

## ABS Benchmarks Administration Co. Pte Ltd SIBOR Code of Conduct

### Chapter 1 Introduction

- 1.1 SIBOR indicates the rate at which banks in Singapore could borrow Singapore dollar funds on a particular Business Day, and is determined in accordance with the Calculation Methodology.
- 1.2 SIBOR is designated by the MAS as a designated benchmark under the SFA and the Securities and Futures (Designated Benchmarks) Order 2018. ABS Co is the administrator of SIBOR.
- 1.3 Financial benchmarks are regulated by MAS under Part VIAA of the SFA, to promote fair and transparent determination of financial benchmarks and to reduce systemic risks. Under section 123O of the SFA, for the effective administration and control of designated benchmarks, each administrator of a designated benchmark must issue a code in respect of the designated benchmark to set out the standards to be maintained by every benchmark submitter in relation to that designated benchmark. Benchmark submitters are required under the SFA to comply with such code in respect of their business or activity of providing information in relation to the designated benchmark.
- 1.4 This Code is issued by ABS Co to set out the standards to be maintained by Contributor Banks, as required under the SFA.

#### Scope of application

- 1.5 Each Contributor Bank shall comply with this Code in respect of its activity of providing submissions and any other information to ABS Co in respect of SIBOR. The list of Contributor Banks shall be published by ABS Co on its website.
- 1.6 A Contributor Bank shall also ensure that it complies with the requirements in Part VIAA of the SFA, the Financial Benchmarks Regulations and any other Applicable Law that apply to it in its capacity as an authorised benchmark submitter, exempt benchmark submitter or designated benchmark submitter.

#### Objectives

- 1.7 The objectives of this Code are:
  - (a) to ensure that Contributor Banks have appropriate governance, policies and procedures to ensure that their rate submissions are prepared in accordance with the Calculation Methodology and provided to ABS Co in a timely manner;
  - (b) to ensure that Contributor Banks have compliance and governance arrangements to ensure that their rate submissions are not affected by any conflicts of interest; and

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- (c) to ensure that Contributor Banks have policies and procedures in place to prevent the manipulation of or market misconduct relating to SIBOR.

#### Updates

- 1.8 This Code is reviewed regularly by ABS Co, and if necessary updated, to ensure that this Code takes into account practices and developments in the market.

#### Oversight Committee

- 1.9 ABS Co has appointed an oversight committee for SIBOR. The oversight committee has the following responsibilities:
  - (a) to carry out periodic reviews of:
    - (i) the calculation methodology for SIBOR;
    - (ii) this Code;
    - (iii) the scope and adequacy of the arrangements in place to facilitate the administering of SIBOR; and
    - (iv) the scope and adequacy of the measures in place for the maintenance of confidentiality of all information and expressions of opinion used to determine SIBOR;
  - (b) to report the findings of such periodic reviews to ABS Co;
  - (c) to make recommendations based on such findings to ABS Co;
  - (d) to oversee the implementation of any change to the calculation methodology for SIBOR; and
  - (e) to hear appeals from Contributor Banks which are not satisfied with any disciplinary action taken by ABS Co.

#### Interpretation

- 1.10 In this Code, unless the context otherwise requires:

“**ABS Co**” means ABS Benchmarks Administration Co. Pte Ltd;

“**Applicable Law**” means the SFA, the Financial Benchmarks Regulations and any notices, guidelines, circulars, practice notes, codes or other regulatory instruments issued by MAS applicable to the activity of administering a designated benchmark or providing information in relation to a designated benchmark;

“**Business Day**” shall have the same meaning as in the Calculation Methodology Document;

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“**Calculation Agent**” means a calculation agent appointed by ABS Co to calculate SIBOR on behalf of ABS Co;

“**Calculation Methodology**” means the calculation methodology for SIBOR as set out in the Calculation Methodology Document;

“**Calculation Methodology Document**” means the document setting out the calculation methodology for SIBOR, as published by ABS Co on its website and as may be amended from time to time;

“**Code**” means this SIBOR Code of Conduct;

“**Contribution Time**” shall have the same meaning as in the Calculation Methodology Document;

“**Contributor Bank**” means a bank that has been selected and determined by ABS Co to provide submissions for SIBOR;

“**Financial Benchmarks Regulations**” means the Securities and Futures (Financial Benchmarks) Regulations 2018 of Singapore;

“**MAS**” means the Monetary Authority of Singapore;

“**Rate Reviewer**” means any staff of a Contributor Bank who reviews the Contributor Bank’s rate submission before or after it is provided to ABS Co;

“**Rate Submitter**” means any staff of a Contributor Bank who prepares the Contributor Bank’s rate submission, including staff responsible for exercising expert judgment; and

“**SFA**” means the Securities and Futures Act, Chapter 289 of Singapore.

