

# ICIS – a division of Reed Business Information Limited.

Policies, processes and control activities relating to selected price assessments and their adherence with the International Organization of Securities Commissions (IOSCO) Principles for oil price reporting agencies (PRAs)

30 September 2019

## DISCLAIMER

This report has been prepared to reflect how Reed Business Information Limited has applied the IOSCO Principles for oil price reporting agencies across its selected in scope price assessments and specifically to address Principle 2.21. PwC has been selected to fulfil the requirements of Principle 2.21 which requires ‘an external auditor....to review and report on the PRA’s adherence to its stated methodology criteria and with the requirements of the Principles’.

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# Price Assessment Framework Overview

Policies, processes and control activities relating to selected price assessments and their adherence with the International Organization of Securities Commissions (IOSCO) Principles for oil price reporting agencies (PRAs)

## Section I

# Price Assessment Framework Overview

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## Introduction

On the 5 October 2012, the International Organization of Securities Commissions (IOSCO) published a set of Principles for oil price reporting agencies (PRAs). These were consequently endorsed by the G20 in November 2012. They cover governance, control, integrity, and conflict management in relation to commodity price assessments published by PRAs. In September 2013, ICIS appointed PricewaterhouseCoopers LLP (PwC) to provide independent assurance over its statements of adherence to these Principles with respect to the ICIS European CrudeBrent oil assessment.

This year, ICIS has voluntarily brought in to scope an additional petrochemical commodity. PwC has been engaged to provide independent assurance over ICIS' statements of adherence to the IOSCO Principles for PRAs (the 'PRA Principles'), contained in this report, with respect to the European Crude Brent Oil price assessment and each of the additional assessments that have been brought into scope since the September 2013 review.

Principle 2.20 is not in scope of this report as the principle is a statement of intention.

## Overview

ICIS has operated as an independent price reporting media organisation for over three decades and is fully committed to maintaining the highest standards when producing its market reports.

ICIS is the energy and petrochemical-market news, media and reporting business of Reed Business Information Limited (RBI) which is part of RELX Group. RBI is a world leading publisher of professional information for the business to business sectors. RELX is also a major publisher in the science, medical, legal and risk management markets.

ICIS is a global leader in the reporting of market information, prices, news and commentary for the petrochemical markets. ICIS is a leading European reporter of natural gas, liquefied natural gas, and power prices, and a key global news and price reporting service in oil markets. ICIS employs over 600 staff worldwide. 180 of ICIS' staff are engaged in reporting market prices and news.

ICIS creates, owns and licenses media content as a news media organisation. To this end, we, in common with other independent price reporting organisations, are dependent for our existence on our reputation for providing truthful, honest, unbiased reporting as well as upholding the highest journalistic principles of verification, corroboration and authentication.

As a price reporting business, ICIS operates news bureaux around the world, which focus on commodity market news and commentary. On a daily basis, our reporters actively seek to ensure the prices they publish are not open to abuse and to ensure that the information we collect is checked for inconsistencies and inaccuracies. Our reporters seek to not only validate data, but also to understand the reasons why markets move as they do and confirm that prices make sense, in the context of the market movements.

## PRA Principles

ICIS spent almost two years working with IOSCO to develop a set of best practice principles that could be applied to PRAs via obligations on those market participants who trade associated derivatives. While these principles were drafted primarily for the oil markets, they were designed in such a way that they could be applied to the whole commodities market.

These high level principles require PRAs to have in place policies, processes and control activities, and to deliver price reports that meet the set principles.

ICIS has refined its pre-existing policies, processes and control activities in order to ensure that they are auditable to the IOSCO standard. In most cases this consisted of an enhancement to existing processes to ensure that there is a documented proof to demonstrate that ICIS is meeting the PRA Principles.

While the PRA Principles were applicable to the oil markets alone, ICIS has applied the changes it has made to its policies, processes and control activities across its entire business.

### **The ICIS Compliance Framework**

ICIS has a compliance framework that along with its methodologies and business processes cover the requirements of the PRA Principles.

The central element of all price assessments remains the relevant methodology. ICIS methodologies undergo a regular review process with public consultations. ICIS has introduced standards for the methodologies and the methodology change process.

Alongside our methodologies we have published most elements of our Compliance Manual. We note that some elements have not been published as they describe control processes that are more effective if they remain non-public. The compliance processes are designed to work as part of the existing workflow rather than a layer on top of the current work practices.



### **Methodology**

All methodologies are formally documented, and consequently approved and published by the Head of Market Reporting, Head of Gas or Head of Power. All methodologies are available on our website at [www.icis.com](http://www.icis.com).

ICIS' methodologies contain and describe all relevant criteria and procedures that are used to develop an assessment, including how they use:

- The specified volume;
- Concluded and reported transactions;
- Bids, offers; and
- Any other market information (collectively 'market data') in its assessment and/or assessment time periods.

ICIS' methodologies seek to meet all the criteria described in the IOSCO Principles for oil PRAs.

### **Methodology Review Process**

ICIS has in place a consultation/review process for all its methodologies. This review process is described in the ICIS Methodology Consultation Process document.

This document describes internal reviews, which happen on an ongoing basis, and the external review process for all proposed material non-urgent changes.

The General Methodology Consultation process is a formal external review that happens on a regular basis. Each methodology document contains an expiry date, before which time ICIS commits to holding the next review.

Approval is given to a new methodology at the point of publication by the Head of Market Reporting, Head of Gas or Head of Power, on behalf of ICIS.

## **Changes to a Methodology**

When ICIS consults on its methodologies, it provides a description of the consultation process including timescales for the consultation. This description is consistent with the more detailed ICIS Methodology Consultation Process contained in the ICIS Compliance Manual.

Following the close of a consultation, ICIS publishes a decision document detailing the results of the consultation and any proposed change.

The ICIS Methodology Consultation Process makes clear the main purpose of a general review is so that ICIS can ask broad general questions to ascertain how well the methodology is performing in fulfilling its overall purpose, i.e. to provide a reliable measure of physical market value. The process also allows for consultation regarding specific changes.

The ICIS Methodology Consultation Process seeks stakeholder comments. Where these comments are not confidential, the process requires that ICIS publish the comments and a summary of responses on the ICIS website.

The ICIS Methodology Consultation Process dictates the regularity of the review of its methodologies by two key aspects:

- The expiry date of the methodology, as set at the time of publication; and
- The need to make material, ad-hoc changes to methodologies, as recognised as part of the ongoing, review of methodologies based on customer feedback and/or reporter knowledge of market development.

In its Methodology Consultation Process, ICIS defines the expiry dates as:

*'the date by which ICIS will provide a new general consultation. This will ensure the methodology will be reviewed regularly and give the market greater certainty about when consultations are likely to occur.'*

This date is variable as this allows consideration of the nature of the price being assessed, the volume of users, market volatility and other such factors relevant to the effective assessment of the particular price.

## **Compliance Manual**

The ICIS Compliance Manual contains sections covering Feedback and Complaints, the Complimentary Copy Process, the Confidentiality Policy, the Conflicts of Interest Policy, the Consulting Editorial Co-op Principles, the Corrections Policy, the ICIS Data Standards Policy, the Editorial Standards ('Assessment Standards' in ICIS China), the Escalation Policy, the Gifts and Entertainment Policy, the Methodology Consultation Process, the Record Retention Policy and the Regulator Visit Checklist.

These policies, along with the methodologies, set out at a high level how ICIS conducts its market reporting business. These policies are continually monitored and updated accordingly.

## **IOSCO Compliance Training**

ICIS has a training programme for all staff, including editorial staff, in its compliance processes. Training is mandatory for all staff.

The ICIS compliance training seeks to address both the technical requirements of its policies and the cultural and behavioural aspects of compliance. This training encourages staff to identify, discuss and report compliance issues/risks/breaches.

## **Attestation of Compliance**

Staff are encouraged to reveal any exceptions that they believe may exist where they may not be compliant or declare any conflicts of interest they may have to their manager, HR and the Compliance Team. Where such exceptions are reported, the Compliance Team will check that these are already logged and if not, update the log accordingly. Further,

they will ensure that action has been taken where any conflict of interest has been reported and is already mitigated or will address the issue with the individual.

### **Reporter and Manager Checks**

To ensure and demonstrate compliance with the PRA Principles, ICIS has created checklists that include relevant procedures. These are completed on a daily or weekly basis (dependent on the frequency with which the price assessments are performed) by reporters and are reviewed as part of the sign-off process.

In addition, managers have a structured spot check process that is designed to ensure reporters maintain a consistent approach to their work and are fulfilling all requirements. Where an issue is identified, mitigating action is required by the manager and results of all checks are provided to Managing Editors.

### **Price Assessments**

ICIS has voluntarily expanded the assurance scope to commodity price assessments other than oil. Therefore, price assessments have been classified into the following two categories:

- Category 1:
  - o Price assessments which were previously assured as of 30 September 2018 (i.e. this is year 2 of the assurance activity);
  - o Price assessments which were previously assured for the period 1 October 2017 to 30 September 2018 (i.e. this is year 3 or greater of the assurance activity); or
  - o Price assessments which were previously assured but related to different contracts.
  
- Category 2:
  - o Price assessments newly added in the assurance scope of this year (i.e. this is year 1 of the assurance activity).

This categorisation is also important to determine the level of assurance activity required for each category. According to IOSCO guidance FR05/2014 published in September 2014, all price assessments in year 2 or greater of assurance are to be considered for a reasonable assurance review, whereas, for some year 1 price assessments the expectation is to carry out a limited assurance review.

The table below indicates those price assessments that are being considered for a limited assurance and reasonable assurance review. In addition, the Methodologies in scope are the ICIS Global English language methodologies apart from the Benzene Methodology which the scope covers the English language part of the bi-lingual ICIS China methodology.

