

IOSCO principles for financial benchmarks – compliance statement

The IOSCO Principles for Financial Benchmarks (the “Principles”) are recommended practices for benchmark administrators. Global Property Research B.V. (“GPR”) complies with these practices; to the extent these are proportional in relation to GPR’s benchmarks and benchmark-related activities. This statement is a self-assessment by GPR on its compliance with the recommended benchmark administrator practices. This statement only concerns the benchmarks for which GPR (i) determines and applies the benchmark methodology (ii) makes the calculations and (iii) provides the dissemination to its users (these benchmarks hereinafter: the “GPR Benchmarks”).

Principle 1 – Overall Responsibility of the Administrator:

GPR is responsible for all the aspects of the GPR Benchmarks determination process.

Principle 2 – Oversight of Third Parties:

GPR uses data vendors for retrieving the input coming from a Regulated Market or Exchange. GPR does outsource the real-time calculation of one (1) GPR Benchmark to a third party. GPR therefore has written arrangements in place defining the roles and obligations of the third parties.

Principle 3 – Conflicts of Interest for Administrators:

GPR has established and implemented a conflicts of interest policy, which is publicly available on the GPR website¹.

Principle 4 – Control Framework for Administrators:

An internal control framework has been established for GPR. Additionally, to ensure the quality of the GPR Benchmarks, GPR maintains a publicly available Methodologies (‘GPR Index Construction and Maintenance Procedures’).

Principle 5 – Internal Oversight:

GPR has established an Index Committee for its GPR 250 Index, GPR 250 REIT Index, GPR General Index and GPR General Quoted Index. The Index Committee consists of several clients of GPR and acts as an advisory committee aimed to guarantee the representativity of the GPR 250 Index, GPR 250 REIT Index, GPR General Index and GPR General Quoted Index.

¹ <https://assets-eu-01.kc-usercontent.com/a79459c7-7dd8-010a-d5b9-3387db788f4b/35159b72-4047-4a27-9026-84d589e79837/GPR%20-%20Conflicts%20of%20Interest%20Policy%20-%202006-2021.pdf>

Additionally, GPR has an Oversight Committee in place. The GPR Oversight Committee is an independent committee, established pursuant to the requirements of the Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds ('BMR') to ensure oversight of all aspects of the provision of GPR's Benchmarks.

Principle 6 – Benchmark Design:

The design of the GPR Benchmarks is laid down in GPR's methodology document, the GPR Index Construction and Maintenance Procedures. The GPR Index Construction and Maintenance Procedures describe how the GPR Benchmarks aim at a reliable representation of the interest that they aim to measure and how factors that might result in a distortion of the price, rate, index or value of these GPR Benchmarks are eliminated.

Principle 7 – Data Sufficiency:

Only stock exchange quoted companies are eligible for inclusion in the GPR Benchmarks.

Principle 8 – Hierarchy of Data Inputs:

The hierarchy of data inputs for the GPR Benchmarks is described in the GPR Index Construction and Maintenance Procedures.

Principle 9 – Transparency of Benchmark Determinations:

No explanation in each GPR Benchmark determination is required for the GPR Benchmarks, as the GPR Benchmarks are based exclusively on executable quotes (also see Principle 7) and the determination of the GPR Benchmarks is disclosed in the GPR Index Construction and Maintenance Procedures.

Principle 10 – Periodic Review:

The periodic review of the GPR Benchmarks is described in the GPR Index Construction and Maintenance Procedures.

Principle 11 – Content of the Methodology:

The content of the methodology of the GPR Benchmarks is laid down in the GPR Index Construction and Maintenance Procedures (also see Principle 6).

Principle 12 – Changes to the Methodology:

The procedures for making changes to the methodology of the GPR Benchmarks are laid down in the GPR Index Construction and Maintenance Procedures. GPR explains all its changes, if any, to the methodology of the GPR Benchmarks.

Principle 13 – Transition:

GPR follows a procedure, described in the GPR Index Construction and Maintenance Procedures, when considering and communicating the decision to terminate the calculation and dissemination of a GPR Benchmark. GPR shall always consult its client(s) using the relevant GPR Benchmark before making any decision to terminate the calculation and dissemination of a GPR Benchmark.

Principle 14 – Submitter Code of Conduct:

This Principle does not apply to GPR, as none of the GPR Benchmarks are based on submissions.

Principle 15 – Internal Controls over Data Collection:

GPR applies controls over its data collection for the input of the GPR Benchmarks.

Principle 16 – Complaints procedure:

GPR has a complaints procedure that is publicly available on GPR's website².

Principle 17 – Audits:

GPR maintains an Oversight Committee to ensure oversight of all aspects of the provision of the GPR Benchmarks. The GPR Oversight Committee oversees the results of internal audits conducted by the Compliance department of GPR's parent company Solactive AG and is following up on the implementation of remedial actions. Due to the identified level of existing or potential conflicts of interest and the control framework, an external auditor was not appointed. An additional separate audit function to review and report compliance with the methodology of the respective benchmark is not appropriate (also in the view of the size of GPR and its parent company Solactive AG).

Principle 18 – Audit trail:

GPR retains its written records for at least five (5) years.

Principle 19 – Cooperation with Regulatory Authorities:

As a registered benchmark administrator under the BMR GPR cooperates on a regular basis with relevant competent authorities.

Further information can be obtained by contacting:

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² <https://globalpropertyresearch.com/complaints-procedure>