- 1.11 Terms used in this Code which have not been defined here shall have the same meaning as in the SFA.
- 1.12 References to any written law or regulation in this Code shall be a reference to such written law or regulation as the same may be amended or re-enacted from time to time.

## Chapter 2 Rate Submission Requirements

### Calculation methodology

- 2.1 SIBOR shall be calculated by ABS Co in accordance with the Calculation Methodology Document.

### Rate submission process

- 2.2 A Contributor Bank shall prepare its rate submission in accordance with the Calculation Methodology, and provide its rate submission to ABS Co in the prescribed format within the Contribution Time on each Business Day.

### Obligations of Contributor Banks

- 2.3 **Pre-submission and Post-submission Reviews:** A Contributor Bank shall have policies and procedures for pre-submission and post-submission reviews of rate submissions to ABS Co. The scope of the reviews shall include identifying suspicious or unusual rate submissions, and checking for keyboard input, typographical or other patent errors.

(a) The Rate Reviewer for any particular Business Day shall:

- (i) be a different person from the Rate Submitter responsible for preparing the rate submission for that particular Business Day;
- (ii) not be subordinate to, or have a reporting line into, the Rate Submitter responsible for preparing the rate submission for that particular Business Day; and
- (iii) have sufficient expertise and experience to challenge rate submissions prepared based on expert judgment.

- 2.4 **Contingencies and Disasters:** A Contributor Bank shall put in place adequate and appropriate measures to ensure it will still be able to provide rate submissions to ABS Co in the event of contingencies or disasters. These measures shall be regularly tested.

- 2.5 **Notification of Errors:** A Contributor Bank shall promptly notify ABS Co of any errors relating to its rate submission. When a Contributor Bank notifies ABS Co of an error, the Contributor Bank shall provide details of the nature of the error, the relevant Business Day when the error occurred and what the Contributor Bank's rate submission for the relevant Business Day would have been had the error not occurred. An error in a rate submission would include where the rate submission was not prepared in accordance with the Calculation Methodology, keyboard input errors or typographical errors.

### Calculation Agent

- 2.6 Where ABS Co has appointed a Calculation Agent, any submissions or information to be provided to ABS Co shall instead be provided to the Calculation Agent where so notified by

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ABS Co to the Contributor Banks. ABS Co may at its discretion change the Calculation Agent at any time and any such changes shall be notified by ABS Co to the Contributor Banks.

## Chapter 3 Governance

- 3.1 A Contributor Bank shall have adequate and effective governance structures, systems and controls for oversight and supervision of the rate submission process. The board and senior management of a Contributor Bank are responsible for:
- (a) ensuring that the Contributor Bank has adequate capabilities and resources to provide rate submissions to ABS Co in accordance with the Calculation Methodology in a timely manner;
  - (b) ensuring that the Contributor Bank has effective governance and compliance arrangements in relation to the rate submission process;
  - (c) ensuring that the Contributor Bank has a risk management framework to identify, monitor and address the risks associated with the rate submission process, including but not limited to actual or potential conflicts of interest in the rate submission process; and
  - (d) ensuring the compliance of the Contributor Bank with Applicable Law and the requirements in this Code.
- 3.2 A Contributor Bank shall ensure that Rate Submitters are appropriately authorised to provide rate submissions to ABS Co on behalf of the Contributor Bank. The Contributor Bank shall also have a framework that formalises roles and responsibilities and accountability in the rate submission process.
- 3.3 **Fit and Proper:** A Contributor Bank shall ensure that Rate Submitters and Rate Reviewers are fit and proper persons in accordance with the criteria in the MAS Guidelines on Fit and Proper Criteria, and have appropriate expertise and experience to perform their role as a Rate Submitter or Rate Reviewer.
- 3.4 **Training:** Rate Submitters and Rate Reviewers shall be appropriately trained, taking into account their roles and responsibilities in the rate submission process. The Contributor Bank shall maintain records of the training provided. Rate Submitters and Rate Reviewers shall be required to acknowledge in writing that they have read and understood this Code and will comply with the requirements and standards of conduct in this Code.
- 3.5 **Conflicts of Interest:** A Contributor Bank shall have a conflicts of interest policy. The Contributor Bank shall identify actual or potential conflicts of interest in the rate submission process, and put in place controls to effectively mitigate such conflicts of interest. The Contributor Bank shall take into account the roles and responsibilities of Rate Submitters and Rate Reviewers when identifying actual or potential conflicts of interest. The Contributor Bank shall document in writing the controls that have been put in place to mitigate the conflicts of interest that have been identified in relation to the rate submission process. Consideration shall be given to segregation of duties, appropriate seating arrangements and appropriate remuneration policies for Rate Submitters, Rate Reviewers and business functions that deal in products that reference SIBOR. In particular, Rate Submitters and Rate Reviewers must not be involved in any trading or sales activity in any derivatives or other products that

