

# Statement of Compliance with the International Organisation of Securities Commissions (“IOSCO”) Principles

Statement of compliance with the International Organization of Securities Commissions (“IOSCO”) Principles for Financial Benchmarks (“Benchmarks”) on behalf of Bank of America (“BofA”) Global Equities Group, Global Fixed Income, Currencies and Commodity Strategies and the Global Research Group.

13 October 2020

This Statement of Compliance with the IOSCO Principles for Financial Benchmarks (“IOSCO Principles”) is on behalf of the following divisions of BofA:

- Global Equities Group,
- Global Fixed Income, Currencies and Commodity Strategies Group, and
- Global Research Group,

(together, for the purpose of this Statement of Compliance, the “Administrators”).

The Administrators are responsible for compiling and publishing certain Benchmarks, which consist of: (i) both private bespoke or custom indices, which are created for specific clients and are generally not made available publicly; (ii) indices made available more broadly to clients; and (iii) indices which are generally made available to the public. For the purposes of this Statement of Compliance, all indices which the Administrators administer are covered by this Statement of Compliance.

The Administrators are committed to operating their businesses in alignment with the IOSCO Principles and other relevant standards and consider that they comply with the IOSCO Principles in all material respects, taking into account the exercise of proportionality. Control policies and procedures seek to ensure appropriate governance procedures are applied to the creation and maintenance of the Benchmarks. In addition, each Administrator and its employees are subject to BofA’s policies and procedures designed to identify and address conflicts of interest as well as applicable Bank of America Corporation policies. Collectively, these policies and procedures seek to maintain the integrity of the process by which the Benchmarks of these Administrators are created and governed, both at launch and throughout the Benchmark lifecycle. In the circumstances in which third parties are involved in the Benchmark process, further policies and procedures apply which govern the activities of such third parties to ensure the integrity of the Benchmarks.

The Administrators exercise proportionality in relation to compliance with certain of the IOSCO Principles, where considered appropriate and proportionate to do so, both on a regular basis and on an ad hoc basis. The Administrators will review, periodically as appropriate, such exercise of proportionality. Where proportionality is exercised, this is predominantly in relation to custom or bespoke indices which are not available to the market generally but to private BofA clients and in relation to which such clients are more actively engaged.

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Each of the Administrators has an index oversight committee or function, comprised of a cross-disciplinary group of senior BofA employees, to provide as relevant and proportionate, oversight of index administration, ensure accountability of those involved in the index administration process, approve changes to or termination of indices and give guidance on best governance practices, as well as to review any complaints data and the results of internal audits, which are carried out in accordance with BofA audit policies, and suggest and oversee the implementation of any changes to the benchmark process. The Administrators have established robust processes for the development, calculation, publication, maintenance, and licensing of indices, including data sources, hierarchical use of pricing data, calculation methodology, index determinations, validation, and the use of expert judgment (where relevant).

Currently, the Administrators may use third parties in the following ways:

- as primary calculation agents for some Benchmarks; and
- for independent third-party verification of index levels or market data.

Index levels are generally determined by the Administrators (or by independent third-party primary calculation agents):

- using data from third-party data sources, using publically available data from regulated markets or exchanges with mandatory post-trade transparency requirements; or
- using from third-party data vendors who provide market data generally, not solely for the purpose of the determination by the Administrators of their indices; or
- using existing, publically available pre-existing indices.

Where third-party primary calculation agents are used to determine Benchmark levels, the Administrators maintain written arrangements with such third parties which set out relevant roles and obligations and provide for oversight by the Administrators of the third-party calculations. When seeking to appoint a third-party primary calculation agent, the Administrators consider the appropriate management of operational risk and maintain contingency plans in the event that such third parties become unavailable.

Benchmarks are not based on Submissions from third-party external Submitters and therefore the Administrators are not required to implement a Submitter Code of Conduct. However, the Administrators perform due diligence on third-party data providers prior to their engagement, in accordance with BofA vendor management policies and procedures and undertake internal verification of the data supplied, as necessary. Expert judgment will only be used in exceptional circumstances, for example where underlying data appears manifestly incorrect or in cases of extreme market disruption. The Administrators therefore believe that the arrangements put in place align with the IOSCO Principles’ objectives, taking into consideration the proportional application to these Benchmarks.

Capitalized terms used but not defined herein should be interpreted using definitions set out in the IOSCO Principles for Financial Benchmarks unless the context requires otherwise.

Further details of BofA's control, accountability and transparency framework as well as the relevant Benchmark methodologies are available upon request from: [GBAMbenchmarks@bofa.com](mailto:GBAMbenchmarks@bofa.com)

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