Family Type	Product	Price Assessment	Year	Intended level of Assurance	Period Covered
PetChems	Benzene	Ex-tank East China prompt (0-10 days) (daily price)	1	Limited assurance	As at 30 September 2019
Energy	Italian Gas	PSV Month +1 assessment	1	Reasonable assurance	For the year from 1 October 2018 to 30 September 2019
	German Gas	NCG Month +1 assessment	1	Reasonable assurance	For the year from 1 October 2018 to 30 September 2019
	German Gas	Gaspool Month +1 assessment	1	Reasonable assurance	For the year from 1 October 2018 to 30 September 2019
	British Gas	NBP Month +1 assessment (USD)	2	Reasonable assurance	For the year from 1 October 2018 to 30 September 2019
	Dutch Gas	TTF Month +1 assessment (USD)	2	Reasonable assurance	For the year from 1 October 2018 to 30 September 2019
PetChems	Styrene	Ex-tank East China (daily price)	2	Reasonable assurance	For the year from 1 October 2018 to 30 September 2019
	Methanol	FOB Rotterdam T2	2	Reasonable assurance	For the year from 1 October 2018 to 30 September 2019
Fertz	Urea	CFR Brazil (granular)	2	Reasonable assurance	For the year from 1 October 2018 to 30 September 2019
	MAP	CFR Brazil	2	Reasonable assurance	For the year from 1 October 2018 to 30 September 2019
Energy	UK Power	UK Power Front Season	3	Reasonable assurance	For the year from 1 October 2018 to 30 September 2019
	French Gas	Peg Day-ahead assessment	4	Reasonable assurance	For the year from 1 October 2018 to 30 September 2019

Family Type	Product	Price Assessment	Year	Intended level of Assurance	Period Covered
	Belgian Gas	Zeebrugge Day-ahead assessment	4	Reasonable assurance	For the year from 1 October 2018 to 30 September 2019
	Spanish Gas	PVB Month +1 assessment	4	Reasonable assurance	For the year from 1 October 2018 to 30 September 2019
PetChems	MEG	East China ex-tank (daily price)	4	Reasonable assurance	For the year from 1 October 2018 to 30 September 2019
	Methanol	Ex-tank East China Jiangsu	4	Reasonable assurance	For the year from 1 October 2018 to 30 September 2019
Fertz	DAP	FOB Nola barge pst	4	Reasonable assurance	For the year from 1 October 2018 to 30 September 2019
Energy	Italian Gas	PSV Day-ahead assessment	5	Reasonable assurance	For the year from 1 October 2018 to 30 September 2019
	Italian Gas	PSV Weekend assessment	5	Reasonable assurance	For the year from 1 October 2018 to 30 September 2019
	German Gas	NCG Day-ahead assessment	5	Reasonable assurance	For the year from 1 October 2018 to 30 September 2019
	German Gas	NCG Weekend assessment	5	Reasonable assurance	For the year from 1 October 2018 to 30 September 2019
	Austrian Gas	VTP Day-ahead assessment	5	Reasonable assurance	For the year from 1 October 2018 to 30 September 2019
	Austrian Gas	VTP Weekend assessment	5	Reasonable assurance	For the year from 1 October 2018 to 30 September 2019
	German Gas	Gaspool Day-ahead assessment	5	Reasonable assurance	For the year from 1 October 2018 to 30 September 2019
	German Gas	Gaspool Weekend assessment	5	Reasonable assurance	For the year from 1 October 2018 to 30 September 2019
	East Asia LNG	EAX Month +1	5	Reasonable assurance	For the year from 1 October 2018 to 30 September 2019

Family Type	Product	Price Assessment	Year	Intended level of Assurance	Period Covered
	Iberian LNG	IBX Index Month +1	5	Reasonable assurance	For the year from 1 October 2018 to 30 September 2019
	NW Europe LNG	NEX Month +1	5	Reasonable assurance	For the year from 1 October 2018 to 30 September 2019
	Middle East LNG	MENAX Month +1	5	Reasonable assurance	For the year from 1 October 2018 to 30 September 2019
PetChems	MEG	Mono Ethylene Glycol CFR China Main Port Spot Daily	5	Reasonable assurance	For the year from 1 October 2018 to 30 September 2019
	MEG	Mono Ethylene Glycol CFR China Main Ports (price range for the week)	5	Reasonable assurance	For the year from 1 October 2018 to 30 September 2019
	Styrene	CFR China (weekly assessment)	5	Reasonable assurance	For the year from 1 October 2018 to 30 September 2019
Fertz	Urea	FOB US Gulf bulk pst	5	Reasonable assurance	For the year from 1 October 2018 to 30 September 2019
	Urea	FOB Arab Gulf bulk (granular)	5	Reasonable assurance	For the year from 1 October 2018 to 30 September 2019
	Urea	FOB Egypt bulk (granular)	5	Reasonable Assurance	For the year from 1 October 2018 to 30 September 2019
	UAN	FOB Nola bulk ps ton 32%	5	Reasonable Assurance	For the year from 1 October 2018 to 30 September 2019
Energy	British Gas	NBP Day-ahead assessment	6	Reasonable Assurance	For the year from 1 October 2018 to 30 September 2019
	British Gas	NBP Weekend assessment	6	Reasonable Assurance	For the year from 1 October 2018 to 30 September 2019
	Dutch Gas	TTF Day-ahead assessment	6	Reasonable Assurance	For the year from 1 October 2018 to 30 September 2019
	Dutch Gas	TTF Weekend assessment	6	Reasonable Assurance	For the year from 1 October 2018 to 30 September 2019

Family Type	Product	Price Assessment	Year	Intended level of Assurance	Period Covered
PetChems	Polyethylene	CFR China LLDPE FILM (all origins)	6	Reasonable Assurance	For the year from 1 October 2018 to 30 September 2019
	Polypropylene	CFR China Main Port PP Flatyarn (RAFFIA) (All Origins)	6	Reasonable Assurance	For the year from 1 October 2018 to 30 September 2019
European Crude	Crude	DATED BFOE	7	Reasonable Assurance	For the year from 1 October 2018 to 30 September 2019

Directors' Statement of Adherence

## Section II

# Directors' Statement of Adherence

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We the Directors of ICIS (a division of Reed Business Information Limited), are solely responsible for the preparation of this report and have designed, implemented, operated and monitored compliance with policies, processes and control activities that adhere to the Principles for oil price reporting agencies published by the International Organization of Securities Commissions (the 'PRA Principles') for the Category 1 and 2 price assessments listed in Section I.

We are also responsible for this Statement of Adherence and ICIS' Response to the PRA Principles presented in this report including the policies, processes and control activities designed to address the PRA Principles.

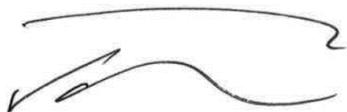
We confirm that:

For Category 1 price assessments:

- Section IV of the accompanying report fairly presents the ICIS' Response to the PRA Principles for Category 1 price assessments as at 30 September 2019; and
- The process and control activities identified in ICIS' Response to the PRA Principles over Category 1 price assessments have operated as described, throughout the period from 1 October 2018 to 30 September 2019.

For Category 2 price assessments:

- Section IV of the accompanying report fairly presents the ICIS' Response to the PRA Principles for Category 2 price assessments as at 30 September 2019.



Name: Mr Jamie O'Sullivan  
Position: Group Managing Director  
On behalf of Reed Business Information Limited.

Date: 15 October 2019

# Independent Assurance Report

## Section III



# Independent Practitioner's Assurance Report to the Directors of Reed Business Information Limited (ICIS), in respect of ICIS' Response to the Principles for oil price reporting agencies

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We have carried out an assurance engagement in respect of ICIS' Response describing the policies, processes and control activities as set out in Section IV, that have been put into place to adhere to the Principles for oil price reporting agencies published by the International Organization of Securities Commissions (excluding principle 2.20, the 'PRA Principles') as at 30 September 2019 for both Category 1 and 2 price assessments as listed in Section I. In addition, for Category 1 price assessments, we also report on whether the process and control activities identified in ICIS' Response have operated as described, throughout the period 1 October 2018 to 30 September 2019.

This report is made solely for the use and benefit to the Board of Directors in connection with principle 2.21 of the PRA Principles. Our work has been undertaken in accordance with our agreement dated 3 June 2019 so that we might state to the Directors those matters we are required to state in an independent assurance report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Board of Directors and ICIS for our work, for this report, or for the opinion we have formed, save where terms have expressly been agreed in writing.

## **Respective responsibilities of ICIS and the Independent Practitioner**

The Directors are responsible for ensuring that ICIS designs, implements, operates and monitors compliance with policies, processes and control activities that adhere to the PRA Principles. They are also responsible for preparing the Director's Statement of Adherence to the PRA Principles as set out in Section II and supported by ICIS' Response to the PRA Principles in Section IV of this report.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to undertake an assurance engagement and report in connection with ICIS' Response to the PRA Principles, as set out in Section IV, in respect of the Category 1 and Category 2 price assessments. In connection with the Category 1 price assessments, we report to you, in our opinion, based on the results of our work (which is further described below) whether ICIS' Response in Section IV is fairly stated, in all material respects as at 30 September 2019 and whether the process and control activities therein have operated as described during the period 1 October 2018 to 30 September 2019. With regards to Category 2 price assessments, we report to you, based on the results of our procedures, whether anything has come to our attention to indicate that ICIS' Response to the PRA Principles, as at 30 September 2019 is not fairly stated, in all material respects.

## **Our Independence and Quality Control**

In carrying out our work, we complied with the Institute of Chartered Accountants in England and Wales ('ICAEW') Code of Ethics, which includes independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. We also apply International Standard on Quality Control (UK) 1 and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.



## **Our approach**

We conducted our engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) 'Assurance Engagements Other than Audits or Review of Historical Financial Information' issued by the International Auditing and Assurance Standards Board and with regard to the ICAEW's guidance within Technical Release Tech 02/14 FSF 'Assurance reports on benchmarks and indices'. Our engagement is comprised of both reasonable and limited assurance, as described further below.

The objective of an assurance engagement is to obtain such appropriate evidence as we consider sufficient to enable us to express our conclusions. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent, than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our engagement includes examination, on a test basis, of evidence relevant to assessing (i) ICIS' Response to the PRA Principles, excluding Principle 2.20, for both Category 1 and Category 2 price assessments, and (ii) whether process and control activities have operated as described in respect of the Category 1 price assessments throughout the year 1 October 2018 to 30 September 2019. Our procedures are described in the Practitioner's Testing column in Section IV of this report.

Our procedures were not sufficient to enable us to conclude on the suitability of design of the policies, processes or control activities in place to address the PRA Principles.

While ICIS' Response may be informed by the need to satisfy legal or regulatory requirements, our scope of work and our conclusions do not constitute assurance over compliance with those laws and regulations.

## **Inherent limitations**

The validity and reliability of price assessments is dependent on both (i) those who submit information to the PRA, for which the submitters are solely responsible, and (ii) the procedures performed by the PRA to analyse that information. Submitters of information are not subject to the PRA Principles and we are unable to comment on source data submitted by those parties. Because of their nature, process and control activities may not prevent or detect and correct all errors or omissions in submissions.

Process and control activities are subject to inherent limitations and, accordingly, errors or irregularities may occur and not be detected. Such process and controls cannot guarantee protection against (among other things) fraudulent collusion, especially on the part of those holding positions of authority or trust. Furthermore, our conclusion is based on historical information and the projection of any information or conclusions to any future periods would be inappropriate.

