



**Statement of Compliance with the IOSCO
Principles for Financial Benchmarks**

FMDQ Securities Exchange Limited

January 2020

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1. INTRODUCTION

FMDQ Securities Exchange Limited (“**FMDQ Exchange**” or the “**Exchange**”) is a securities exchange with a mission to empower the financial markets to be innovative and credible, in support of the Nigerian economy. This mission is achieved by providing the secondary market with world-class market governance and market development services to the benefit of financial market stakeholders and in support of the objectives of the financial services regulators.

FMDQ Exchange is currently the Benchmark Administrator¹ for the Nigerian Autonomous Foreign Exchange Fixing (**NAFEX**)², the Nigerian Inter-Bank Offered Rate (**NIBOR**)³, and the Nigerian Inter-Bank Treasury Bills’ True Yields Fixing (**NITTY**)⁴ [collectively called the “**Benchmarks**” or the “**FMDQ Exchange Benchmarks**”].

FMDQ Exchange considers the Benchmarks to fall within the definition of ‘Benchmark’ set out in the final report on “*Principles for Financial Benchmarks*” (the “**Principles**”) as published by the International Organisation of Securities Commissions on July 17, 2013 (“**IOSCO**”). Accordingly, FMDQ Exchange is the Administrator of the FMDQ Exchange Benchmarks for the purposes of this Statement of Compliance.

As the largest securities exchange in Nigeria, with an average annual turnover of circa \$548.00 billion over the last five (5) years, the Exchange is positioned to drive global competitiveness of the Nigerian financial market by deepening its markets through product innovation and institutionalising robust market structures. Consequently, FMDQ Exchange affirms the importance of the accuracy and integrity of Benchmarks in the pricing of financial contracts and, more generally, financial markets, and is committed to operating the FMDQ Exchange Benchmarks in accordance with the IOSCO Principles and other relevant industry standards.

2. STATEMENT OF ADHERANCE

This Statement of Compliance seeks to describe the extent of the Exchange’s compliance with the IOSCO Principles with respect to the FMDQ Exchange Benchmarks. As contemplated by the IOSCO Principles, in assessing the extent of FMDQ Exchange’s compliance, the Exchange has sought to implement the IOSCO Principles in a manner proportionate to the size and risks posed by each Benchmark and the FMDQ Exchange Benchmark setting process. For the avoidance of doubt, this Statement of Compliance is not intended to cover any other dataset published or disseminated by FMDQ Exchange which shall/may be covered by separate Statements of Compliance as relevant.

The content of this Statement of Compliance follows the order of the IOSCO Principles and serves as a summary of FMDQ Exchange’s Benchmark Control Framework. Further information regarding FMDQ Exchange and the Exchange’s Benchmarks is available on the FMDQ Exchange website.

¹ ‘Benchmark’ and ‘Administrator’ are defined by IOSCO in the Glossary of Key Terms in Annex A of the [Principles for Financial Benchmarks](#).

² Benchmark rate for FX spot operations in the Investors’ & Exporters’ FX Window.

³ Reference for short-term lending rates of reputable banks in the Nigerian OTC market quoted on an annualised basis.

⁴ Reference for Benchmark risk-free rate derived from the conversion of treasury bills discount rates for Benchmark tenors to money market yields i.e. true yields.

Governance: FMDQ Exchange has primary responsibility for all aspects of the determination of the FMDQ Exchange Benchmarks and has Ethics and Conflicts of Interest Policies in place. A Benchmark Control Framework has been implemented that defines the roles and responsibilities of the Administrator in the production of the Benchmarks. Furthermore, a Benchmark Oversight Committee (“BOC”) has been established to periodically review and provide guidance on the Benchmarks.

Quality of the Benchmark: NAFEX is intended to be reliable representation of trading activities in the Nigerian official foreign exchange market segments, while the NIBOR and NITTY are meant to measure the cost of funding in the inter-bank money market and trading activity in the treasury bills market respectively. The calculation of each Benchmark is primarily anchored in observable, arm’s length transactions where the data is available and reflects sufficient liquidity and/or ‘executable bid/offer quotes’ where liquidity levels are low and is published each business day. Data exclusion policies have been implemented for the FMDQ Exchange Benchmarks that permit the exclusion/elimination of outlier/erroneous transaction data from the Benchmark calculations. Data contingency processes have been developed for the FMDQ Exchange Benchmarks in the unlikely event that a primary data source of one or more of the FMDQ Exchange Benchmarks is unavailable.

Quality of the Methodology: FMDQ Exchange has documented Methodologies to derive and calculate daily Benchmarks. The FMDQ Exchange Benchmarks are calculated as trimmed arithmetic mean rates. All data collected and used in the production of the FMDQ Exchange Benchmarks are subject to internal controls by the contributors and FMDQ Exchange. Any material changes to the Methodology of, or decision to terminate, any of the FMDQ Exchange Benchmarks would be communicated to the public and feedback would be solicited, to the extent reasonable.

Accountability: FMDQ Exchange has an established process for receiving and addressing complaints related to the FMDQ Exchange Benchmarks and the Benchmark administration and has an Internal Audit Group that reviews the quality of the Benchmark production process and maintains a robust audit trail of all actions taken in the production of the Benchmarks.

Section 3 below provides additional details regarding the compliance of the FMDQ Exchange Benchmarks with each of the IOSCO Principles, where applicable.

3. INDEPENDENT AUDITOR'S ASSURANCE REPORT



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21st October 2019

The Board of Directors,
FMDQ Securities Exchange Plc,
Exchange Place,
35 Idowu Taylor Street,
Victoria Island, Lagos.

Assurance Report on the Compliance of FMDQ Securities Exchange Plc with the IOSCO Principles for Financial Benchmarks

We have performed an examination of the Statement of Compliance of FMDQ Securities Exchange Plc ("FMDQX") with the Principles for Financial Benchmarks published by the International Organisation of Securities Commissions (IOSCO) in July 2013.

Use of report

We have carried out a reasonable assurance engagement in respect of:

1. The Statement of Compliance of the Company describing the control procedures designed to address the IOSCO Principles;
2. The suitability of design of the control procedures to address the IOSCO Principles in accordance with the terms of our engagement letter dated 15th August 2018.

This report is issued solely to FMDQ. We do not accept any responsibility to third parties to whom our report may be shown or into whose hands it may come. This report may not be used other than together with the IOSCO Compliance Statement of FMDQ to which it relates.

Respective responsibilities

FMDQ is responsible for designing, implementing and monitoring the policies, procedures and processes that achieve compliance with the IOSCO Principles for Financial Benchmarks as well as preparing the Statement of Compliance with the above-named Principles.

Independent auditor's responsibilities and scope of work

Our responsibility is to express a reasonable point-in-time assurance opinion on FMDQ's Compliance Statement whether it is fairly stated, in all material respects as at 30th September 2019. We conducted our engagement in accordance with International Standard on Assurance Engagements 3000 "Assurance Engagements other than Audits or Reviews of Historical Financial Information" (ISAE 3000).

Our examination included those procedures we considered necessary in the circumstances to obtain reasonable, but not absolute, assurance about whether the IOSCO Compliance Statement of FMDQ is fairly stated in all material respects. Our examination included obtaining through observation, inspection, representation, inquiry and examination, on a sample basis, of the evidence supporting the assertions necessary for rendering our opinion. Our procedures are described on the body of the report.



