

ABS Benchmarks Administration Co. Pte Ltd SOR Code of Conduct

Chapter 1

Introduction

- 1.1 The Singapore Dollar Swap Offer Rate (“**SOR**”) indicates the synthetic rate for deposits in Singapore Dollars, which represents the effective cost of borrowing Singapore Dollars synthetically by borrowing US Dollars for the same maturity and swapping out the US Dollars in return for Singapore Dollars. SOR is determined based on Qualifying Transactions in accordance with the Calculation Methodology.
- 1.2 SOR 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 SOR.
- 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 Reporting Brokers, as required under the SFA.

Scope of application

- 1.5 Each Reporting Broker shall comply with this Code in respect of its activity of providing information in respect of SOR to ABS Co, whether directly or through a third party. The list of Reporting Brokers shall be published by ABS Co on its website.
- 1.6 A Reporting Broker 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 Reporting Brokers have appropriate governance, policies and procedures to ensure the accurate and timely provision of information on Qualifying Transactions to ABS Co, whether directly or through a third party;

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- (b) to ensure that Reporting Brokers have compliance and governance arrangements to ensure that their provision of information on Qualifying Transactions is not affected by any conflicts of interest; and
- (c) to ensure that Reporting Brokers have policies and procedures in place to prevent the manipulation of or market misconduct relating to SOR.

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 SOR. The oversight committee has the following responsibilities:
- (a) to carry out periodic reviews of:
 - (i) the calculation methodology for SOR;
 - (ii) this Code;
 - (iii) the scope and adequacy of the arrangements in place to facilitate the administering of SOR; and
 - (iv) the scope and adequacy of the measures in place for the maintenance of confidentiality of all information used to determine SOR;
 - (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 SOR; and
 - (e) to hear appeals from Reporting Brokers 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;

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

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

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

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

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

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

“**Notification Platform**” means a trade notification platform, designated by ABS Co, through which Qualifying Transactions brokered or arranged by a Reporting Broker are electronically routed;

“**Qualifying Transaction**” shall have the same meaning as in the Calculation Methodology Document;

“**Reporting Broker**” means an inter-dealer broker that has been selected and determined by ABS Co to provide information on Qualifying Transactions; 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 Reporting Requirements

Calculation methodology

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

Obligations of Reporting Brokers

- 2.2 A Reporting Broker shall, for Qualifying Transactions that it brokers or arranges and electronically routes through the Notification Platform, promptly provide information on such Qualifying Transactions to the Notification Platform, so that the details of such Qualifying Transactions can be notified to the principals to the Qualifying Transaction. The trade notification platform that has been designated by ABS Co as the Notification Platform shall be notified by ABS Co to the Reporting Brokers. The Notification Platform may also be appointed by ABS Co as the Calculation Agent. ABS Co may at its discretion change the Notification Platform or the Calculation Agent at any time and any such changes shall be notified by ABS Co to the Reporting Brokers.
- 2.3 **Reporting Process:** A Reporting Broker shall provide information on Qualifying Transactions that are electronically routed by it through the Notification Platform to the Notification Platform in the prescribed format, and shall put in place adequate and appropriate processes or systems to ensure that such prescribed information is provided to the Notification Platform promptly and accurately. A Reporting Broker shall maintain a reasonable audit trail to demonstrate that the transactions meet the criteria for Qualifying Transactions as prescribed in the Calculation Methodology Document. Proper time stamping of transactions is considered an appropriate means of ensuring a reasonable audit trail.
- 2.4 **Amendments and cancellations:** A Reporting Broker shall promptly notify the Notification Platform of any amendments to, or cancellations of, a Qualifying Transaction that it electronically routed through the Notification Platform.
- 2.5 **Contingencies and Disasters:** A Reporting Broker shall put in place adequate and appropriate measures to ensure it will still be able to provide the prescribed information on Qualifying Transactions to the Notification Platform in the event of contingencies or disasters.
- 2.6 **Notification of Errors:** A Reporting Broker shall promptly notify the Notification Platform of any errors in the prescribed information on Qualifying Transactions that it provided to the Notification Platform. When a Reporting Broker notifies ABS Co of an error, the Reporting Broker shall provide details of the nature of the error and the relevant Business Day when the error occurred. An error would include keyboard input errors or typographical errors.

Chapter 3 Governance

- 3.1 A Reporting Broker shall have adequate and effective governance structures, systems and controls for oversight and supervision of the reporting process. The board and senior management of a Reporting Broker are responsible for:
- (a) ensuring that the Reporting Broker has adequate capabilities and resources to ensure that the prescribed information on Qualifying Transactions that it electronically routes through the Notification Platform is provided to the Notification Platform promptly and accurately;
 - (b) ensuring that the Reporting Broker has effective governance and compliance arrangements in relation to the reporting process;
 - (c) ensuring that the Reporting Broker has a risk management framework to identify, monitor and address the risks associated with the reporting process, including but not limited to actual or potential conflicts of interest in the reporting process; and
 - (d) ensuring the compliance of the Reporting Broker with Applicable Law and the requirements in this Code.
- 3.2 A Reporting Broker shall ensure that its staff involved in the reporting process are appropriately authorised. The Reporting Broker shall also have a framework that formalises roles and responsibilities and accountability in the reporting process.
- 3.3 **Fit and Proper:** A Reporting Broker shall ensure that its staff involved in the reporting process 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 roles.
- 3.4 **Training:** Staff of Reporting Brokers involved in the reporting process shall be appropriately trained, taking into account their roles and responsibilities in the reporting process. The Reporting Broker shall maintain records of the training provided. Staff of Reporting Brokers involved in the reporting process 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 Reporting Broker shall have a conflicts of interest policy. The Reporting Broker shall identify actual or potential conflicts of interest in the reporting process, and put in place controls to effectively mitigate such conflicts of interest. The Reporting Broker shall take into account the roles and responsibilities of its staff involved in the reporting process when identifying actual or potential conflicts of interest. The Reporting Broker 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 reporting process.