## **Conclusions**

### *Reasonable assurance opinion*

In our opinion, based on the results of our procedures, in all material respects:

- ICIS' Response to the PRA Principles in respect of Category 1 price assessments, as set out in Section IV, as at 30 September 2019 is fairly stated; and
- The process and control activities in ICIS' Response to the PRA Principles have operated as described, throughout the period 1 October 2018 to 30 September 2019.

### *Limited assurance conclusion*

Based on the results of our procedures, nothing has come to our attention to indicate that ICIS' Response to the PRA Principles in respect of Category 2 price assessments, as set out in Section IV, as at 30 September 2019 is not fairly stated in all material respects.



## Other information

The information included in Section I describing ICIS' Overview, Corporate Structure and Governance, Reporting best practice and in scope price assessments are presented by the Directors to provide additional information and is not part of ICIS' Response to the PRA Principles. Such information has not been subjected to the procedures applied in the examination of the ICIS' Response to the PRA Principles, related to the reporting of benchmark price assessments, and accordingly, we express no opinion on it.

A handwritten signature in black ink that reads 'PricewaterhouseCoopers LLP' in a cursive, flowing script.

PricewaterhouseCoopers LLP  
Chartered Accountants  
London  
15 October 2019

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Principles and Responses

## Section IV

# Principles, ICIS' Response and Practitioner's Testing

## Introduction

The table below sets out ICIS' Response in terms of how they adhere to each of the IOSCO principles, split into policy statements and process and control activities.

The accompanying 'Practitioner's Testing' summarises the work performed by PwC to assess whether the policy statements and process and control activities, summarised by ICIS, are reflective of working practices. This supports the assurance opinion as documented in Section III. In addition, the Methodologies in scope are the ICIS Global English language methodologies apart from the Benzene Methodology which the scope covers the English language part of the bi-lingual ICIS China methodology.

Whilst ICIS' Response is a combined response for all the selected price assessments in scope, the Practitioner's Testing is split into Category 1<sup>(1)</sup> and Category 2<sup>(2)</sup> s, where necessary, to appropriately reflect the extent of work performed for each category, mainly in consideration that Category 1 and Category 2 price assessments are undergoing reasonable assurance and limited assurance reviews respectively. The validation approach is summarised below:

ICIS' Response	Practitioner's Testing		
	Category	Tagging in the table below	Validation Approach
Context	N/A	N/A	This section includes background information only and therefore was not validated.
Policy Statements (PS)	Category 1	Category 1 - PS	Checked for existence of the policy or (English language) methodology in line with what has been described in ICIS' Response as at 30 September 2019.
	Category 2	Category 2 - PS	Checked for existence of the policy or methodology in line with what has been described in ICIS' response as at 30 September 2019.
Process and Control Activities (PCA)	Category 1	Category 1 - PCA	Checked on a sample basis of how a relevant activity has operated as described in ICIS' Response throughout the period 1 October 2018 to 30 September 2019.
	Category 2	Category 2* - PCA	Checked an example of how a relevant activity has been put in operation as described in ICIS' Response as at 30 September 2019.

\* For relevant activities that pertain to the organisation and not specifically the Category 2 price assessments, testing was performed on a sample basis as part of the Category 1 testing.

Where:

<sup>1</sup> **Category 1:** Price Assessments where PwC is providing reasonable assurance over both ICIS' Response to the PRA Principles with respect to these price assessments as at 30 September 2019 and that any process and control activities related to the assessment of the price assessment have operated as described throughout the period from 1 October 2018 to 30 September 2019; and

<sup>2</sup> **Category 2:** Price assessments where PwC is providing limited assurance over ICIS' Response to the PRA Principles with respect to these price assessments as at 30 September 2019.

IOSCO Principle	ICIS' Response	Practitioner's Testing
<b>1. Quality and Integrity of PRA Methodologies</b>		
<b>Methodology</b>		
<p>1.1 A PRA should formalize, document, and make public any methodology that it uses for a price assessment.</p>	<p><u>Context</u></p> <p>The following methodologies (the 'Methodologies') cover the in scope price assessments listed in Section I and are available at the following locations:</p> <p>European Crude:</p> <ul style="list-style-type: none"> <li>• Dated BFOE</li> </ul> <p><a href="https://www.icis.com/compliance/documents/world-crude-report-methodology-16-august-2017/">https://www.icis.com/compliance/documents/world-crude-report-methodology-16-august-2017/</a></p> <p>European Gas:</p> <ul style="list-style-type: none"> <li>• NBP Day-ahead assessment</li> <li>• NBP Weekend assessment</li> <li>• NBP Month +1 assessment (USD)</li> <li>• TTF Day-ahead assessment</li> <li>• TTF Weekend assessment</li> <li>• TTF Month +1 assessment (USD)</li> <li>• PSV Day-ahead assessment</li> <li>• PSV Weekend assessment</li> <li>• PSV Month+1 assessment</li> <li>• NCG Day-ahead assessment</li> <li>• NCG Weekend assessment</li> <li>• NCG Month +1 assessment</li> <li>• VTP Day-ahead assessment</li> <li>• VTP Weekend assessment</li> <li>• Gaspool Day-ahead assessment</li> <li>• Gaspool Weekend assessment</li> <li>• Gaspool Month +1 assessment</li> <li>• Zeebrugge Day-ahead assessment</li> <li>• Peg Day-ahead assessment</li> <li>• PVB Month +1 assessment</li> </ul> <p><a href="https://www.icis.com/compliance/documents/european-spot-gas-markets-methodology-esgm-25-march-2019/">https://www.icis.com/compliance/documents/european-spot-gas-markets-methodology-esgm-25-march-2019/</a></p> <p>European Daily Electricity Markets (EDEM):</p> <ul style="list-style-type: none"> <li>• UK Power Front season</li> </ul> <p><a href="https://www.icis.com/compliance/documents/edem-methodology-1-november-2018/">https://www.icis.com/compliance/documents/edem-methodology-1-november-2018/</a></p>	<p><b>Category 1 and 2 - PCA</b></p> <p>PwC inspected ICIS' external corporate websites (Global or China): <a href="https://www.icis.com/compliance/">https://www.icis.com/compliance/</a> or <a href="https://www.icis.com/compliance/china-compliance/">https://www.icis.com/compliance/china-compliance/</a> and noted that the Methodologies are formally documented and made publicly available.</p>

IOSCO Principle	ICIS' Response	Practitioner's Testing
	<p>Liquefied Natural Gas:</p> <ul style="list-style-type: none"> <li>• EAX Month +1</li> <li>• IBX Index Month +1</li> <li>• NEX Month +1</li> <li>• MENAX Month +1</li> </ul> <p><a href="https://www.icis.com/compliance/documents/lng-markets-daily-methodology-10-july-2019/">https://www.icis.com/compliance/documents/lng-markets-daily-methodology-10-july-2019/</a></p> <p>Asian Polymers:</p> <ul style="list-style-type: none"> <li>• CFR China LLDPE FILM (All Origins)</li> </ul> <p><a href="https://www.icis.com/compliance/documents/polyethylene-methodology-4-september-2019/">https://www.icis.com/compliance/documents/polyethylene-methodology-4-september-2019/</a></p> <ul style="list-style-type: none"> <li>• CFR China Main Port PP Flatyarn (RAFFIA) (All Origins)</li> </ul> <p><a href="https://www.icis.com/compliance/documents/polypropylene-methodology-1-april-2019/">https://www.icis.com/compliance/documents/polypropylene-methodology-1-april-2019/</a></p> <p>PetChems:</p> <ul style="list-style-type: none"> <li>• CFR China (weekly assessment)</li> <li>• Ex-tank East China (daily price)</li> </ul> <p><a href="https://www.icis.com/compliance/documents/styrene-methodology-20-september-2019/">https://www.icis.com/compliance/documents/styrene-methodology-20-september-2019/</a></p> <ul style="list-style-type: none"> <li>• (Ethylene) Mono Ethylene Glycol CFR China Main Port Spot Daily</li> <li>• Mono Ethylene Glycol CFR China Main Ports (Price range for the week)</li> <li>• East China Ex-Tank (daily price)</li> </ul> <p><a href="https://www.icis.com/compliance/documents/ethylene-glycol-methodology-12-august-2019/">https://www.icis.com/compliance/documents/ethylene-glycol-methodology-12-august-2019/</a></p> <ul style="list-style-type: none"> <li>• Ex-tank East China Jiangsu</li> <li>• FOB Rotterdam T2</li> </ul> <p><a href="https://www.icis.com/compliance/documents/methanol-methodology-17-july-2019/">https://www.icis.com/compliance/documents/methanol-methodology-17-july-2019/</a></p> <ul style="list-style-type: none"> <li>• Ex-Tank East China Prompt (0-10 days) (daily price)</li> </ul> <p><a href="https://www.icis.com/compliance/china-compliance/安迅思纯苯中国市场估价方法/">https://www.icis.com/compliance/china-compliance/安迅思纯苯中国市场估价方法/</a></p> <p>Fertz:</p> <ul style="list-style-type: none"> <li>• FOB US Gulf bulk pst</li> </ul>	