Building a better
working world

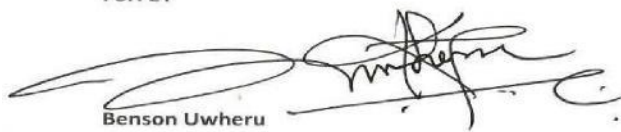
Inherent Limitations

Control procedures designed to address specified control objectives are subject to inherent limitations and, accordingly, errors or irregularities may occur and not be detected. Such control procedures cannot guarantee protection against (amongst other things) fraudulent collusion especially on the part of those holding positions of authority or trust. Furthermore, our opinion is based on point-in-time information and the projection of any information or conclusions to any future periods is inappropriate.

Opinion

In our opinion, based on the results of our procedures, FMDQ's Compliance Statement as at 30th September 2019, including the responses to the individual IOSCO Principles for Financial Benchmarks, is fairly stated, in all material respects.

For: EY

A handwritten signature in black ink, appearing to read "Benson Uwheru", written over a horizontal line.

Benson Uwheru

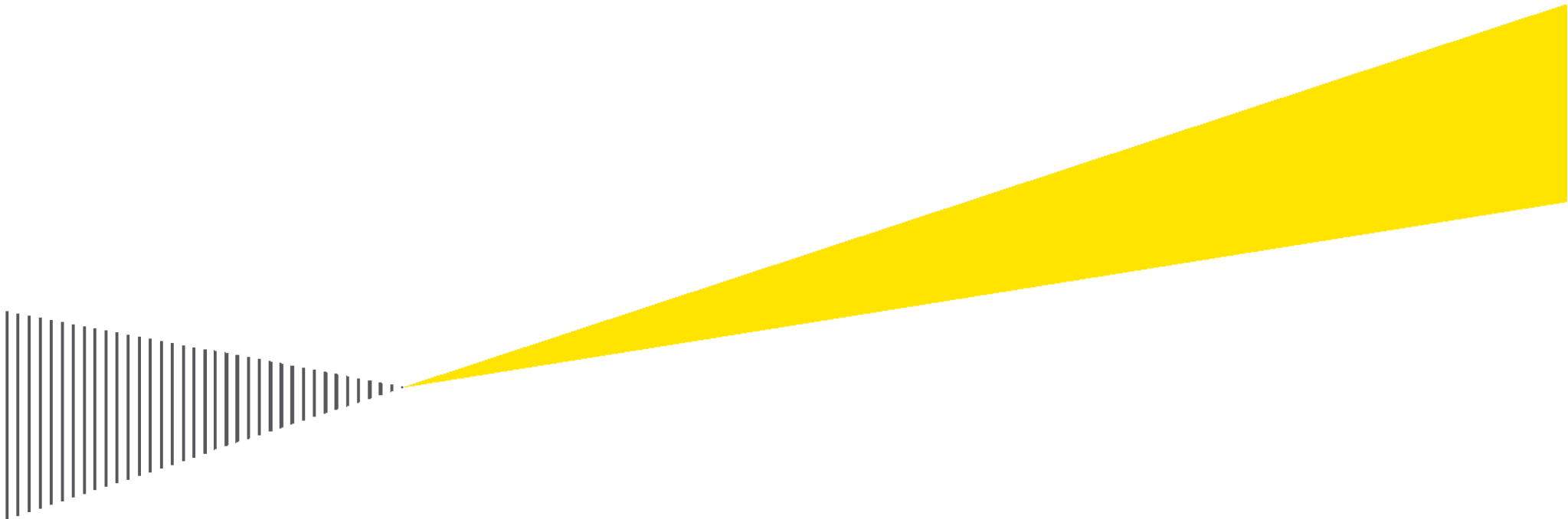
Partner, Advisory Services

FRC/2013/CIBN/00000001554

FMDQ Securities Exchange Plc

Independent Benchmark Review Final Report

September 2019



Introduction

FMDQ Securities Exchange Plc (“FMDQX” or “the Exchange”) is a Securities and Exchange Commission (“SEC” or “the Commission”) registered over-the-counter (OTC) market, with the strategic intent of bringing revolutionary changes and fostering the development of the Nigerian financial market. FMDQX brings together Nigeria's fixed income and currency operations under a single market governance structure; uniquely combining the functions of a securities exchange in organising and deepening the markets and a self-regulatory organisation (SRO) in regulating the activities of the members in the markets under its governance, through effective collaboration with key financial market regulators.

In its capacity as a Benchmark Administrator, FMDQX regularly reviews the policies, processes, and practices for its Fixings in accordance with appropriate international Benchmark regulations and guidance, particularly the International Organisation of Securities Commissions (IOSCO) Principles for Financial Benchmarks (the Principles).

The IOSCO Principles articulates policy guidelines and principles for Benchmark-related activities that will address conflicts of interest in the Benchmark-setting process, as well as engender transparency and openness when considering issues related to transition. The Principles help identify certain broad risks to the credibility of Benchmarks arising from vulnerabilities in the Benchmarks’ methodologies, as well as transparency and governance arrangements.

FMDQX engaged EY as an Independent Consultant to assess its compliance with the IOSCO Principles for Financial Benchmarks (2013) across Governance, Benchmark Operations and Information Technology. The procedures performed included the following:

- Review of relevant documents such as FMDQX Statement of Compliance with the IOSCO Principles, FMDQX Methodologies, Standard Policies and Procedural Manuals, the Market Review Committee Charter and Minutes of the Market Review Committee Meetings, and other supplementary documents.
- Walk-throughs for key processes and controls
- Interviews with relevant stakeholders

The report presents highlights of the applicable IOSCO principle and EY’s procedure in assessing compliance. Our observations have been documented with reference to the requirements of the IOSCO principles.

Detailed Findings

Section I: Governance

Principle	FMDQX's Statement of Compliance	EY Procedure Performed
<p>Principle 1</p> <p>Overall Responsibility of the Administrator</p> <p>IOSCO Principle 1 states that the Administrator shall have primary responsibility for all aspects of the Benchmark determination process, including development, determination and dissemination, operation and governance.</p> <p>This Principle makes clear that, regardless of the particular structure for Benchmark determination and administration, there should be an overall entity which is responsible for the integrity of the Benchmark.</p>	<p>FMDQX is the Benchmark Administrator of NAFEX, NIBOR and NITTY and has primary responsibility for all aspects of the Benchmarks' determination process, including the development, dissemination, operation, and governance of the Benchmarks:</p> <ul style="list-style-type: none"> - FMDQX, through its Market Development function, develops Methodologies to calculate fixings as part of the Market Architecture Division ("MAD"), within the Capital Markets Directorate ("CMDR"). FMDQX retains all intellectual rights and ownership of all its Benchmarks - FMDQX is responsible for implementing all its Benchmarks in line with the defined Methodologies. Each Benchmark is calculated in a controlled environment and is disseminated on the FMDQX Exchange website, FMDQX Exchange e-Markets Data Portal and through third party data distributors. The FMDQX Benchmarks are published at approximately 12:00 Noon GMT and 2:00 PM GMT. In the case of a delay of a Benchmark publication, subscribers/users and third-party distributors as relevant will be notified of the delay via an email - FMDQX is responsible for the ongoing operation of the FMDQX Benchmarks, including taking appropriate contingency measures in the event of absence of sufficient inputs, market stress, disruption or failure of critical infrastructure. Any contingency measures that are not directly addressed in the Methodology shall be subject to the Administrator's process for the exercise of Expert Judgment - The FMDQX Market Review Committee ("MRC")/ Board Listings, Markets and Technology Committee ("BLMTC") 	<p>EY reviewed FMDQX's key Benchmarks; NAFEX, NIBOR, NiFEX and NITTY and confirmed that FMDQX accepted responsibility as the Administrator of each Benchmark.</p> <p>For each Benchmark, we reviewed the Methodologies to verify that they include Benchmark definitions, data sources, calculations, administration, publication details and other critical information.</p> <p>No exceptions were noted.</p>