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reference SIBOR, except for trading activity that is associated with the Contributor Bank's liquidity and liability management.

## Chapter 4 Standards of Conduct

- 4.1 Rate Submitters and Rate Reviewers shall conduct themselves with integrity, professionalism and adopt the highest ethical standards with respect to the rate submission process.
- 4.2 There shall not be any inappropriate information sharing or communication in relation to the rates submission process. For the avoidance of doubt, provision or exchange of general market information<sup>1</sup> is not regarded as inappropriate information sharing or communication. However, a Contributor Bank shall have adequate controls to mitigate actual or potential conflicts of interest if Rate Submitters are providing opinions on or publishing market commentary on SIBOR. It is preferable that Rate Submitters do not publish, or be otherwise involved in the preparation of, market commentary on SIBOR. Alternatively, Rate Submitters should be restricting from commenting prior to the publication of SIBOR or where not possible, there must be clear and prominent written disclosures of actual or potential conflicts of interest.
- 4.3 Information on rate submissions must not be sent to any party who is not responsible for or otherwise involved in the rate submission process. For the avoidance of doubt, information on rate submissions may be sent to Rate Reviewers or any control function within the Contributor Bank. Information on rate submissions may also be provided to MAS or any other regulator or governmental authority, ABS Co or the Calculation Agent where required by law or on request.
- 4.4 Rate Submitters and Rate Reviewers shall not collude with any party on any rate submission or the determination of SIBOR.
- 4.5 Rate Submitters and Rate Reviewers shall not do any act or thing, directly or indirectly, for the purpose of manipulating any rate submission or the determination of SIBOR.

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<sup>1</sup> General market information refers to general information on the size or volumes of markets, the direction of the market including target or threshold prices, information on size or number of active market participants, but with no specific discussion or opinion on desired rates.



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## **Chapter 5**

### **Compliance**

- 5.1 An independent function within each Contributor Bank shall be responsible for reviewing the rate submission process and ensuring compliance with the Calculation Methodology, Applicable Law, the requirements in this Code and the Contributor Bank's internal policies and procedures governing the rate submission process.
- 5.2 Such function must be independent of Rate Submitters, Rate Reviewers and any business function that deals in products that reference SIBOR.
- 5.3 Such function must have access to details of all rate submissions, communications involving Rate Submitters and any other information, documents or records relevant to the rate submission process.

