

Treasury Markets Association (TMA)
Financial Benchmark Administration
Surveillance and Governance Committee (SGC)

Terms of Reference

- The SGC is established as a separate committee of the TMA. The SGC has oversight functions on, including reviewing and providing challenges to, all aspects of the TMA's administration of various financial benchmarks. Specifically:

A. Oversight of TMA's governance frameworks regarding benchmark administration

1. Conduct periodic review on, as well as propose and oversee the implementation of appropriate enhancements to, the governance frameworks of TMA's benchmark administration functions, including but not limited to areas such as conflicts of interest, control frameworks, contingency arrangements, and activities outsourced to third parties.

B. Oversight of the determination and surveillance frameworks of TMA-administrated benchmarks

2. For TMA-administrated benchmarks, conduct periodic review on, as well as propose and oversee the implementation of appropriate enhancements to their:
 - (i.) determination frameworks, including but not limited to areas such as definition, methodology, operation, management, issuance of Submitter's Code of Conduct, and termination arrangements; and
 - (ii.) surveillance mechanisms, including but not limited to scrutinising the quality of inputs and process for benchmark determination and whether such inputs and process follow relevant requirements (e.g. Submitter's Code of Conduct where applicable), with a view to ensuring the published methodologies are followed.

C. Audits

3. Be informed about issues and risks to individual benchmarks, including commissioning external and/or internal audits on TMA's benchmark administration functions and individual benchmarks as appropriate, and considering the results and overseeing the implementation of enhancements arising from such audits as appropriate.

D. Addressing improper activity

4. Assess suspected cases of improper activity, such as but not limited to breaches to relevant code or standards (e.g. Submitter's Code of Conduct where applicable), misconduct, anomalies and other suspicious activities regarding individual submissions and TMA's benchmark administration functions, by considering reports from TMA's surveillance function, whistle-blowers and complaints.
5. Escalate cases of improper activities to the Hong Kong Monetary Authority (HKMA) and/or other public authorities where considered appropriate.

E. Consultation

6. Request the TMA to consult stakeholders on changes to the determination methodology of individual benchmarks where considered appropriate.
7. Consider appropriate responses for feedback collected through such consultations.

F. Observance of international best practices

8. In conducting the work above, the SGC should have regard to applicable rules, regulations and/or standards, particularly recommendations made by international standard setting bodies.

Frequency of meetings

- About every four months and at least three times per year