IOSCO Principle	ICIS' Response	Practitioner's Testing
	<ul style="list-style-type: none"> <li>• CFR Brazil (granular)</li> <li>• FOB Arab Gulf bulk (granular)</li> <li>• FOB Egypt bulk (granular)</li> </ul> <p><a href="https://www.icis.com/compliance/documents/urea-methodology-1-april-2019/">https://www.icis.com/compliance/documents/urea-methodology-1-april-2019/</a></p> <ul style="list-style-type: none"> <li>• FOB Nola bulk ps ton 32%</li> </ul> <p><a href="https://www.icis.com/compliance/documents/nitrates-methodology-28-february-2019/">https://www.icis.com/compliance/documents/nitrates-methodology-28-february-2019/</a></p> <ul style="list-style-type: none"> <li>• FOB Nola barge pst</li> <li>• CFR Brazil</li> </ul> <p><a href="https://www.icis.com/compliance/documents/phosphates-methodology-22-november-2018/">https://www.icis.com/compliance/documents/phosphates-methodology-22-november-2018/</a></p> <p><u>Process and Control Activities</u></p> <p>ICIS Methodologies are formally documented and made publicly available on the corresponding ICIS' (Global or China) website <a href="https://www.icis.com/compliance/">https://www.icis.com/compliance/</a> or <a href="https://www.icis.com/compliance/china-compliance/">https://www.icis.com/compliance/china-compliance/</a>.</p>	
<p>1.2 A methodology should aim to achieve price assessments which are reliable indicators of oil market values, free from distortion and representative of the particular market to which they relate.</p>	<p><u>Policy Statement</u></p> <p>The Methodologies are commodity specific and tailored to the particular market to which they relate. They include product specifications, trading terms and conditions that reflect typical working practices prevalent in the industry.</p> <p>Please refer to Principle 1.3(a) to 1.3(h) for additional detail on the contents of the Methodologies.</p> <p>Please refer to Principle 1.4(a) for the rationale behind adopting the Methodologies.</p> <p>Please refer to Principles 2.4 to 2.7 below for the control procedures which have been designed to ensure that assessments are free from distortion.</p>	<p><b>Category 1 and 2 - PS</b></p> <p>PwC inspected the Methodologies and noted that they are each as described in ICIS' Response to Principle 1.2.</p>
<p>1.3 At a minimum, a methodology should contain and describe:</p> <p>a) All criteria and procedures that are used to develop an assessment including how the PRA uses the specific volume, concluded and reported transactions, bids, offers and any other market information (collectively 'market data') in its assessment and/or assessment time periods (e.g., windows), why a specific reference unit is used (e.g.,</p>	<p><u>Policy Statement</u></p> <p>The Methodologies contain and describe the following:</p> <p>a) All relevant criteria and procedures that are used to develop an assessment, including:</p> <ul style="list-style-type: none"> <li>• The specified volume;</li> <li>• Concluded and reported transactions;</li> <li>• Bids, offers and any other market information (collectively 'market data') in its assessment;</li> <li>• The assessment time period;</li> <li>• Why the reference unit is used; and</li> <li>• How the PRA collects market data.</li> </ul>	<p><b>Category 1 and 2 - PS</b></p> <p>PwC inspected the Methodologies and noted that they are each as described in ICIS' Response to Principle 1.3(a) to 1.3(h).</p> <p>PwC inspected the Editorial Standards (the 'Assessments Standards' in ICIS China) and noted that it is as described in 1.3(h).</p>

IOSCO Principle	ICIS' Response	Practitioner's Testing
<p>barrels of oil), how the PRA collects such market data, the guidelines that control the exercise of judgment by assessors and any other information, such as assumptions, models and/or extrapolation from collected data that are considered in making an assessment;</p> <p>b) Its procedures and practices that are designed to ensure consistency between its assessors in exercising their judgment;</p> <p>c) The relative importance that generally will be assigned to each criterion used in forming the price assessment (i.e., type of market data used, type of criterion used to guide judgment). [This is not intended to restrict the specific application of the relevant methodology but is to ensure the quality and integrity of the price assessment.]</p> <p>d) Criteria that identify the minimum amount of transaction data (i.e., completed transactions) required for a particular price assessment (the "transaction data threshold"). If no such threshold exists, the reasons why a minimum threshold is not established should be explained, including procedures where there is no transaction data;</p> <p>e) Criteria that address the assessment periods where the submitted data fall below the methodology's recommended transaction data threshold or the requisite PRA's quality standards, including any alternative methods of assessment (e.g., theoretical estimation models). Those criteria should explain the procedures used where no transaction data exists;</p> <p>f) Criteria for timeliness of market data submissions and the means for such</p>	<p>b) The requirement that assessors follow the designated methodology for the specific assessment as well as adhering to the company's Editorial Standards ('Assessment Standards' in ICIS China) which are contained in the ICIS Compliance Manual, to achieve consistency in exercising judgement.</p> <p>c) The weight given to various types of market information used in the assessment process. This information is contained in the 'Rationale for specified Methodology' section of the Methodologies.</p> <p>d) The reason why a minimum data threshold was not established. Furthermore, the Methodologies explain that ICIS has not established a minimum data threshold due to the sometimes thinly-traded nature of the markets. ICIS describes in its market commentary of an assessment if the report has assessed a price based on transaction or bid/offer data or whether it has used other forms of evidence.</p> <p>e) Please refer to Principle 1.3(d) as the Methodologies do not establish minimum data thresholds.</p> <p>f) The criteria for timeliness of market data submissions. Please refer to Principle 1.3(a) for information on the means of submissions.</p> <p>g) As noted in Principle 1.3(d), there is no minimum threshold therefore "significant proportion" criteria have not been included.</p> <p>h) Guidance for submitters and editors/reporters on the criteria according to which transaction data may be excluded. Please refer to the section 'Exclusion of Data' in the Methodologies.</p> <p>Furthermore, the criteria and procedures for the exclusion of data is also covered in the Editorial Standards ('Assessments Standards' in ICIS China) in section 8.3 'Excluding Data and the use of Judgement'.</p>	

IOSCO Principle	ICIS' Response	Practitioner's Testing
<p>submissions (e.g., electronically, via telephone, etc.);</p> <p>g) Criteria and procedures that address assessment periods where one or more reporting entity submits market data that constitute a significant proportion of the total data upon which the assessment is based (i.e., key submitter dependency). The PRA should also define in its criteria and procedures for what constitutes a "significant proportion" for each price assessment;</p> <p>h) Criteria according to which transaction data may be excluded from a price assessment.</p>		
<p>1.4 A PRA should describe and publish the:</p> <p>a) Rationale for adopting a particular methodology, including any price adjustment techniques and a justification of why the time period or window within which market data is accepted is a reliable indicator of physical market values;</p> <p>b) Procedure for internal review and approval of a given methodology, as well as the frequency of this review;</p> <p>c) Procedure for external review of a given methodology, including the procedures to gain market acceptance of the methodology through consultation with stakeholders on important changes to their price assessment processes.</p>	<p><u>Policy Statement</u></p> <p>The Methodologies, which are publicly available as described in Principle 1.1, contain the following:</p> <p>a) The rationale for adopting the methodology, including any price adjustment techniques. This is documented within the 'Rationale of the Methodology' section.</p> <p>b) The process by which a methodology is reviewed internally.</p> <p>The Methodologies require internal reviews to be conducted regularly. Additionally, the Methodologies require consultation at least every three years and that the date of the last consultation launched (if applicable) and the expiry date by which the company commits to conducting the next consultation to be noted on each of the methodology documents.</p> <p>Furthermore, the process for internal review is also covered in detail within the 'ICIS Methodology Consultation Process Document' (the 'Methodology Consultation Process'), which is part of the 'ICIS Compliance Manual'.</p> <p>c) The process by which a methodology is reviewed externally including the procedures to gain market acceptance on important changes to the price assessment process.</p> <p>The Methodologies require draft changes, or general questions to ascertain how well the methodology is performing in fulfilling its purpose, to be made public and comment requested from industry participants, with a minimum one-month period, except where a force</p>	<p><b>Category 1 and 2 - PS</b></p> <p>PwC inspected the Methodologies and noted that they are each as described in ICIS' Response to Principle 1.4(a) to 1.4(c).</p> <p>PwC inspected the 'ICIS Methodology Consultation Process Document' (the 'Methodology Consultation Process') and noted that it is as described in 1.4(b).</p>

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	<p>majeure event (e.g., natural disaster, war, bankruptcy of a trading exchange etc.) makes necessary a shorter period.</p> <p>Furthermore, the process for external review is also covered in detail within the Methodology Consultation Process.</p>	
<b>Changes to a Methodology</b>		
<p>1.5 A PRA should adopt and make public to stakeholders explicit procedures and rationale of any proposed material change in its methodology. Those procedures should be consistent with the overriding objective that a PRA must ensure the continued integrity of its price assessments and implement changes for good order of the particular market to which such changes relate. Such procedures should:</p> <p>a) Provide advance notice in a clear timeframe that gives stakeholders sufficient opportunity to analyse and comment on the impact of such proposed changes, having regard to the PRA's assessment of the overall circumstances;</p> <p>b) Provide for stakeholders' comments, and the PRA's response to those comments, to be made accessible to all market stakeholders after any given consultation period, except where the commenter has requested confidentiality.</p>	<p><u>Policy Statement</u></p> <p>ICIS has documented and made public its procedures for handling proposed changes to a methodology, within each methodology, including the following requirements:</p> <p>a) Draft changes, or general questions to ascertain how well the methodology is performing in fulfilling its purpose are to be made public and comment requested from industry participants, with a minimum 28 day period, except where a force majeure event (e.g. natural disaster, war, bankruptcy of a trading exchange etc.) makes necessary a shorter period.</p> <p>b) All comments on proposed methodology changes will be reviewed.</p> <p>Additionally, as noted in the Methodology Consultation Process, where these comments are not confidential, ICIS will publish the comments and a summary of responses on the ICIS.com website.</p> <p><u>Process and Control Activities</u></p> <p>ICIS publishes explicit procedures and rationale of any proposed material change to its methodology.</p> <p>ICIS provides stakeholders with a minimum 28 day period to analyse and comment on the impact of a proposed material and non-urgent change.</p> <p>Following the consultation process, ICIS publishes a decision document detailing the results of the consultation and any proposed change.</p>	<p><b>Category 1 and 2 - PS</b></p> <p>PwC inspected the Methodologies and noted that they are each as described in ICIS' Response to Principle 1.5(a) and 1.5(b).</p> <p>PwC inspected the Methodology Consultation Process and noted that it as described in ICIS' Response to Principle 1.5(b).</p> <p><b>Category 1 - PCA</b></p> <p>For a sample of material changes to methodologies, PwC inspected the publicly available consultations and noted that they contained the rationale of any proposed material change to its methodology, the 28 day period for stakeholders to analyse and comment, and the decision detailing the results of the consultation and any proposed change.</p> <p><b>Category 2 – PCA</b></p> <p>ICIS management has noted that there were no material changes to the Methodologies within the period under review and so there are no items to test. Therefore, PwC did not perform validation procedures over the process for handling proposed material changes.</p>
<p>1.6 A PRA should engage in the routine examination of its methodologies for the purpose of ensuring that they reliably reflect the physical market under assessment. This should include a process for taking into account the views of relevant stakeholders.</p>	<p><u>Policy Statement</u></p> <p>The Methodology Consultation Process requires that Methodologies are reviewed on an on-going basis to ensure that they are reliable and reflective of the markets in which they operate.</p> <p>Please refer to Principle 1.5(b) for the process for taking into account the views of relevant stakeholders.</p>	<p><b>Category 1 and 2 – PS</b></p> <p>PwC inspected the Methodology Consultation Process and noted that it is as described in ICIS' Response to Principle 1.6.</p>

