



# Nasdaq BMR Administrator Internal Procedures

## Changes to a Benchmark Methodology

Version 1.4  
March 20, 2023



## Change Log

Date	Ver.	Section	Change
March 20, 2023	1.4	11,12	Added Procedure Ownership, Approval and Review Frequency
June 22, 2022	1.3	Document generally	Annual Review Replaced BMR Ops Manager with BMR Operations
March 16, 2022	1.2	2 and 4	New Section 2 inserted re determination of materiality. Final sentence of Section 4 moved to Section 2
		5	Updated per EMSA Guidelines ESMA81-393-288.
March 30,2021	1.1	Document generally	Annual Review, Editorial Changes
January 1, 2020	1.0	Initial Version	

## Introduction

The purpose of this procedure is to document the process for proposing and implementing a (material) change to a benchmark methodology. This process is applicable to all Nasdaq Copenhagen BMR benchmarks.

### 1. Determining a methodology change

There can be several reasons why a methodology change is needed, including is not limited to:

1. During the annual review by the BMR Oversight Committee, it is determined that the methodology needs to be updated because the benchmark needs to be re-categorized.
2. There can be a change in the marketplace that requires additional criteria to be added, removed or modified in the methodology. Proposed benchmark methodology changes are reviewed and approved by the BMR Oversight Committee.

### 2. Determination of materiality

Prior to making a change, an assessment must first be made as to whether such change is “material”, having regard to the criteria specified in the methodology. The Benchmark Operations Manager is responsible for making this determination, subject to sign-off by the Head of European Benchmark Business. In cases of doubt, it is the BMR Oversight Committee that decides if a change is material.

### 3. Drafting a methodology change document

Using the existing methodology documentation, the change requester drafts a new methodology proposal and uses the “track changes” functionality to document the changes.

The new document shall include:

- The reason for the proposed change(s) and the arguments related hereto
- Any ramifications of the proposed change(s)

Where a consultation will be requested, which is the case if the change is considered “material”, the change requester supports BMR Operations with drafting the consultation document to be made public.

The methodology change request and all documentation provided therein will be saved for record keeping purposes by BMR Operations.

### 4. The draft is reviewed

The BMR Oversight Committee will review the methodology change request and will either:

- Request further information and/or revisions prior to approval. There may be multiple revisions required
- Approve the draft

### 5. When the change is material

When the change is material, a consultation is required. The proposed methodology change will have to be posted on the Nasdaq BMR Administrator’s home page and notified via Nasdaq IT Notices for public comments.

## 6. Consultation documentation

The information to be provided in compliance with the requirement laid down in Article 13(1)(c) and (2) of the regulation (EU) 2016/1011 shall include at least the following:

- a) A description of the key elements of the methodology that would, in its view, be affected by the proposed material change;
- b) the standard time frame for the consultation;
- c) the circumstances in which a consultation may take place within a shorter time frame and a description of the procedures to be followed when undertaking a consultation within a shorter time frame.

With respect to paragraph (c) above, the BMR Administrator should ensure, to the extent possible, that the shorter time frame in which a consultation on proposed material changes in the methodology may take place is nonetheless adequate to enable users and potential users of the benchmark to assess the proposed material changes. For the purposes of determining the adequacy of the shorter time frame, the BMR Administrator should have regard to the complexity and nature of the proposed changes, the impact which they would have on the benchmark and the urgency of their implementation. The procedures for a consultation within a shorter time frame should be set out in a sufficiently clear manner to enable users and potential users of the benchmark to understand what are the steps of the consultation process.

## 7. The consultation

BMR Operations uploads the consultation documentation at the BMR Administrator's website and a reply field (email) is added. An IT notice referring to the website is sent out.

The consultation runs for approximately 14 calendar days depending on the magnitude of the proposed change. The BMR Operations will make a summary of the comments from the consultation process and the Administrator's replies which will be made public on the Administrator's website and via an IT Notice and subsequently shared with the BMR Oversight Committee.

If feedbacks propose changes and the changes are approved by the Oversight Committee, the draft of the proposed methodology changes are revised.

## 8. Review of final version of proposed methodology

The BMR Oversight Committee will review the final version of the proposed methodology changes. This review may include a review of any model testing/validation of the changed Methodology.

## 9. Execution of the approved methodology changes (if applicable)

BMR Operations will work together with the Benchmark Owner to ensure that the changes to the Methodology are pursued and users are notified.

## 10. All applicable documentation is updated and published

All applicable documentation, including the Benchmark Statement and Key Elements of the Methodology are adjusted according to the approved methodology changes and uploaded to the BMR Administrator's website. In addition, the BMR Control Workbook is updated.

## 11. Procedure Owner

This Procedure shall be maintained by the Head of Benchmark Business.

## 12. Approval and Review

This Procedure shall be approved by the BMR Oversight Committee and reviewed at least annually and else when needed.