Principle	FMDQX's Statement of Compliance	EY Procedure Performed
	<p>provide governance and oversight in respect of all aspects of FMDQX's Benchmark Administrator functions. The responsibilities of the BOC include, without limitation, overseeing FMDQX Benchmark administration activities undertaken by FMDQX personnel including reviewing and challenging all aspects of (i) Benchmark design, (ii) the integrity of FMDQX Benchmark determination processes, and (iii) relevant control frameworks; and monitoring financial markets, institutions and structures, recommending policy alternatives to regulatory agencies and developing, calibrating and reviewing market intervention policies (either from FMDQX or regulatory agencies)</p>	
<p>Principle 2 Oversight of Third Parties</p> <p>IOSCO Principle 2 requires an Administrator to maintain appropriate oversight of third parties that perform activities related to the Benchmark determination process, such as the collection of inputs, publication or where a third-party acts as calculation Agent.</p> <p>This Principle reflects the concern that any outsourcing of functions should be subject to oversight by the Administrator. This Principle applies only where activities relating to the Benchmark determination process are undertaken by third parties, for example with respect to collection of inputs, or where a third party acts as the Calculation Agent or Publisher of the Benchmark.</p>	<ul style="list-style-type: none"> - FMDQX manages all aspects of the Benchmark determination process and does not outsource responsibility for the Benchmark determination process. Third parties are not involved in the collection of inputs to the FMDQX Benchmarks, as FMDQX sources all data directly from either the counterparties to the trades underlying the Benchmarks or the intermediaries on whose systems those trades are executed - However, FMDQX does publish the FMDQX Benchmarks through data vendors. Such relationships are governed by legal agreements that set out the roles and obligations of these data vendors and the limitation to the use of the FMDQX Benchmarks. Consequently, FMDQX does not consider these providers as "third parties" as contemplated under Principle 2 of the IOSCO Principles - Therefore, the oversight requirement described in Principle 2 does not apply to FMDQX 	<p>Not Applicable</p> <p>FMDQX manages all aspects of the Benchmark determination process and does not outsource responsibility for the Benchmark determination process.</p>

Principle	FMDQX's Statement of Compliance	EY Procedure Performed
<p>Principle 3</p> <p>Conflicts of Interest for Administrators</p> <p>IOSCO Principle 3 states that the Administrator should document, implement and enforce policies and procedures for the identification, disclosure, management, mitigation or avoidance of conflicts of interest including the disclosure of any material conflicts of interest to Stakeholders and any relevant Regulatory Authority.</p>	<p>FMDQX enforces policies and procedures to mitigate and avoid conflicts of interest in the determination of the FMDQX Benchmarks which are periodically reviewed by the BOC. Additionally, FMDQX maintains an Employee Code of Conduct and Staff are subject to continuous education on ethics and confidentiality. FMDQX has organised the management and supervision of its Benchmark Administration activity in a manner which seeks to manage and mitigate conflicts of interests that may arise. FMDQX separates the administration and determination functions of the FMDQX Benchmarks from direct supervision and control of the Market Development and Market Oversight functions. To this end:</p> <ul style="list-style-type: none"> - The team responsible for carrying out the administration and determination functions of FMDQX in relation to the Benchmarks is separated from the team which develops the Methodology for the Benchmarks - The goals, rewards and incentives for personnel involved in the administration and determination of Benchmarks are not directly or indirectly tied to the performance of the Benchmarks - FMDQX personnel are required to conduct their business activities in line with processes and procedures established in relation to the administration of Benchmarks and in accordance with the Employee Code of Conduct, other internal policies and relevant laws; and in limited circumstances, regarding Benchmarks and in accordance with the applicable Methodology, Expert Judgment may be applied. Any such Expert Judgment is subject to internal procedures, controls and criteria established to mitigate any conflict of interest which may arise - FMDQX has a robust Code of Business Conduct and Ethics for Directors, which sets out to ensure that Directors are 	<p>EY inspected for evidence of policies guiding conflict of interest and conduct of staff and directors involved in the Benchmark determination process.</p> <p>EY reviewed FMDQ's organogram and observed that different Divisions are responsible for the development and administration of the Benchmark.</p> <p>EY also assessed FMDQ's document management system where Benchmark computations are stored and obtained evidence to confirm user access rights across various groups to ensure that users do not have access to carry out functions outside their roles.</p> <p>No exceptions were noted.</p>

Principle	FMDQX's Statement of Compliance	EY Procedure Performed
	<p>making ethical decisions when performing their duties. This Code is intended to provide the Director's guidance with respect to recognising and managing areas of ethical issues and disclose unethical conduct whilst fostering a culture of openness and accountability</p>	
<p>Principle 4</p> <p>Control Framework for Administrators</p> <p>IOSCO Principle 4 states that an Administrator should implement an appropriate control framework for the process of determining and distributing the Benchmark.</p> <p>The control framework should be appropriately tailored to the materiality of the potential or existing conflicts of interest identified, the extent of the use of discretion in the Benchmark setting process and the nature of Benchmark inputs and outputs.</p> <p>Amongst other things, the framework should address the following areas:</p> <ul style="list-style-type: none"> • Conflicts of interest in line with Principle 3 on conflicts of interests; • Integrity and quality of Benchmark determination; • Whistleblowing mechanism; • Expertise. 	<p>FMDQX has incorporated the elements of the Benchmark Control Framework, in proportion to the risk and size of the FMDQX Benchmarks in respect of Benchmark design, determination, publication and ongoing maintenance, as well as the policies and procedures, training and IT systems that support the Benchmark administration framework into the various documents for the respective administrative functions:</p> <ul style="list-style-type: none"> - Conflicts of Interest: FMDQX, as the administrator, maintains organisational and administrative arrangements (including policies and procedures) to identify, manage, mitigate or avoid existing or potential conflicts of interests that may arise from the process of Benchmark administration (please refer to the description of compliance with Principle 3) - Internal Oversight: FMDQX is focused on managing risk (including operational risk) associated with Benchmark administration related activities. To this end, the BOC provides governance and oversight of Benchmark administration activities. The BOC is composed of representatives from several FMDQX front office functions and risk/control functions (please refer to Principle 5) - Escalation and Whistleblowing: All FMDQX personnel are required to comply with the FMDQX Employees Code of Conduct, which sets the expectation that personnel will, and encourages personnel to, escalate all possible violations of a law, regulation, FMDQX policy or ethical standards. 	<p>EY reviewed FMDQ's Standard Policy and Procedure Manual for Fixings and Projects & Market Development: Project Implementation to understand the processes and controls for the Benchmarks.</p> <p>EY also reviewed the Control Framework for Benchmarks and inspected for evidence of the existence of internal control mechanisms for conflict of interest, whistleblowing, internal oversight, and escalation paths</p> <p>No exceptions were noted.</p>