IOSCO Principle	ICIS' Response	Practitioner's Testing
	<p><u>Process and Control Activities</u></p> <p>Any changes to Methodologies that are identified via internal reviews are captured via a specified methodology feedback form, provided by the Head of Market Reporting.</p> <p>All Methodologies have an expiry date. External reviews, begin with an internal review, which is completed according to the timescales prescribed by the Methodology Consultation Process.</p> <p>There are occasions where a review is triggered by the expiry date of the existing methodology document. In these instances, an associated change form may not be in place.</p>	<p><b>Category 1 - PCA</b></p> <p>For a sample of methodology changes identified via internal reviews, PwC inspected the specified methodology feedback form and noted that the changes are captured within the form and was approved by the Head of Market Reporting.</p> <p><b>Category 1 and 2 - PCA</b></p> <p>PwC inspected the Methodologies and noted that they have an expiration date.</p> <p><b>Category 1 - PCA</b></p> <p>For a sample of external reviews, PwC inspected the publically available consultation and noted that the external reviews were completed according to the timescales prescribed by the Methodology Consultation Process. In addition, PwC noted that the reviews were triggered by the expiry of an existing methodology document.</p> <p><b>Category 2 - PCA</b></p> <p>ICIS management has noted that there were no changes to the Methodologies within the period under review and so there are no items to test. Therefore, PwC did not perform validation procedures over the external review process.</p>
<p><b>Quality and Integrity of Price Assessments</b></p>		
<p>2.1 A PRA should take measures that are intended to ensure the quality and integrity of the price assessment process.</p>	<p><u>Policy Statement</u></p> <p>ICIS' Data Standards Policy (the 'Data Standards'), which is contained in the ICIS Compliance Manual, details the measures for ensuring quality and integrity of the price assessment process. The Data Standards include:</p> <ul style="list-style-type: none"> <li>• Validation Checks on Data; and</li> <li>• Validation Checks on Sources.</li> </ul> <p><u>Process and control activities</u></p> <p>The Data Standards are made publicly available on the ICIS website.</p>	<p><b>Category 1 and 2 - PS</b></p> <p>PwC inspected the ICIS Data Standards Policy (the 'Data Standards'), which are part of the ICIS Compliance Manual, and noted that they are as described in ICIS' Response to Principle 2.1.</p> <p><b>Category 1 and 2 - PCA</b></p> <p>PwC inspected the ICIS external corporate website and noted that the Data Standards are publicly available.</p>

IOSCO Principle	ICIS' Response	Practitioner's Testing
	Please see also the responses to Principles 2.2 to 2.19 below.	
<b>Market Data used in Price Assessments</b>		
<p>2.2 A PRA should:</p> <p>a) Specify with particularity the criteria that define the physical commodity that is the subject of a particular methodology;</p> <p>b) Utilize its market data, giving priority in the following order, where consistent with the PRA's approach to ensuring the quality and integrity of a price assessment:</p> <ol style="list-style-type: none"> <li>1. Concluded and reported transactions;</li> <li>2. Bids and offers;</li> <li>3. Other market information. Nothing in this provision is intended to restrict a PRA's flexibility in using market data consistent with its methodologies. However, if concluded transactions are not given priority, the reasons should be explained as called for in 2.3(b) c) Employ sufficient measures designed to use market data submitted and considered in a price assessment, which are bona fide, meaning that the parties submitting the market data have executed, or are prepared to execute, transactions generating such market data and the concluded transactions were executed at arms-length from each other. Particular attention should be made in this regard to inter-affiliate transactions;</li> </ol> <p>c) Establish and employ procedures to identify anomalous (i.e., in the context of a PRA's methodology) or suspicious transaction data and keep records of decisions to exclude transaction data</p>	<p><u>Policy Statement</u></p> <p>a) The Methodologies specify the criteria that define the physical commodity.</p> <p>b) Please refer to Principle 1.3(c) above for details on the priority of market data received, specific to each assessment.</p> <p>c) The Data Standards require that market data is received only from market participants who are recognised by the market as being active in the physical market being assessed. Furthermore, the Data Standards require all editors/reporters<sup>1</sup> to carefully evaluate all data gathered including the counterparties involved in transactions, among other information.</p> <p>d) The Data Standards require ICIS staff to consider ways in which to develop their Methodologies and validation procedures to identify anomalous transaction data, which does not meet the methodology or other standards, and will therefore not be used in the assessment process. Where transaction data is removed and not used in the assessment process then records must be kept of the reason/decision.</p> <p>Furthermore, the Editorial Standards (the 'Assessments Standards' in ICIS China) require that when concerns over the behaviour of a market participant are identified, they be escalated using the ICIS Escalation Process for Compliance and Regulatory Issues.</p> <p>e) The public Data Standards Policy and the Methodologies both request that sources, where possible:</p> <ul style="list-style-type: none"> <li>• Provide market data from both front and back-office functions;</li> <li>• Provide complete data and not a subsection;</li> <li>• Flag inter-affiliate transactions;</li> <li>• Flag sleeve trades; and</li> <li>• Flag spread trades.</li> </ul> <p>The (non-public) Data Standards, which is contained in the Compliance Manual, further advises ICIS staff to:</p> <ul style="list-style-type: none"> <li>• Regularly check that their existing sources are still valid; and</li> </ul>	<p><b>Category 1 and 2 - PS</b></p> <p>PwC inspected the Methodologies and noted that they are each as described in ICIS' Response to Principle 2.2(a) and 2.2(e).</p> <p>PwC inspected the Data Standards and noted that it is as described in ICIS' Response 2.2(c) - (e).</p> <p>PwC inspected the Editorial Standards Policy (the 'Assessments Standards' in ICIS China) and noted that it is as described in 2.2(d).</p> <p>PwC inspected the Public Data Standards Policy and noted it is as described in ICIS' Response 2.2(e).</p> <p><b>Category 1 - PCA</b></p> <p>For a sample of price assessments, PwC inspected the Price Reporting Checklist and noted that the reporter indicated on the Price Reporting Checklist that they had completed the following:</p> <ul style="list-style-type: none"> <li>• Validity checks on any new market sources and ensured that existing sources are up to date;</li> <li>• Collected data in line with the methodology and ICIS policies and standards; and</li> <li>• Where data was anomalous and excluded, notes had been made explaining why.</li> </ul> <p><b>Category 2 - PCA</b></p> <p>For an example price assessment for each in scope price assessment, PwC inspected the Price Reporting Checklist and noted that the reporter indicated on the Price Reporting</p>

<sup>1</sup> Although referred to as reporters and editors by ICIS, ICIS China editorial teams hold the title and position of analyst.

IOSCO Principle	ICIS' Response	Practitioner's Testing
<p>from the PRA's price assessment process.</p> <p>e) Encourage parties that submit any market data ("submitters") to submit all of their market data that falls within the PRA's criteria for that assessment. PRAs should seek, so far as they are able and is reasonable, that data submitted are representative of the submitters' actual concluded transactions.</p> <p>f) Employ a system of appropriate measures so that, to the extent possible, submitters comply with the PRA's applicable quality and integrity standards for market data.</p>	<ul style="list-style-type: none"> <li>Annually contact each source, thank them for the information they have provided, remind them of ICIS' standards for sources and check that they are still a valid contact.</li> </ul> <p>Additionally, the Data Standards, in the section 'Validation Checks on Data', requires that all data should be validated in some form before its use in an assessment.</p> <p><u>Process and Control Activities</u></p> <p>f) Reporters complete a Price Reporting Checklist for each price assessment documenting that they have completed the following:</p> <ul style="list-style-type: none"> <li>Validity checks on any new market sources and ensure existing sources are up to date;</li> <li>Collected data in line with the methodology and ICIS policies and standards; and</li> <li>Where data is anomalous and excluded, notes have been made explaining why.</li> </ul>	<p>Checklist that they had completed the following:</p> <ul style="list-style-type: none"> <li>Validity checks on any new market sources and ensure existing sources are up to date;</li> <li>Collected data in line with the methodology and ICIS policies and standards; and</li> <li>Where data was anomalous and excluded, notes had been made explaining why.</li> </ul>
<p>2.3 A PRA should describe and publish with each assessment, to the extent reasonable without delaying a price reporting deadline:</p> <p>a) A concise explanation, sufficient to facilitate a PRA subscriber's or market authority's ability to understand how the assessment was developed, including, at a minimum, the size and liquidity of the physical market being assessed (meaning the number and volume of transactions submitted), the range and average volume and range and average of price, and indicative percentages of each type of market data that have been considered in an assessment; terms referring to the pricing methodology should be included (e.g., "transaction-based", "spread-based" or "interpolated/extrapolated");</p> <p>b) A concise explanation of the extent to which and the basis upon which judgment (e.g., exclusions of data which otherwise conformed to the requirements of the relevant methodology for that assessment, basing prices on spreads or</p>	<p><u>Process and Control Activities</u></p> <p>a) For each assessment published, ICIS provides a concise description and supporting commentary of which type of market data was used to form the assessment.</p> <p>b) Reporters complete a Price Reporting Checklist for each price assessment documenting whether the assessment published contains a concise explanation of the extent to which and the basis upon which judgment, if any, was used in establishing an assessment.</p>	<p><b>Category 1 - PCA</b></p> <p>For a sample of price assessments, PwC inspected the supporting commentary for each assessment and noted that a concise description and supporting commentary of the market data used to form the assessment.</p> <p>For a sample of price assessments, PwC inspected the Price Reporting Checklist and noted that the reporter indicated on the Price Reporting Checklist whether the assessment published contains a concise explanation of the extent to which and the basis upon which judgment, if any, was used in establishing an assessment.</p> <p><b>Category 2 - PCA</b></p> <p>For an example price assessment for each in scope price assessment, PwC inspected the supporting commentary for each assessment and noted that a concise description and supporting commentary of the market data used to form the assessment.</p> <p>For an example price assessment for each in scope price assessment, PwC inspected the Price Reporting Checklist and noted that the reporter</p>

