Any material issues arising from the reviews including any material findings from the internal and external audits, as determined by the senior executive

RTS 15, 7 responsible for the review, must be reported on a timely basis to EMMI and to the Panel Bank senior management so that mitigating actions can be taken. In particular, where a review uncovers material breaches or unethical behaviors in the contribution of input data process, EMMI and the competent supervisory authority must be immediately informed.

84. EMMI shall have the right to commission an external audit of one or more Panel Bank's Euribor contribution of input data activities if EMMI has reasonable grounds to believe that the integrity of the Euribor benchmark is being compromised as a result of such activities.

19. Monitoring

- BMR Annex 1** 85. The Panel Bank's independent Risk Management, Compliance or equivalent function should monitor contribution of input data activities for conformity with the COPB, BDM, applicable regulation – in particular BMR – and other internal controls.
- RTS 15, 4.4**

20. Internal audit

86. The Panel Bank's Internal Audit function should evaluate that the Panel Bank has in place internal processes and procedures in accordance with the COPB and BDM, and that these are fully implemented. It shall monitor and evaluate the effectiveness and efficiency of internal controls, risk management and governance systems.

- RTS 15, 4.4** 87. The Internal Audit should also review and validate all policies, procedures and operating processes relating to Euribor contribution of input data. Internal Audit may conduct such reviews as part of broader audits within the Panel Bank, but should ensure that the reviews are appropriately focused on the detailed contribution of input data activities.

88. The reviews should include random sample testing of at least five days complete contribution of input data processes. The reviews should also cover a sampling of communications of staff involved in the contribution of input data process.

Panel Banks must timely inform EMMI of the internal audit outcome, indicating any material findings and remediation plans, if any.

21. External audit

- BMR Annex 1** 89. An external audit of the input data of a Panel Bank, compliance with the COPB and BMR requirements for supervised Panel Banks shall be carried out for the first time six months after the introduction of the COPB, and subsequently every two years. Each calendar year either an internal audit, an external audit or both should be provided.

- BMR Annex 1** 90. The external audit report provided to EMMI must at minimum include an executive summary, an overall opinion of the independent auditors regarding Panel Bank's compliance with the COPB and BMR requirements for supervised Panel Banks, and a summary of any issues highlighted by the independent auditors that impede compliance with the COPB and BMR requirements.
- BMR Annex 1** 91. This review may be conducted as part of the Panel Bank's regular external audit or equivalent, but should ensure that the review is appropriately focused on the contribution of input data processes and that a separate report of the review is produced. The review may be conducted by the Panel Bank's appointed external auditor or other party with expert knowledge of benchmark-related and audit processes.
- BMR Annex 1** 92. The independent auditor should provide the report of the review to the Panel Bank senior management and to EMMI. The communication of material findings should be made to other parties, as detailed in paragraph 82 of this COPB.