Principle	FMDQX's Statement of Compliance	EY Procedure Performed
	<p>Furthermore, FMDQX has an established Whistleblowing Policy and mechanism which provides an avenue for stakeholders (members, employees, regulators, investors, industry professionals, issuers and the public) to report all or any possible violations of a law, regulation, FMDQX policy or ethical standard</p> <ul style="list-style-type: none"> - Benchmark Complaints Procedures: Complaints regarding the FMDQX Benchmarks are handled in line with the FMDQX Exchange Benchmark Complaints Policy and the Complaint Management Framework which is developed pursuant to the Investments and Securities Act 2007 ("ISA"), the Securities and Exchange Commission ("SEC" or the "Commission") Rules and Regulations 2013 and the IOSCO Principles for Securities Regulation - Benchmark Administration Process: FMDQX maintains procedures for the ongoing determination, publication, and maintenance of the FMDQX Benchmarks. The FMDQX Benchmark Methodologies disclose the determination process for the Benchmarks including, without limitation, the data inputs and their sources. In addition, Benchmark Methodologies contain a description of the consequences of market stress or disruption events for the determination of the Benchmarks, including the use of Expert Judgment (please refer to descriptions of compliance with Principles 6 to 15 for further details) - Maintenance, Periodic Review, and Communication: The FMDQX Benchmarks are subject to periodic review to gauge whether relevant fixings remain fit-for-purpose. During the review, FMDQX considers several factors relevant to the Benchmarks, including the original design considerations, Determination Methodologies, data inputs, stakeholders' feedback (including complaints) and audit findings. If FMDQX determines that the Benchmark Methodology should be modified, or a relevant Benchmark is no longer suitable, the 	

Principle	FMDQX's Statement of Compliance	EY Procedure Performed
	<p>BOC must approve any modification or discontinuation and notify stakeholders accordingly. Please refer to descriptions of compliance for Principles 12 and 13 respectively for further details</p> <p>- Information Published and Made Available: The Benchmark Methodology is made available via the following link https://www.fmdqgroup.com/markets/Methodologies/</p> <p>- Expertise: FMDQX has implemented measures to ensure that all FMDQX personnel involved in Benchmark Administration possess the necessary levels of expertise and competence and are subject to periodic performance reviews and assessments. All FMDQX personnel involved in Benchmark Administration activities are subject to regular sensitisation on matters such as ethics, compliance and information security</p> <p>- Audit and Accountability: FMDQX, as the Benchmark Administrator, is subject to review by the FMDQX Internal Audit Group in line with the appropriate risk-based audit cycle and maintains written records of key data, events, procedures and other documents for audit and regulatory purposes (please refer to Principles 17 to 19 (inclusive) for further details)</p> <p>- Integrity of Submissions: Benchmark Reference Banks are selected from Dealing Member (Banks) (DMBs) based on their market volume and performance, professionalism and financial standing. Benchmark Reference Banks are required to adhere to the guidelines in the submissions Methodology as directed by FMDQX which stipulates the following; a pre-compilation or pre-publication monitoring to identify and avoid errors in inputs or submissions, frequency of submissions, etc.</p>	

Principle	FMDQX's Statement of Compliance	EY Procedure Performed
<p>Principle 5</p> <p>Internal Oversight</p> <p>IOSCO Principle 5 states that an Administrator should establish an oversight function to review and provide challenge on all aspects of the Benchmark determination process.</p>	<p>The MRC reviews and assesses the Benchmark production process. Internal policies in place define the responsibilities of the BOC and the details of its membership. The composition of the BOC is such that it provides a balanced representation of a range of internal stakeholders and is designed to mitigate any potential conflicts of interest. Each individual member has (i) an appropriate level of seniority and experience to participate as a member of the BOC, and (ii) knowledge and expertise relating to the front office function or risk/control function represented by the relevant individual, in each case as determined by the relevant Front Office Function or Risk/control Function and subject to periodic review. External parties are not included in the oversight of the FMDQX Benchmarks. However, FMDQX ensures extensive engagements are carried out in line with its documented Stakeholder Consultation Policy.</p> <p>As a general principle, the relevant Financial Market Dealers Association ("FMDA") Workgroups responsible for the underlying asset for which the referenced Benchmark measures, are consulted. The FMDA is the association of Nigerian deposit money banks' treasurers which is focused on regulatory policy engagement/advocacy and professional ethics in the financial markets. FMDA's members are the primary contributors to the FMDQX Benchmarks and therefore the highest-ranked stakeholder category for the FMDQX Benchmarks.</p> <p>In the case of fundamental modifications to the design or administration of a Benchmark, a wider consultation, incorporating all other relevant stakeholders (buy-side, foreign investors, etc.) shall also be undertaken.</p> <p>The Committee's responsibilities include reviewing:</p> <ul style="list-style-type: none"> - Benchmark design: 	<p>EY reviewed the Standard Policy and Procedure Manuals for Fixings and Projects & Market Development Implementation to understand the responsibilities of all functions in the Benchmark process.</p> <p>EY also reviewed the composition, charter, minutes and agenda of meetings held as well as other supplementary information for the MRC which is charged with oversight responsibility for the Benchmarks.</p> <p>No exceptions were noted.</p>

Principle	FMDQX's Statement of Compliance	EY Procedure Performed
	<ul style="list-style-type: none"> - The definition and Methodology of the Benchmarks - General issues and risks regarding the Benchmarks - The calculation Methodology of the Benchmarks - Any proposed changes to a Methodology - Integrity of the Benchmark determination and control framework: - Audit findings related to the production of Benchmarks - Any use of non-standard procedures in the production of the Benchmarks, including the use of staff Expert Judgment or contingency data sources - Existing and potential conflicts of interest and related policies imposed on staff - Investigating complaints reported by stakeholders with regards to the Benchmark Administration process - Assisting in the maintenance of governance/control procedures for the FMDQX Benchmarks including where necessary, advising on enforcement/disciplinary procedures 	