Chapter 4

Standards of Conduct

- 4.1 Staff of Reporting Brokers involved in the reporting process shall conduct themselves with integrity, professionalism and adopt the highest ethical standards with respect to the reporting process.
- 4.2 There shall not be any inappropriate information sharing or communication in relation to the reporting process.
- 4.3 Information on Qualifying Transactions must not be sent to any party who is not responsible for or otherwise involved in the Qualifying Transactions or the reporting process. For the avoidance of doubt, information on Qualifying Transactions may be sent to any control function within the Reporting Broker. Information on Qualifying Transactions may also be provided to MAS or any other regulator or governmental authority, ABS Co, the Notification Platform or the Calculation Agent where required by law or on request.
- 4.4 Staff of Reporting Brokers, including staff who are involved in the reporting process or staff who are involved in brokering or arranging Qualifying Transactions, shall not collude with any party on any Qualifying Transaction or the determination of SOR.
- 4.5 Staff of Reporting Brokers, including staff who are involved in the reporting process or staff who are involved in brokering or arranging Qualifying Transactions, shall not do any act or thing, directly or indirectly, for the purpose of manipulating the determination of SOR.

Chapter 5

Compliance

- 5.1 An independent function within each Reporting Broker shall be responsible for reviewing the reporting process and ensuring compliance with Applicable Law, the requirements in this Code and the Reporting Broker's internal policies and procedures governing the reporting process.
- 5.2 Such function must be independent of any business function that is involved in brokering, arranging or otherwise dealing in Qualifying Transactions or that deals in products that reference SOR.
- 5.3 Such function must have access to details of all information provided to the Notification Platform, data on all Qualifying Transactions, communications of staff involved in the reporting process and the brokering or arranging of Qualifying Transactions and any other information, documents or records relevant to the reporting 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 Reporting Broker shall promptly notify ABS Co in writing upon discovery of any of the following:
- (a) any manipulation or attempted manipulation of SOR;
 - (b) any suspicion of manipulation or attempted manipulation of SOR;
 - (c) that any information or data provided to ABS Co or the Notification Platform 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 Reporting Broker shall provide ABS Co with details of the incident, any follow-up action taken, including whether the Reporting Broker has notified MAS of the incident, and whether any information provided to ABS Co or the Notification Platform is impacted by the incident, and whether any disciplinary action has been taken.
- 6.3 A Reporting Broker 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 Reporting Broker.
- 6.4 A Reporting Broker 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 Reporting Broker shall maintain a register of its staff involved in the reporting process. The register shall include the following details for each such staff:
- (a) name;
 - (b) identity card number or passport number;
 - (c) residential address;
 - (d) date on which the individual commences his role relating to the reporting process; and
 - (e) date on which the individual ceases his role relating to the reporting process.
- The details of each such staff shall be maintained in the register for a minimum of five years from the date the individual ceases his role relating to the reporting process.
- 7.2 A Reporting Broker shall ensure that all communications of staff involved in the reporting process are properly recorded and retained to allow for, where applicable, further review and monitoring.
- 7.3 A Reporting Broker shall maintain records of the following for a minimum of five years from the date of the provision of information to the Notification Platform:
- (a) details of all Qualifying Transactions, including a reasonable audit trail to demonstrate that the transactions meet the criteria for Qualifying Transactions as prescribed in the Calculation Methodology Document, and all other information and data provided to the Notification Platform;
 - (b) communications of staff that relate to the reporting process; and
 - (c) communications of staff that relate to the Qualifying Transactions.
- 7.4 Subject to applicable laws and to the extent legally permitted, a Reporting Broker 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 Reporting Broker shall provide any information, documents or records requested by ABS Co to enable ABS Co to comply with Applicable Law. In particular, a Reporting Broker shall provide its internal policies and procedures governing the reporting process to ABS Co upon request. For the avoidance of doubt, such internal policies and procedures include the Reporting Broker'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 Reporting Broker shall provide to ABS Co an annual certification of the Reporting Broker's adherence to Applicable Law, the requirements in this Code and the Reporting Broker's internal policies and procedures governing the reporting process. The annual certification shall be provided in accordance with the format prescribed by ABS Co.
- 8.2 A Reporting Broker 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[,subject to any confidentiality obligations of the Reporting Broker].
- 8.3 Where there are any adverse findings in any periodic report submitted by the Reporting Broker to the MAS, the Reporting Broker 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 Reporting Broker 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 Reporting Broker that does not comply with or breaches any part of this Code. Any Reporting Broker 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.