## Chapter 6 Reporting of Manipulation and Other Misconduct

- 6.1 The SFA sets out the following criminal offences relating to financial benchmarks:
- (a) Section 207 (manipulation of financial benchmarks): doing any thing with the purpose of creating a false or misleading appearance as to the price, value, performance or rate of any financial benchmark, or doing any thing knowingly or recklessly that creates, or is likely to create, a false or misleading appearance as to the price, value, performance or rate of any financial benchmark; and
  - (b) Section 209 (false or misleading statements): making a statement, disseminating any information or expressing any opinion that is false or misleading in a material particular to a benchmark administrator, if (i) the person intends the statement, information or opinion to be used for the purpose of administering a financial benchmark; and (ii) the person knows, ought reasonably to know or is reckless as to whether the statement, information or opinion is false or misleading in a material particular.
- 6.2 A Contributor Bank shall promptly notify ABS Co in writing upon discovery of any of the following:
- (a) any manipulation or attempted manipulation of SIBOR;
  - (b) any suspicion of manipulation or attempted manipulation of SIBOR;
  - (c) that any information or data provided to ABS Co is false or misleading in a material nature; or
  - (d) any non-compliance with the standards of conduct under Chapter 4 of this Code.
- The Contributor Bank shall provide ABS Co with details of the incident, any follow-up action taken, including whether the Contributor Bank has notified MAS of the incident, whether any rate submissions of the Contributor Bank are impacted by the incident, and whether any disciplinary action has been taken.
- 6.3 A Contributor Bank shall have internal whistleblowing procedures that require staff to report any suspicion of conduct amounting to a criminal offence relating to financial benchmarks under the SFA or non-compliance with the standards of conduct under Chapter 4 of this Code. The internal whistleblowing procedures shall be documented and made known to all staff of the Contributor Bank.
- 6.4 A Contributor Bank shall have disciplinary procedures to investigate and deal with any staff who has committed any conduct amounting to a criminal offence relating to financial benchmarks under the SFA or non-compliance with the standards of conduct under Chapter 4 of this Code.

## Chapter 7 Recordkeeping

- 7.1 A Contributor Bank shall maintain a register of its Rate Submitters and Rate Reviewers. The register shall include the following details for each Rate Submitter and Rate Reviewer:
- (a) name;
  - (b) identity card number or passport number;
  - (c) residential address;
  - (d) date on which the individual commences his role as a Rate Submitter or Rate Reviewer; and
  - (e) date on which the individual ceases his role as a Rate Submitter or Rate Reviewer.
- The details of each Rate Submitter or Rate Reviewer shall be maintained in the register for a minimum of five years from the date the individual ceases his role as a Rate Submitter or Rate Reviewer.
- 7.2 A Contributor Bank shall ensure that all communications between Rate Submitters and Rate Reviewers in relation to the preparation and review of rate submissions are properly recorded and retained to allow for, where applicable, further review and monitoring.
- 7.3 A Contributor Bank shall maintain records of the following for a minimum of five years from the date of rate submission:
- (a) all information and data provided as part of the rate submission;
  - (b) the rationale for any expert judgment exercised in preparing rate submissions and the Rate Submitters responsible for the expert judgment; and
  - (c) communications of Rate Submitters that relate to the rate submission process.
- 7.4 A Contributor Bank shall ensure that the register and written records required to be maintained under this Chapter 7 are available for inspection by ABS Co upon request.
- 7.5 A Contributor Bank shall provide any information, documents or records requested by ABS Co to enable ABS Co to comply with Applicable Law. In particular, a Contributor Bank shall provide its internal policies and procedures governing the rate submission process to ABS Co upon request. For the avoidance of doubt, such internal policies and procedures include the Contributor Bank's conflicts of interest policy and written documentation of the controls put in place to mitigate conflicts of interest.

## **Chapter 8**

### **Adherence to the Code**

- 8.1 A Contributor Bank shall provide to ABS Co an annual certification of the Contributor Bank's adherence to Applicable Law, the requirements in this Code and the Contributor Bank's internal policies and procedures governing the rate submission process. The annual certification shall be provided in accordance with the format prescribed by ABS Co.
- 8.2 A Contributor Bank shall extend to ABS Co a copy of any periodic report it submits to the MAS under section 123ZO of the SFA read with the Financial Benchmarks Regulations and the MAS Notice on Submission of Periodic Reports for Benchmark Submitters.
- 8.3 Where there are any adverse findings in any periodic report submitted by the Contributor Bank to the MAS, the Contributor Bank shall take steps to address such adverse findings and include the steps taken in the annual certification of adherence provided to ABS Co.
- 8.4 A Contributor Bank that does not comply with or breaches any part of this Code shall be subject to disciplinary action by ABS Co. ABS Co may issue a private warning or public censure to a Contributor Bank that does not comply with or breaches any part of this Code. Any Contributor Bank which is not satisfied with the decision of ABS Co to issue a private warning or public censure may appeal against the decision within 30 days of being notified of the decision, by lodging a notice of appeal with ABS Co. The appeal shall be heard by the oversight committee of ABS Co, which may establish its own procedures for the hearing of such appeals.