Section II: Quality of the Benchmark

Principle	FMDQX's Statement of Compliance	EY Procedure Performed
<p>Principle 6</p> <p>Benchmark Design</p> <p>IOSCO Principle 6 states that the design of a Benchmark should seek to achieve and result in an accurate and reliable representation of the economic realities of the interest it seeks to measure and eliminate factors that might result in a distortion of the price, rate, index or value of the Benchmark.</p>	<p>The FMDQX Benchmarks consist of spot rate fixings for fixed income and currency developed by FMDQX and generated using the Benchmark Methodology.</p> <p>FMDQX Benchmarks are made available to users at specified set times during each business day and follow a systematic set of documented procedures. The considerations which are factored into the design of the FMDQX Benchmarks include the following:</p> <ul style="list-style-type: none"> - Relevance and Comprehensiveness: The Benchmarks aim to include all market prices that are realistically available to market participants under normal market conditions. Should there be insufficient or unreliable observable pricing in the relevant market, the Benchmarks may be republished and made available as indicative only (please refer to Principles 8 and 9) - Simple and objective selection criteria: Clear and definable objectives govern the inclusion of products, tenors or datasets within the Benchmark universe <p>In assessing these design considerations, the underlying components of the proposed Benchmarks are considered by reference to (i) the adequacy of the components used to represent the relevant interest; (ii) the size and liquidity of the relevant market (for example whether there is sufficient trading to provide observable, transparent pricing); (iii) the relative size of the underlying market in relation to the anticipated volume of trading of the underlying instrument; (iv) the distribution of trading (market concentration); and (v) market dynamics</p>	<p>EY reviewed the Methodologies for each Benchmark, observed the considerations in the design of the Benchmark, criteria for the inclusion/exclusion of submissions, expert judgement, and contingency plans.</p> <p>EY observed that the procedure for the design of a new benchmark contains the considerations as defined in FMDQ's response.</p> <p>EY was unable to observe the process for the design of a new benchmark as no new benchmark was being designed at the time of this inspection.</p> <p>No exceptions were noted.</p>

Principle	FMDQX's Statement of Compliance	EY Procedure Performed
<p>Principle 7</p> <p>Data Sufficiency</p> <p>IOSCO Principle 7 states that the data used to construct a Benchmark determination should be sufficient to accurately and reliably represent the interest measured by the Benchmark and should:</p> <p>a) Be based on prices, rates, indices or values that have been formed by the competitive forces of supply and demand in order to provide confidence that the price discovery system is reliable; and</p> <p>b) Be anchored by observable transactions entered into at arm's length between buyers and sellers in the market for the Interest the Benchmark measures in order for it to function as a credible indicator of prices, rates, indices or values.</p>	<p>FMDQX Benchmarks are primarily anchored in observable transactions that are priced based on the competitive forces of demand and supply and are conducted at arm's length where data is sufficiently available and reflects adequate liquidity and/or 'executable bid/offer quotes' where liquidity levels are low and are published each day.</p> <p>The trend of inputs and their sources are periodically reviewed by FMDQX to ensure that they remain sufficiently representative of the markets.</p> <p>Selection of inputs and their use in the determination of Benchmarks are further described in the respective Benchmark Methodologies (please refer to Principle 11).</p> <p>FMDQX may exercise its Expert Judgment to override a Benchmark determination. Expert Judgment may be used in instances where market activity and observability have deteriorated over time or to the extent that the observed inputs are no longer reliable. In such instances, a Benchmark may be repeated or published as indicative only (please refer to principles 8 and 9)</p>	<p>EY obtained the Methodologies and supporting guides for the Benchmarks and inspected the analysis of the data used in the Benchmark calculation.</p> <p>EY also inspected for evidence that the data sufficiency requirement and contingency methodology are as described in FMDQ's response.</p> <p>EY inspected evidence to ascertain that data inputted into the system was sufficient and accurate in line with the Benchmark methodology.</p> <p>EY performed a walkthrough of the fixing processes for the NAFEX, NiFEX, NITTY and NIBOR and observe that the process for establishing data sufficiency as described in Benchmark Methodologies are executed.</p> <p>No exceptions were noted.</p>
<p>Principle 8</p> <p>Hierarchy of Data Inputs</p> <p>IOSCO Principle 8 states that the Administrator should establish and publish or make available clear guidelines regarding the hierarchy of data inputs and exercise of Expert Judgment used for the determination of Benchmarks.</p> <p>In general, the hierarchy of data inputs should include:</p>	<p>FMDQX may use transactional data entered into on an arm's length basis between buyers and sellers in the market, where that data is available and reflects sufficient liquidity. In a market where liquidity levels are low, the Benchmark may be based predominantly or exclusively on contributed quotes. The order of selection of data input for underlying securities is outlined in the Methodology of each Benchmark.</p> <p>Market Disruption: The Benchmark Methodologies contain descriptions of the consequences of market stress or disruption events on the determination of each Benchmark if such events were to occur</p>	<p>EY inspected the Methodologies for evidence of data inputs required to fulfil the criteria in the Methodology documents. The methodology documents detail designated procedures and treatment where there are variations in the number of inputs received.</p> <p>EY reviewed the SPP Manual for Fixings and observed that it describes daily processes and controls over collection, validation and plausibility. We verified that data validation and plausibility activities are as described in the FMDQ's response.</p>

Principle	FMDQX's Statement of Compliance	EY Procedure Performed
<p>a) Where a Benchmark is dependent upon Submissions, the Submitters' own concluded arms-length transactions in the underlying interest or related markets;</p> <p>b) Reported or observed concluded Arm's-length Transactions in the underlying interest;</p> <p>c) Reported or observed concluded Arm's-length Transactions in related markets;</p> <p>d) Firm (executable) bids and offers; and</p> <p>e) Other market information or Expert Judgments.</p>	<p>Expert Judgment: In addition to the exercise of Expert Judgment described above in relation to input selection, Expert Judgment can also be exercised in performing the relevant Benchmark determination where (i) a market event is not fully anticipated or addressed in the Benchmark Methodology or (ii) inputs for a security or currency pair is unavailable or considered by FMDQX to be unreliable pursuant to the Methodology.</p> <p>Expert Judgment will be exercised (i) in good faith and in a commercially reasonable manner, (ii) to the extent practicable, reflecting the commercial objective of the relevant Benchmark fixing and market practice, and (iii) to the extent practicable, in a manner which promotes consistency in the exercise of Expert Judgment and the making of determinations in respect of the Benchmark as a whole (please refer to principles 9 and 11).</p>	<p>No exceptions were noted.</p>
<p>Principle 9</p> <p>Transparency of Benchmark Determinations</p> <p>IOSCO Principle 9 states that an Administrator should describe and publish with each Benchmark determination, to the extent reasonable without delaying an Administrator publication deadline of a concise explanation sufficient to facilitate a Subscriber's or Market Authority's ability to understand how the Benchmark determination was developed, as well as a concise explanation of the extent to which and the basis upon which judgment, if any, was used by the Administrator in establishing a Benchmark determination.</p>	<p>The objectives and functions of this Principle have been addressed in an alternative manner based on the FMDQX's assessment of the impact the publication of the identified information will have on the market. FMDQX Benchmark determinations are governed by rules detailed in the Benchmark Methodology (please refer to Principle 11). The Benchmark Methodologies provide an understanding of how the Benchmark rates are determined and, circumstances where Expert Judgment may be exercised.</p> <p>However, all second/third level analysis of the Benchmark data while not published are archived by FMDQX for audit proposes.</p>	<p>EY inspected the FMDQX website to confirm that the Methodologies for each Benchmark are publicly available on the website.</p> <p>EY reviewed the SPP Manual for Fixings and conducted walkthroughs with the Market Services Group and validated that their respective daily processes and controls in the calculation and publication of the Benchmarks concur with the published Methodology.</p> <p>No exceptions were noted.</p>