IOSCO Principle	ICIS' Response	Practitioner's Testing
<p>interpolation/extrapolation, or weighting bids or offers higher than concluded transactions etc.), if any, was used in establishing an assessment.</p>		<p>indicated on the Price Reporting Checklist whether the assessment published contains a concise explanation of the extent to which and the basis upon which judgment, if any, was used in establishing an assessment.</p>
<p>2.4 A PRA should:</p> <p>a) Specify the criteria that define who may submit market data to the PRA; b) Have quality control procedures to evaluate the identity of a submitter and any employee(s) of a submitter who report market data and the authorization of such person(s) to report market data on behalf of a submitter; c) Specify the criteria applied to employees of a submitter who are permitted to submit market data to a PRA on behalf of a submitter; encourage submitters to submit transaction data from back office functions and seek corroborating data from other sources where transaction data is received directly from a trader; d) Implement internal controls and written procedures to identify communications between submitters and assessors that attempt to influence an assessment for the benefit of any trading position (whether of the submitter, its employees or any third party), attempt to cause an assessor to violate the PRA's rules or guidelines or identify submitters that engage in a pattern of submitting anomalous or suspicious transaction data. Procedures should include provision for escalation by the PRA of inquiry within the submitter's company. Controls should include cross-checking market indicators to validate submitted information.</p>	<p><u>Policy Statement</u></p> <p>a) The Data Standards and Methodologies state that ICIS welcomes all information regardless of source or constitution as long as it is provided in good faith as true. Additionally, the Methodologies state that only active market participants verified as such by existing active industry participants and verified as a viable business will be allowed to contribute price data to ICIS for the purpose of assessing tradable market value.</p> <p>b) The Data Standards require that when introducing a new source, ICIS reporters should undertake sufficient checks to be reasonably confident that they are who they say they are. The reporter must only use the source and/or add them to any source lists after they have this confidence.</p> <p>c) In addition to what is noted in 2.4(a) and as noted in 2.2(e), the Data Standards encourage submitters to provide market data from both front and back-office functions and provides complete data and not a subsection.</p> <p>d) The Editorial Standards ('Assessment Standards' in ICIS China), states in section (8.2) Integrity of the Reporting Process that when sources attempt to influence an assessment, including any pattern of sources submitting anomalous or suspicious transaction data, ICIS management will consider the appropriate measure(s) needed to protect the integrity of its reports and data. Measures may include:</p> <ul style="list-style-type: none"> <li>• Additional validation checks on information provided by the source;</li> <li>• Escalation by ICIS management of the issue to the source's company;</li> <li>• Restricting the use of data by ICIS from the source or the source's company; and</li> <li>• Publicly reporting (including to any relevant regulator) the above concerns and the actions taken by ICIS.</li> </ul>	<p><b>Category 1 and 2 - PS</b></p> <p>PwC inspected the Methodologies and noted that they are each as described in ICIS' Response to Principle 2.4(a).</p> <p>PwC inspected the Data Standards and noted that it is as described in ICIS' Response to Principle 2.4(a) to 2.4(c).</p> <p>PwC inspected the Editorial Standards ('Assessment Standards' in ICIS China), and noted that it is as described in ICIS' Response to Principle 2.4(d).</p>

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<p>2.5 A PRA should adopt and have explicit internal rules and guidelines for selecting assessors, including their minimum level of training, experience and skills, as well as the process for periodic review of their competence.</p>	<p><u>Policy Statement</u></p> <p>The Editorial Recruitment Standards (the 'Recruitment Standards') sets out the standards and criteria to ensure hiring policies enable recruitment of suitable candidates including the training, experience and skill required for the recruitment of a candidate. The Recruitment Standards also prescribes both the recruitment process and the Probation Assessment and Mentor process if a candidate is successful.</p> <p><u>Process and Control Activities</u></p> <p>All new ICIS reporters complete at a minimum a six week training programme and the training log is signed off by the reporter's supervisor.</p> <p><u>Context</u></p> <p>For reporters not able to attend in person, an alternative online training is provided which is monitored. The reporter signs an attendance sheet to confirm their attendance.</p> <p><u>Process and Control Activities</u></p> <p>ICIS reporters complete a compliance training session on an annual basis. Evidence of completion is maintained by the Compliance Team on the compliance training spreadsheet which lists all market reporters and details of their compliance training. The spreadsheet is updated by the Compliance Team after each compliance training session.</p>	<p><b>Category 1 and 2 - PS</b></p> <p>PwC inspected the Editorial Recruitment Standards (the 'Recruitment Standards') and noted that it is as described in ICIS' Response to Principle 2.5.</p> <p><b>Category 1 - PCA</b></p> <p>For a sample of new ICIS reporters, PwC inspected the training log and noted that a supervisor indicated that the reporter had completed at a minimum a six week training programme.</p> <p>For a sample of existing ICIS market reporters, PwC inspected the compliance training spreadsheet and noted that they had completed a compliance training session on an annual basis.</p> <p><b>Category 2 – PCA</b></p> <p>ICIS management has noted that there were no new market reporters within the period under review and so there were no items to test. Therefore, PwC did not perform validation procedures over the new market reporters.</p> <p>For an example existing ICIS market reporters, PwC inspected the compliance training spreadsheet and noted that they had completed a compliance training session on an annual basis.</p> <p><b>Category 1 and 2 - PCA</b></p> <p>PwC inspected the compliance training spreadsheet and noted that it was updated after each compliance training session by the Compliance Team who listed all market reporters and the detailed date of their compliance training.</p> <p><b>Category 2 – PCA</b></p> <p>ICIS management has noted that there were no new market reporters within the period under review and so there were no items to test. Therefore, PwC did not perform</p>

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		validation procedures over the new market reporters.
<p>2.6 A PRA should have arrangements to ensure its assessments can be produced on a consistent and regular basis.</p>	<p><u>Context</u></p> <p>As noted in Principle 1.2, the Methodologies are market-specific and tailored to the specific market to which they relate. This enables reporters to cover other reporters in their absence (provided they have been trained on those markets).</p> <p><u>Policy Statement</u></p> <p>The ICIS Editorial Continuity Guidelines (the 'Continuity Guidelines') aim to ensure that reporter/editorial preparedness, both from a planning and resource perspective, is met during a transitional period or situation, which requires a transfer of reporting responsibilities between one reporter/reporting centre to another. It includes sections on 'Handover Procedures', 'Transition Timeframes and 'Duties of Covering Reporters'. The Continuity Guidelines require managers to always have more than one reporter/editor trained in the production of each report and with sufficient market and product background to ensure assessments can be produced on a consistent basis.</p>	<p><b>Category 1 and 2 - PS</b></p> <p>PwC inspected the ICIS Editorial Continuity Guidelines (the 'Continuity Guidelines') and noted that it is as described in ICIS' Response to Principles 2.6.</p>
<p>2.7 A PRA should maintain continuity and succession planning in respect of its assessors in order to ensure that assessments are made consistently and by employees who possess the relevant levels of expertise.</p>	<p>Please refer to Principle 2.6 for continuity policies and succession planning.</p>	<p>Please refer to Principle 2.6 for testing performed over continuity policies and succession planning.</p>
<b>Supervision of Assessors</b>		
<p>2.8 A PRA should institute internal control procedures to ensure the integrity and reliability of assessments. At a minimum, such internal controls and procedures should require:</p> <p>a) The on-going supervision of individual assessors to ensure that the methodology was properly applied;</p> <p>b) Procedures for internal sign-off by a supervisor prior to releasing prices for dissemination to the market.</p>	<p><u>Process and Control Activities</u></p> <p>a) For each published price assessment, reporters complete a Price Reporting Checklist, which lists the thirteen standard requirements/tasks reporters must complete for each price assessment. The Price Reporting Checklists are peer-reviewed by a reporter with experience on the underlying methodology.</p> <p>b) Before a report is published it is subject to peer-to-peer review/supervisory sign-off. This review process is captured by the Darwin system or InCopy system with support from the Global Production Team or within the Price Reporting Checklists.</p> <p>Reporters' assessments are also subject to management spot checks. These spot checks review whether a number of procedures have been performed:</p>	<p><b>Category 1 - PCA</b></p> <p>For a sample of price assessments, PwC inspected the Price Reporting Checklists and noted that they had been completed by the relevant reporter, indicating that the thirteen tasks had been performed and that the checklists were peer-reviewed. For a sample of price assessments, PwC inspected either screenshots of the Darwin or InCopy systems or the Price Reporting Checklist and noted that the price assessments had been peer reviewed/ supervisory signed-off.</p> <p>For a sample of management Spot Checks, PwC inspected the</p>

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	<ul style="list-style-type: none"> <li>The relevant Price Reporter Checklist has been collected, reviewed and is completed to the required standard;</li> <li>Archived records and data are complete and have been maintained in line with the Data Retention Policy;</li> <li>The archived background data and background data from other relevant sources has been reviewed and this is consistent with the report;</li> <li>The reviewer has collected the previous report and has compared the two for consistency;</li> <li>Data has been collected in line with the methodology and ICIS policy;</li> <li>Anomalous data has been excluded and notes have been kept providing the reasons in line with the methodology;</li> <li>Where data has been excluded outside of the methodology or some other form of judgement has been used, an explanation has been included in the report; and</li> <li>Check to ensure the retained evidence demonstrates that the assessment has been concluded in line with the methodology.</li> </ul>	<p>Manager Checklist and noted that it had been completed by the relevant editor indicating that they had performed the procedures noted in ICIS' response to Principle 2.8(b).</p> <p><b>Category 2 - PCA</b></p> <p>For an example price assessment for each in scope price assessment, PwC inspected the Price Reporting Checklist and noted that each had been completed by the relevant reporter, indicating that the thirteen tasks had been performed and the checklists were peer-reviewed.</p> <p>For an example price assessment for each in scope price assessment, PwC inspected either screenshots of the Darwin or InCopy systems or the Price Reporting Checklist and noted that the price assessments had been peer reviewed/ supervisory signed-off.</p> <p>For an example management Spot Check for each in scope price assessment, PwC inspected the Manager Checklist and noted that it had been completed by the relevant editor indicating that they had performed the procedures noted in ICIS' response to Principle 2.8(b).</p>
<b>Audit Trails</b>		
<p>2.9 A PRA should have rules and procedures in place to document contemporaneously relevant information, including:</p> <p>a) All market data [that was used in the assessment];</p> <p>b) The judgments that are made by assessors in reaching each price assessment;</p> <p>c) Whether an assessment excluded a particular transaction, which otherwise conformed to the requirements of the relevant methodology for that assessment and the rationale for doing so;</p> <p>d) The identity of each assessor and of any other person who submitted or</p>	<p><u>Policy Statement</u></p> <p>The ICIS Record Retention Policy (the 'Record Retention Policy'), which is contained in the ICIS Compliance Manual, sets out the requirements and procedures for documenting relevant information.</p> <p>The Record Retention Policy requires that the reporter records as a minimum:</p> <ol style="list-style-type: none"> <li>Price inputs received for assessment purposes;</li> <li>The source and date of data received;</li> <li>Details of any transactions that were excluded which conformed to the requirements of the relevant methodology for that assessment and the rationale for doing so; and</li> <li>The name of the reporter and any other individuals who submitted or otherwise generated any of the above information.</li> </ol>	<p><b>Category 1 and 2 - PS</b></p> <p>PwC inspected the ICIS Record Retention Policy (the 'Record Retention Policy'), which is part of the ICIS Compliance Manual, and noted that it is as described in ICIS' Response to Principle 2.9.</p> <p>PwC inspected the ICIS Editorial Standards ('Assessment Standards' in ICIS China), and noted that it is as described in ICIS' Response to Principle 2.9.</p>