Principle	FMDQX's Statement of Compliance	EY Procedure Performed
<p>Principle 10</p> <p>Periodic Review</p> <p>IOSCO's Principle 10 contemplates that the Administrator will conduct a periodic review of Benchmark design.</p>	<p>FMDQX periodically reviews the Benchmarks by assessing:</p> <ul style="list-style-type: none"> - Whether there have been any changes in the underlying components or interest referenced by the Benchmarks which may mean that such components or interest are no longer adequately represented by the Benchmarks in the manner originally intended; and - Whether the Benchmarks remain fit-for-purpose and within acceptable limitations, FMDQX reviews its Benchmark Methodologies annually to ensure that the approach adopted towards calibrating the Benchmarks considers market trends, feedback, and observations. Furthermore, the frequency of reviews varies across the Benchmarks administered by FMDQX and depends on relevant factors including the frequency of any operational items which have been collated from stakeholder feedback (including complaints), audit findings, and as may be requested by the BOC. <p>The BOC considers the findings following periodic reviews of each Benchmark and any proposed changes to a Benchmark Methodology arising from this review will be subject to the process described in Principle 12.</p>	<p>EY inspected for evidence of periodic reviews of the Benchmarks and assessed whether such reviews considered the following:</p> <ul style="list-style-type: none"> ▪ Changes in the underlying Interest referenced by the Benchmarks which may mean that such components or Interest are no longer adequately represented by the Benchmarks; and ▪ whether the Benchmarks remain fit-for-purpose and within acceptable limitations. <p>No exceptions were noted.</p>

Section III: Quality of the Methodology

Principle	FMDQX's Statement of Compliance	EY Procedure Performed
<p>Principle 11</p> <p>Content of the Methodology</p> <p>IOSCO Principle 11 states that the Administrator should document and publish or make available the Methodology used to make Benchmark determinations with sufficient detail to allow Stakeholders to understand how the Benchmark is derived and to assess its representativeness, its relevance to Stakeholders, and its appropriateness as a reference for financial instruments.</p>	<p>FMDQX Benchmark Methodologies are available on https://www.fmdqgroup.com/markets/Methodologies/</p> <p>The Benchmark Methodologies are designed to enable potential users of the Benchmark and other stakeholders to assess and review the characteristics of each Benchmark (including its objectives, technical Methodology, and parameters).</p> <p>The Methodologies describe the determination process including, without limitation, inputs selection, including definitions of key terms and concepts. In addition, the document contains a description of the consequences of market stress or disruption events for the determination of a Benchmark. FMDQX periodically reviews the Benchmark Methodology to ensure accuracy and completeness (please refer to Principle 10).</p> <p>While Benchmark Methodologies do not explicitly describe the circumstances in which FMDQX may consult with stakeholders, the circumstances in which FMDQX may consult with stakeholders, as appropriate, are outlined in Principles 12 and 13 of this Statement of Compliance.</p> <p>Furthermore, FMDQX maintains a Reference Bank Methodology, wherein the criteria for including and excluding Submitters is detailed.</p>	<p>EY inspected FMDQX Methodologies for evidence that the content includes objectives of the Benchmarks, inputs selection, definitions of key terms, criteria for data input and calculation details.</p> <p>EY observed that the FMDQX Benchmark Methodologies are publicly available as noted in FMDQX's Statement of Compliance</p> <p>No exceptions were noted.</p>
<p>Principle 12</p> <p>Changes of Methodology</p> <p>IOSCO Principle 12 states that an Administrator should Publish or Make Available the rationale of any proposed material change in its Methodology, and procedures for making such changes. The procedures should clearly define what constitutes a material change, and the method and timing for consulting or notifying Subscribers (and other</p>	<p>FMDQX may seek to revise the composition or calculation Methodology for one or more Benchmarks. The BOC, charged with periodically reviewing the calculation Methodology of the Benchmarks to ensure that they continue to properly reflect their underlying interests, will review and approve any such proposed revisions.</p> <p>Benchmarks are continually evolving. There is a formal process for changes to the Benchmark Methodology. In such circumstances, FMDQX follows documented procedures that</p>	<p>EY reviewed the Methodologies and supplementary documents for the procedures for making changes to the Benchmarks.</p> <p>EY reviewed the Stakeholder consultation policy which describes the conditions where FMDQX will consult with Stakeholders</p> <p>No changes to the Methodologies were observed during the review period.</p>

Principle	FMDQX's Statement of Compliance	EY Procedure Performed
<p>Stakeholders where appropriate, taking into account the breadth and depth of the Benchmark's use) of changes. In addition, the Administrator should develop Stakeholder consultation procedures in relation to changes to the Methodology that are deemed material by the oversight function, and that are appropriate and proportionate to the breadth and depth of the Benchmark's use and the nature of the Stakeholders</p>	<p>are proportionate to the size and risks of the Benchmark and involve three (3) phases: discovery, planning, and execution.</p> <p>Discovery: FMDQX, as the Administrator, endeavours to resolve ambiguities, errors and omissions using Expert Judgment and may, in consultation with the BOC, amend the Benchmark Methodology to reflect the resolution of such ambiguity, error or omission in accordance with documented procedures. In so doing, FMDQX assesses the potential impact such change may have on users and stakeholders and, if deemed appropriate and proportionate to the nature of the rate-fixing, undertakes a survey of stakeholders for feedback on the proposed amendment to the Methodology. Any such decision to survey stakeholders is taken in consultation with the BOC.</p> <p>Planning: FMDQX, as the Administrator, considers (i) the potential impact on users and stakeholders, (ii) whether a change to the Benchmark Methodology is necessary to ensure that the Benchmark continues to be an accurate and reliable representation of the economic realities of the Interest it seeks to measure, and (iii) any feedback received from stakeholders following a survey, if necessary.</p> <p>Execution: FMDQX, as the Administrator, is responsible for consulting with the BOC regarding any proposal to amend the Benchmark Methodology and may liaise with other teams within FMDQX regarding obtaining stakeholder feedback. The BOC monitors all three (3) phases of the process and approves amendments to the Methodology.</p> <p>Where relevant, pursuant to the Benchmark Methodology, FMDQX provides notification to users and stakeholders of its decision and rationale behind the amendment of the Methodology.</p>	<p>No exceptions were noted.</p>

Principle	FMDQX's Statement of Compliance	EY Procedure Performed
<p>Principle 13 Transition</p> <p>IOSCO Principle 13 states that an Administrator should have clear written policies and procedures, to address the need for possible cessation of a Benchmark, due to market structure change, product definition change, or any other condition which makes the Benchmark no longer representative of its intended interest. These policies and procedures should be proportionate to the estimated breadth and depth of contracts and financial instruments that reference a Benchmark and the economic and financial stability impact that might result from the cessation of the Benchmark.</p>	<p>FMDQX recognises the importance and significance of the FMDQX Benchmarks to the strength and stability of the financial system. Therefore, in order to ensure the integrity of the FMDQX Benchmarks and provide for the continued stability of the financial markets, the Exchange has developed a Benchmark Transition Policy to be executed in the event of the possible cessation of any FMDQX Benchmark or one (1) or more of the FMDQX Benchmarks' tenors. (Please see Principle 12)</p> <p>FMDQX shall provide reasonable notice to stakeholders should it decide to discontinue the publication of a Benchmark fixing as documented in the Transition Policy.</p>	<p>EY reviewed FMDQ's cessation process for one of its Benchmarks – NIFEX. The cessation of the Benchmark - NITTY was approved by the oversight committee (MRC) and stakeholder consultations which resulted in the extension of the notice period were performed. Reference to an alternative Benchmark was also provided to the users of the Benchmark.</p> <p>EY reviewed FMDQ's "Benchmarks Transition Policy" which addresses circumstances in which it becomes necessary to either temporarily or permanently discontinue the calculation and publication of any of the FMDQX Benchmarks and/or Benchmark tenors.</p>
<p>Principle 14 Submitter Code of Conduct</p> <p>IOSCO Principle 14 states that where a Benchmark is based on Submissions, The Administrator should develop guidelines for Submitters ("Submitter Code of Conduct"), which should be available to relevant Regulatory Authorities, if any, and Published or Made Available to Stakeholders.</p>	<p>The objectives of this Principle have been addressed in an alternative manner and proportionate to the extent of the assessed risks as the FMDQX Benchmarks can each be determined from a combination of observable transactions and submissions based on the prevailing condition in the market at any given time.</p> <p>Consequently, Contributors are given strict instructions which outline their responsibilities and are required to adhere to them. These factors adequately mitigate the risks that are intended to be addressed by a Submitter Code of Conduct under the IOSCO Principles.</p>	<p>No exceptions were noted.</p> <p>EY reviewed FMDQ's whistleblowing policy which addressed the procedures, roles & responsibility, confidentiality, protection, monitoring and time limit for investigation</p> <p>EY reviewed FMDQ's implementation of whistleblowing mechanism and tested the whistleblowing channel by sending an email to the web address provided in the Whistleblowing policy. A response was obtained within the stipulated timeline stated in the policy</p> <p>No exceptions were noted.</p>

Principle	FMDQX's Statement of Compliance	EY Procedure Performed
<p>Principle 15</p> <p>Internal Control over Data collection</p> <p>IOSCO Principle 15 states that when an Administrator collects data from any external source, it should ensure that there are appropriate internal controls over its data collection and transmission processes. These controls should address the process for selecting the source, collecting the data and protecting the integrity and confidentiality of the data. Where Administrators receive data from employees of the Front Office Function, the Administrator should seek corroborating data from other sources.</p>	<p>The data collected for each of the FMDQX Benchmarks are submitted to FMDQX through secure data collection mechanisms. Prior to being used to calculate the Benchmarks, the data is validated and stored by FMDQX.</p> <p>Internal controls have been put in place regarding the collection of data and in protecting the integrity and confidentiality of the data, while staff involved in the Benchmark production process are trained in the proper usage of the data.</p> <p>The Benchmark control framework ensures that adequate controls are in place such that all inputs are considered appropriate to represent the Interest that the Benchmark is seeking to measure.</p> <p>Source selection process: Inputs for FMDQX Benchmarks vary according to the underlying security (please refer to Principles 7 and 8)</p> <p>Collection of data: FMDQX has implemented several internal controls over the collection of inputs. Such controls, which are subject to ongoing assessment and enhancement, are documented in the control framework and include, without limitation:</p> <ul style="list-style-type: none"> - Validation processes for checking the accuracy and completeness of inputs and escalation processes in respect of any inaccuracies identified - Recalculation of a sample of Benchmark fixings across a period by an independent external auditor <p>Data integrity and Confidentiality: To protect the integrity of inputs used in the Benchmark determination process, access to the production environment is restricted.</p>	<p>EY reviewed FMDQ's controls over data collection procedures covering the selection of data sources, collection of data through the market portal, protection of the integrity of data, and protection of the confidentiality of data.</p> <p>EY reviewed supplementary information on the data collection process and performed walkthrough tests to assess the extent of implementation of data collection controls.</p> <p>EY observed the design and fixing process on weekly data, the application used by the Submitters to input and submit data. EY verified that controls are in place to monitor and scrutinise submissions and also the transmission of data between the company's stakeholders.</p> <p>EY performed walkthroughs to ensure that FMDQ's internal controls protect the integrity and confidentiality of data collected and transmitted.</p> <p>No exceptions were noted.</p>

Section IV: Accountability

Principle	FMDQX's Statement of Compliance	EY Procedure Performed
<p>Principle 16</p> <p>Complaints Procedures</p> <p>IOSCO Principle 16 requires each Administrator to establish and publish written complaints procedures policy, by which Stakeholders may submit complaints, including concerning whether a specific Benchmark determination is representative of the underlying Interest it seeks to measure, applications of the Methodology in relation to a specific Benchmark determination(s) and other Administrator decisions in relation to a Benchmark determination.</p>	<p>Complaints regarding the FMDQX Benchmarks are handled in line with the published FMDQX Benchmarks Complaint Policy with its attendant procedures which are designed to foster transparency and fairness in the treatment of the complaint. The Policy requires FMDQX as the Administrator, to follow specific procedures in relation to complaints received in respect of any of the Benchmarks.</p> <p>Stakeholders may address any concern or complaint in connection with any of the Benchmarks via the designated email complaints@fmdqgroup.com which is managed by the Divisional Head, Assurance Services.</p> <p>All documents relating to a complaint, including those submitted by the complainant as well as FMDQX's own records, are required to be retained for a minimum of seven (7) years, subject to applicable national legal or regulatory requirements (please refer to Principle 18).</p> <p>If a complaint results in change to a Benchmark determination, such change shall be notified to the relevant users or stakeholders.</p>	<p>EY reviewed the FMDQX Complaint Management Framework to ascertain that the framework details the procedures for submitting complaints, independently investigating and escalating complaints on a timely basis, and retaining the relevant documentation related to the complaints.</p> <p>EY reviewed the evidence to ensure that concerns and complaints are appropriately routed to the responsible persons and incidents/issues are promptly attended to by FMDQ.</p> <p>No exceptions were noted.</p>

Principle	FMDQX's Statement of Compliance	EY Procedure Performed
<p>Principle 17</p> <p>Audits</p> <p>IOSCO Principle 17 states that the Administrator should appoint an independent internal or external auditor with appropriate experience and capability to periodically review and report on the Administrator's adherence to (1) the Principles, and (2) its stated Methodology.</p> <p>The frequency of the audits should be proportionate to the size and complexity of the Administrator's operations and the depth of Benchmark use by Stakeholders, provided that each Administrator is audited no less than annually.</p>	<p>FMDQX's operational activities are subject to annual review by the FMDQX Internal Audit Group including the Benchmark Administration function in line with its risk-based audit cycle.</p> <p>Furthermore, FMDQX shall engage an external audit firm to conduct a periodic audit/validation of its compliance with the IOSCO Principles, the results of which will be made available on the FMDQX public website. The scope and frequency of the audits are presented to the Market Review Committee for review and approval.</p>	<p>EY obtained the internal audit reports of the Market Development Group; and Market Services Group, which are responsible for the Benchmark process. These reports were noted to contain audit observations, ratings, and recommendations.</p> <p>EY, an independent assurance provider, was engaged to carry out a review of FMDQ's activities in line with the requirements of IOSCO Principles for Financial Benchmarks.</p> <p>No exceptions were noted.</p>