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otherwise generated any of the above information.	The ICIS Editorial Standards ('Assessment Standards' in ICIS China), sets out the requirements and procedures for documenting the judgments that are made in reaching each price assessment.	
2.10 A PRA should have rules and procedures in place to ensure that an audit trail of relevant information is retained for at least five (5) years in order to document the construction of its assessments.	<p><u>Policy Statement</u></p> <p>The Record Retention Policy, which is contained in the ICIS Compliance Manual, sets out the requirements for archiving relevant information. The Record Retention Policy requires that all archived data be retained for at least five (5) years. This includes:</p> <ul style="list-style-type: none"> <li>• Call Logs, which contain the identity of each person that submitted information used in the price assessment;</li> <li>• Call Notes, which include the rationale for excluding information, if necessary;</li> <li>• Price Reporting Checklists, which contain the identity of each reporter and ICIS China staff member that contributed to the price assessment;</li> <li>• Price Assessments, which include a record of any judgement used by a reporter in generating the assessment; and</li> <li>• Manager Checklists.</li> </ul>	<p><b>Category 1 and 2 - PS</b></p> <p>PwC inspected the Record Retention Policy and noted that it is as described in ICIS' Response to Principle 2.10.</p>
<b>Conflicts of Interest</b>		
2.11 A PRA should document, implement and enforce comprehensive policies and procedures for the identification, disclosure, management and avoidance of conflicts of interest and the protection of integrity and independence of assessments. The policies and procedures should be kept up to date.	<p><u>Policy Statement</u></p> <p>The ICIS Conflicts of Interest Policy (the 'Conflicts of Interest Policy'), which is contained in the ICIS Compliance Manual requires the disclosure of conflicts of interest or suspected conflicts of interest including:</p> <ul style="list-style-type: none"> <li>• Outside jobs or affiliations;</li> <li>• Interests in other businesses which includes the requirement for Personal Account Dealing Declarations;</li> <li>• Nepotism; and</li> <li>• Business Conflicts.</li> </ul> <p>Additionally, the Conflicts of Interest Policy includes the following topics:</p> <ul style="list-style-type: none"> <li>• Respect for Firewalls;</li> <li>• The role of the Independent Compliance Team; and</li> <li>• Investigations of Conflicts of Interest, including the mitigation (elimination or reduction).</li> </ul> <p>The ICIS Gift and Entertainment Policy (the 'Gift and Entertainment Policy'), which is contained in the ICIS Compliance Manual, establishes the policies and procedures over gifts and entertainment for staff involved in the price</p>	<p><b>Category 1 and 2 - PS</b></p> <p>PwC inspected the ICIS Conflicts of Interest Policy (the 'Conflicts of Interest Policy'), which is part of the ICIS Compliance Manual, and noted that it is as described in ICIS' Response to Principle 2.11.</p> <p>PwC inspected the ICIS Gifts and Entertainment Policy (the 'Gifts and Entertainment Policy'), which is part of the ICIS Compliance Manual, and noted that it is as described in ICIS' Response to Principle 2.11.</p> <p>PwC inspected the Editorial Consulting Co-operation Principles (the 'Co-operation Principles'), which are part of the ICIS Compliance Manual, and noted that they are as described in ICIS' Response to Principle 2.11.</p>

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	<p>assessment process. This includes a requirement to report Gifts and Entertainment over prescribed limits.</p> <p>The Editorial Consulting Co-operation Principles (the 'Co-operation Principles'), which are contained in the corresponding ICIS Compliance Manuals, establishes boundaries between the Editorial and Consulting &amp; Analytics functions within the ICIS group in order to preserve the independence and integrity of both functions.</p> <p>The Co-operation Principles requires that information and knowledge exchanged between the two parts of the organisation must be done in a controlled manner in accordance with established protocols and guidelines.</p>	
<p>2.12 At a minimum, those policies and procedures should [be designed to]:</p> <p>a) Ensure that price assessments are not influenced by the existence of, or potential for, a commercial or personal business relationship or interest between the PRA (or its affiliates), its personnel, clients, any market participant or persons connected with them;</p> <p>b) Ensure that PRA personnel's personal interests and business connections are not permitted to compromise the PRA's functions, including outside employment, travel, and acceptance of entertainment, gifts and hospitality provided by PRA clients or other oil market participants;</p> <p>c) Ensure, in respect of identified conflicts, appropriate segregation of functions within the PRA by way of supervision, compensation, systems access and information flows.</p> <p>d) Protect the confidentiality of information submitted to or produced by the PRA, subject to the disclosure obligations of the PRA;</p> <p>e) Prohibit PRA managers, assessors and other employees from contributing to a price assessment by way of engaging in bids, offers and trades on either a personal</p>	<p><u>Policy Statement</u></p> <p>a) Please refer to Principle 2.11 for details of the Conflicts of Interest Policy.</p> <p>b) Please refer to Principle 2.11 for details of the Gifts and Entertainment Policy.</p> <p>c) The Conflicts of Interest Policy details that ICIS operates its information activities behind an information barrier implemented to segregate information staff from sales, marketing and consulting staff to ensure their independence and avoid the possibility for other staff to either influence information decisions or to access confidential information provided to the editorial teams.</p> <p>d) The ICIS Confidentiality Policy (the 'Confidentiality Policy'), which is contained in the ICIS Compliance Manual, requires that confidential information not be disclosed by an employee or agent of ICIS to any person outside ICIS.</p> <p>e) The Conflicts of Interest Policy prohibits ICIS managers, reporters and other employees from contributing to a price assessment by way of engaging in bids, offers and trades from trading in a commodity on either a personal basis or on behalf of market participants which is covered by an ICIS report or is in an associated commodity market.</p> <p>f) The Conflicts of Interest Policy requires that identified conflicts of interest are logged and investigated by a member of the Risk and Compliance Team. The log will be updated by a member of the Risk and Compliance Team as required during the investigation. The Conflicts of Interest Policy further states that the focus of the investigation will be to:</p> <ul style="list-style-type: none"> <li>• Establish and document the facts;</li> <li>• Identify and document the root cause of any conflict of interest; and</li> <li>• Recommend potential mitigating actions.</li> </ul>	<p><b>Category 1 and 2 - PS</b></p> <p>PwC inspected the Conflicts of Interest Policy, and noted that it is as described in ICIS' Response to Principle 2.12(c), 2.12(e), and 2.12(f).</p> <p>PwC inspected the ICIS Confidentiality Policy (the 'Confidentiality Policy'), which is part of the ICIS Compliance Manual, and noted that it is as described in ICIS' Response to Principle 2.12(d).</p> <p><b>Category 1 and 2 - PCA</b></p> <p>ICIS management has noted that there were no reported conflicts of interest identified within the period under review and so there are no items to test. Therefore, PwC did not perform validation procedures over ICIS' response that conflicts of interest will be mitigated by the Risk and Compliance Team.</p>

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<p>basis or on behalf of market participants. f) Effectively address identified conflicts of interest which may exist between its price assessment business (including all staff who perform or otherwise participate in price assessment responsibilities), and any other business of the PRA.</p>	<p><u>Process and Control Activities</u></p> <p>Following the investigation of a conflict of interest, the Risk and Compliance Team with appropriate input from any relevant persons whether the Managing Director, the General Counsel and any Heads of Departments, will consider the options available to mitigate the conflict. The focus of such discussions will be to either eliminate or avoid the existence of a conflict of interest or where such a conflict cannot be removed, to reduce the size and frequency of impact on price assessments.</p>	
<p>2.13 There is no principle.</p>	<p>Not applicable.</p>	<p>Not applicable.</p>
<p>2.14 A PRA should ensure that its other business operations have in place appropriate procedures and mechanisms designed to minimise the likelihood that conflicts of interest will affect the integrity of price assessments.</p>	<p><u>Policy Statement</u></p> <p>The Conflicts of Interest Policy, which applies to all ICIS staff and to the business itself, requires that where any such conflicts of interest or potential conflicts of interest are identified by a member of staff, then these should immediately be reported to the Risk and Compliance Team.</p> <p>The policy further details that the Risk and Compliance Team is responsible for ensuring all such conflicts are logged and appropriate mitigations are taken to remove or reduce the risk of such a conflict occurring.</p> <p>The Conflicts of Interest Policy states that ICIS mitigates such conflicts as it operates segregated reporting lines amongst its managers, assessors and other employees involved in reporting markets and prices. This operates from reporter level to the most senior level management (Editorial Director) and is guided by Editorial Standards ('Assessment Standards' in ICIS China) which require editorial independence and separation of these functions away from ICIS' other commercial interests. The Conflicts of Interest policy also includes a requirement that all staff respect information firewalls.</p> <p>The Confidentiality Policy requires that ICIS staff ensure that they do not share confidential information outside of their function.</p> <p>The Confidentiality Policy requires that where specific guidance or policy exists to govern the relationship between functions (such as the Editorial Consulting Co-operation Principles) then employees must follow these to ensure confidentiality is maintained.</p> <p>The Confidentiality Policy also requires that in the event of a breach of the 'fire wall', staff should consider themselves to be bound by the confidentiality obligations of the other function and should immediately report the breach to the Risk and Compliance Team.</p>	<p><b>Category 1 and 2 - PS</b></p> <p>PwC inspected the Conflicts of Interest Policy and noted that it is as described in ICIS' Response to Principle 2.14.</p> <p>PwC inspected the Confidentiality Policy and noted that it is as described in ICIS' Response to Principle 2.14.</p>