Principle	FMDQX's Statement of Compliance	EY Procedure Performed
<p>Principle 18</p> <p>Audit Trail</p> <p>IOSCO Principle 18 states that Administrators should retain written records for five years, subject to applicable national legal or regulatory requirements on:</p> <ul style="list-style-type: none"> a) All market data, Submissions and any other data and information sources relied upon for Benchmark determination; b) The exercise of Expert Judgement made by the Administrator in reaching a Benchmark determination; c) Other changes in or deviations from standard procedures and Methodologies, including those made during periods of market stress or disruption; d) The identity of each person involved in producing a Benchmark determination; and e) Any queries and response related to data inputs. 	<p>FMDQX's Data Retention Policies which is made pursuant to the ISA and the SEC Rules and Regulations 2013 (please refer to clause 129 and 163), mandates the safeguarding of necessary documents and/or information for audits in accordance with legal and regulatory requirements for a minimum period of seven (7) years. Information retained by FMDQX include but are not limited to the following:</p> <ul style="list-style-type: none"> - Data collected for use in the Benchmark determination - Identities of staff responsible for the calculation of the Benchmarks - Controls related to the validity and accuracy of the input data <p>Furthermore, all Members of the OTC Exchanges (including Benchmark Submitters) are subject to the above Data Retention Policy by the execution of the relevant Membership Agreement. Consequently, Reference Banks are required to retain all data and information with respect to its role as a Reference Bank for a minimum of seven (7) years</p>	<p>EY reviewed a selection of data files to assess FMDQ's data retention in accordance with its Backup Policy and in compliance with the SEC requirements.</p> <p>EY also reviewed a selection of Market Notices in relation to areas where Expert Judgement has been applied and verified that they have been retained for at least two years on the FMDQX website.</p> <p>EY reviewed FMDQ's compliance with this principle by obtaining evidence to verify that Benchmark data is being retained for a period of (5) five years.</p> <p>No exceptions were noted.</p>

Principle	FMDQX's Statement of Compliance	EY Procedure Performed
<p>Principle 19</p> <p>Corporation with Regulatory Authorities</p> <p>IOSCO Principle 19 states that the Administrator will make available relevant documents, audit trails and other documents subject to these Principles readily available to the relevant Regulatory Authorities carrying out their regulatory or supervisory duties and handed over promptly upon request subject to applicable national legal or regulatory requirements.</p>	<p>FMDQX is committed to cooperating with relevant Regulatory Authorities to improve the framework for Benchmark regulation or to address an inquiry, subject to applicable legal or regulatory restrictions and contractual or confidentiality obligations. Any such request for information related to the Benchmarks by any applicable Regulatory Authorities would be addressed on a case by case basis.</p>	<p>EY received a written representation of FMDQ's willingness to cooperate with the regulatory agencies.</p> <p>EY obtained evidence from FMDQX to confirm that the company keeps audit trails of activities on the weekly data application, thus ensuring they are readily available in the event of any supervisory or regulatory request.</p> <p>No exceptions were noted.</p>

Conclusion

FMDQ Securities Exchange Plc (FMDQX or the Exchange) has been assessed to be compliant with IOSCO Principles for Financial Benchmarks as at 30th September 2019.

Appendix C - Glossary of Key Terms

Table 3

Administration	Includes all stages and processes involved in the production and dissemination of a Benchmark, including: <ul style="list-style-type: none"> a) Collecting, analysing and/or processing information or expressions of opinion for the purposes of the determination of a Benchmark. b) Determining a Benchmark through the application of a formula or another method of calculating the information or expressions of opinions provided for that purpose.) Dissemination to users, including any review, adjustment and modification to this process.
Arm's-length Transaction	A transaction between two parties that is concluded on terms that are not influenced by a conflict of interest (e.g., conflicts of interest that arise from a relationship such as a transaction between affiliates).
Benchmark	The Benchmarks are prices, estimates, rates, indices or values that are: <ul style="list-style-type: none"> a) Made available to users, whether free of charge or for payment. b) Calculated periodically, entirely or partially by the application of a formula or another method of calculation to, or an assessment of, the value of one or more underlying Interests. c) Used for reference for purposes that include one or more of the following: <ul style="list-style-type: none"> • determining the interest payable, or other sums due, under loan agreements or under other financial contracts or instruments. • determining the price at which a financial instrument may be bought or sold or traded or redeemed, or the value of a financial instrument. • measuring the performance of a financial instrument.
Benchmark Administrator	The legal entity responsible for all stages of the Benchmark Administration process, including: <ul style="list-style-type: none"> a) The calculation of the Benchmark. b) Determining and applying the Benchmark Methodology. c) Disseminating the Benchmark.
BLMTC	Board Listings, Market and Technology Committee
Calculation Agent	A legal entity with delegated responsibility for determining a Benchmark through the application of a formula or other method of calculating the information or expressions of opinions provided for that purpose, in accordance with the Methodology set out by the Administrator
Expert Judgment:	Refers to the exercise of discretion by an Administrator or Submitter with respect to the use of data in determining a Benchmark. Expert Judgment includes extrapolating values from prior or related transactions, adjusting values for factors that might influence the quality of data such as market events or impairment of a buyer or seller's credit quality, or weighting firm bids or offers greater than a particular concluded transaction.
FMDQX	FMDQ Securities Exchange Plc
FMDQX Methodologies or the Methodologies	A documented set of procedures applied by the Exchange to derive and calculate daily Fixings and market closing rates/prices.

Front Office Function	This term means any department, division, group, or personnel of Submitter or any of its affiliates, whether identified as such, that performs, or personnel exercising direct supervisory authority over the performance of, any pricing (excluding price verification for risk management purposes), trading, sales, marketing, advertising, solicitation, structuring, or brokerage activities on behalf of a third party or for proprietary purposes.
Interest	Refers to any physical commodity, currency or other tangible goods, intangibles (such as an equity security, bond, futures contract, swap or option, interest rates, another index, including indexes that track the performance of a rule-based trading strategy or the volatility of a financial instrument or another index), any financial instrument on an Interest, which is intended to be measured by a Benchmark. Depending on the context, it is assumed that the word “Interest” also includes the market for such Interest.
IOSCO Principles	The Board of the International Organisation of Securities Commissions (IOSCO) Final Report on the Principles for Financial Benchmarks published in July 2013
MRC	Market Review Committee
MDG	Market Development Group
MN	Market Notices to inform Benchmark users of any changes made to the Benchmarks
MSG	Market Services Group
NAFEX	Nigerian Autonomous Foreign Exchange Rate Fixing
NIBOR	Nigerian Inter-Bank Offered Rate Fixing
NiFEX	Nigerian Foreign Exchange Fixing
NITTY	Nigerian Inter-Bank Treasury Bills’ True Yields Fixing
Reference Bank	Also referred to as Submitter Bank; a legal person with a banking license selected by the administrator to provide information for the determination of a Benchmark.
Publish or Make Available	Refers to the expectation that a party such as an Administrator should provide a document or notice to Stakeholders. The means by which such notice is made should be proportionate to the breadth and depth of Benchmark use by Stakeholders, as determined by the Administrator on a “best efforts” basis. Ordinarily, posting a document or notice on the Administrator’s website will meet this expectation.
SPP	Standard Policy and Procedure
Stakeholders	Group, organisation, individuals or system that affects or can be affected by an organisation’s actions
Submitter	A legal person providing information to an Administrator or Calculation Agent required in connection with the determination of a Benchmark
Subscriber	A person or entity that purchases Benchmark determination services from an Administrator

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