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<p>2.15 A PRA should ensure it has appropriate segregated reporting lines amongst its managers, assessors and other employees (as appropriate) and from the appropriate managers to the PRA's most senior level management and its Board (if any), designed to ensure (i) the PRA satisfactorily implements the requirements listed in these principles; and (ii) that responsibilities are clearly defined and do not conflict or cause a perception of conflict.</p>	<p><u>Process and Control Activities</u></p> <p>ICIS Editorial and other functions are separated at the highest possible level of the organisational structure (reporting to the Managing Director) to ensure these functions have appropriate segregation of supervision.</p> <p>The Compliance function is also separate of any other business function allowing it to investigate conflicts of interest (reporting to the Reed Business Information CFO).</p> <p><u>Policy Statement</u></p> <p>The Conflicts of Interest Policy requires that where a member of the Risk and Compliance Team is the subject of the conflict of interest or has a conflict of interest with regard to the subject of the investigation, the Head of Compliance will request that a suitably qualified and independent compliance function from RELX oversees the investigation.</p> <p>The Escalation Policy details how ICIS staff members may escalate any concerns about a compliance issue and explicitly empowers all staff to raise Serious Issues with management and/or the Risk and Compliance Team.</p> <p>The Escalation Policy signposts the RELX Whistle-blowing policy and processes including bypassing ICIS management entirely to raise concerns directly.</p>	<p><b>Category 1 and 2 - PCA</b></p> <p>PwC obtained ICIS' organisational structure chart and noted that the organisational structure is segregated as described in ICIS' Response to Principle 2.15.</p> <p><b>Category 1 and 2 - PS</b></p> <p>PwC inspected the Conflicts of Interest Policy, and noted that it is as described in ICIS' Response to Principle 2.15.</p> <p>PwC inspected the Escalation Policy and noted that it is as described in ICIS' Response to Principle 2.15.</p>
<p>2.16 A PRA should disclose to its stakeholders as soon as it becomes aware of a conflict of interest arising from the ownership of the PRA.</p>	<p><u>Policy Statement</u></p> <p>The Conflicts of Interest policy requires that if a conflict were to arise from the ownership of ICIS by RELX, then ICIS will disclose this immediately on its website.</p> <p>If the ownership of ICIS changes then the policy also requires that any conflict which arises from the new ownership of ICIS will be disclosed immediately on its website.</p>	<p><b>Category 1 and 2 - PS</b></p> <p>PwC inspected the Conflicts of Interest Policy and noted that it is as described in ICIS' Response to 2.16.</p>
<p><b>Complaints</b></p>		
<p>2.17 A PRA should have in place and publish written procedures for receiving, investigating and retaining records concerning complaints made about a PRA's assessment process.</p>	<p><u>Policy Statement</u></p> <p>The ICIS Feedback and Complaints Policy (the 'Complaints Policy'), which is contained in the ICIS Compliance Manual, details written procedures for receiving, investigating and retaining records concerning complaints made about all aspects of its business including its assessment process.</p> <p><u>Process and Control Activities</u></p> <p>The Complaints Policy is publicly available on the ICIS website.</p>	<p><b>Category 1 and 2 - PS</b></p> <p>PwC inspected the ICIS Feedback and Complaints Policy (the 'Complaints Policy'), which is part of the ICIS Compliance Manual, and noted that it is as described in ICIS' Response to Principle 2.17.</p> <p><b>Category 1 and 2 - PCA</b></p> <p>PwC inspected the ICIS external corporate website and noted that the Complaints Policy is publicly available.</p>

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<p>2.18 Among other things, such complaint mechanisms should [be designed to] ensure that:</p> <p>a) A PRA should have in place a mechanism detailed in a written complaints handling policy, by which its subscribers may submit complaints on whether a specific price assessment is representative of market value, proposed price assessment changes, applications of methodology in relation to a specific price assessment and other editorial decisions in relation to price assessment processes;</p> <p>a) A PRA should ensure that its written complaints handling policy includes, among other things, the process and target timetable for handling of complaints;</p> <p>b) Formal complaints made against a PRA and its personnel are investigated by that PRA in a timely and fair manner;</p> <p>c) The inquiry is conducted independently of any personnel who may be involved in the subject of the complaint;</p> <p>d) A PRA aims to complete its investigation promptly;</p> <p>e) A PRA advises the complainant and any other relevant parties of the outcome of the investigation in writing and within a reasonable period;</p> <p>f) There is recourse to an independent third party appointed by the PRA should a complainant be dissatisfied with the way a complaint has been handled by the relevant PRA or the PRA's decision in the situation no later than six (6) months from the time of the original complaint;</p> <p>g) All documents relating to a complaint, including those submitted by the complainant as well as a PRA's own record, are retained for a minimum of five (5) years.</p>	<p><u>Policy Statement</u></p> <p>a) The Complaints Policy states formal complaints can be sent in writing to the Customer Services Centre email address (<a href="mailto:clientsuccess@ICIS.com">clientsuccess@ICIS.com</a>). This includes complaints on specific price assessments, proposed price assessment changes, applications of methodology in relation to a specific price assessment and other editorial decisions in relation to price assessment processes.</p> <p>The ICIS China Feedback and Complaints Policy states that for ICIS China, formal complaints can be sent in writing to the Customer Services Centre email address or hotline (cc-support@icis.com or 4007-200-2222).</p> <p>b) The Complaints Policy includes the process and target timetable for handling of complaints. It states the following:</p> <p><u>Stage 1</u></p> <ul style="list-style-type: none"> <li>The Customer Services Centre (CSC) will record the complaint and allocate the complaint to the appropriate department for investigation;</li> <li>The person responsible for investigating the complaint will acknowledge receipt of the complaint within two working days of receipt;</li> <li>A further response will be sent within 7 days of the initial response being sent. If more time is needed to provide a detailed response, this will be indicated on the initial response as well as an interim report on the status of the investigation; and</li> <li>By the end of Stage 1 the complainant will be provided with a detailed written response to their complaint. This stage will last no more than 21 days.</li> </ul> <p><u>Stage 2</u></p> <ul style="list-style-type: none"> <li>Where the complainant is unhappy with the response and/or when an unresolved complaint is more than 21 days old then the complaint will be escalated to a higher level in the organisation; and</li> <li>By the end of Stage 2, the complainant will be provided with a detailed written response to their complaint. This stage will last no more than 14 days.</li> </ul> <p><u>Stage 3</u></p> <ul style="list-style-type: none"> <li>Where the complainant is unhappy with the response and/or when an unresolved complaint is more than 35 days old then the complaint will be escalated to the responsible senior manager; and</li> <li>By the end of Stage 3, the complainant will be provided with a detailed written response to their complaint and a final confirmed position. At this time,</li> </ul>	<p><b>Category 1 and 2 - PS</b></p> <p>PwC inspected the Complaints Policy and noted that it is as described in ICIS' Response to Principle 2.18.</p> <p><b>Category 1 and 2 - PCA</b></p> <p>For a sample of complaints received, PwC inspected the acknowledgment of receipt of the complaint and noted that this was completed by the responsible person within two working days of the initial complaint.</p> <p>For the above noted sample, PwC inspected the further response and noted that the complainant was provided with a detailed written response to their complaint within 7 days of the initial response being sent and no further time was needed.</p> <p>For the above noted sample, PwC inspected the complainant's detailed written response and noted that this was dated no longer than 21 days from the initial complaint.</p> <p>ICIS management has noted that there were no complaints identified within the period under review which were escalated to Stage 2 or 3 and so there are no items to test. Therefore, PwC did not perform validation procedures over ICIS' Response on the complaints process for Stage 2 or 3.</p> <p>ICIS management has noted that there were no complaints identified within the period under review relating to ICIS China and so there are no items to test. Therefore, PwC did not perform validation procedures over ICIS' Response on the complaints process.</p> <p>ICIS management has noted that there were no complaints identified within the period under review which were escalated to the further</p>

IOSCO Principle	ICIS' Response	Practitioner's Testing
	<p>details will be provided of the 'Further Appeal' mechanism. This stage will last no more than 14 days.</p> <p>For ICIS China, the 3 stage timetable is as follows:</p> <p><u>Stage 1</u></p> <ul style="list-style-type: none"> <li>• The Customer Care Team (CC) will record the complaint in the QC Platform;</li> <li>• The person responsible for investigating the complaint will provide an initial response within 3 days of notification from CC. If more time is needed to provide a detailed response, this will be indicated on the initial response as well as an interim report on the status of the investigation; and</li> <li>• This stage will last no more than 7 days. A detailed response should be provided in this timeframe.</li> </ul> <p><u>Stage 2</u></p> <ul style="list-style-type: none"> <li>• Where the complainant is unhappy with the response and/or when an unresolved complaint is more than 7 days old then the complaint will be escalated to a higher level in the organisation;</li> <li>• This stage will last no more than 3 days. A detailed response should be provided in this timeframe.</li> </ul> <p><u>Stage 3</u></p> <ul style="list-style-type: none"> <li>• Where the complainant is unhappy with the response and/or when an unresolved complaint is more than 10 days old then the complaint will be escalated to the responsible senior manager;</li> <li>• This stage will last no more than 3 days before the 'further appeal' mechanism.</li> </ul> <p><u>Further Appeal</u></p> <ul style="list-style-type: none"> <li>• Further appeal will be directed to the RBI Group Risk and Compliance Team in the event that a customer believes their complaint has not been dealt with appropriately.</li> </ul> <p>c) The Complaints Policy states that staff are required by the policy to investigate complaints fairly and in a timely manner.</p> <p>d) The Complaints Policy states that an investigation into a complaint will be conducted independently of any personnel who may be involved in the subject of the complaint.</p> <p>e) The Complaints Policy states that ICIS is committed to dealing with complaints quickly, however the period of time required to follow up on complaints can vary on a case-by-case basis.</p>	<p>appeal stage and so there are no items to test. Therefore, PwC did not perform validation procedures over ICIS' Response on the complaints process for further appeals.</p> <p>ICIS management has noted that there were no complaints identified within the period under review which were requested to be reviewed by an independent third party and so there are no items to test. Therefore, PwC did not perform validation procedures over ICIS' Response on the appointment of an independent third party.</p>

IOSCO Principle	ICIS' Response	Practitioner's Testing
	<p>f) Please refer to Principle 2.18(a) for information on the medium and timing of response.</p> <p>g) The Complaints Policy states that the Compliance function can appoint an independent third party in the event that a complainant is dissatisfied with the way a complaint has been handled. Requests for ICIS to appoint an independent third party to review a complaint can be made in writing to the Risk and Compliance Team following the issue of the findings of the Compliance function and any response from the relevant ICIS business unit; and</p> <p>h) The Compliance Policy states that all complaints and further correspondence will be logged and all correspondence will be archived in Salesforce for at least 5 years (QC Platform for China).</p> <p><u>Process and Control Activities</u></p> <p>In response, complaints are handled as described within the Complaints Policy.</p>	
<p>2.19 Disputes as to daily pricing determinations, which are not formal complaints, shall be resolved by the PRA with reference to its standard appropriate procedures. If a complaint results in a change in price, that should be communicated to the market as soon as possible.</p>	<p><u>Policy Statement</u></p> <p>The Complaints Policy states that disputes as to daily pricing determinations, which are not formal complaints, shall be resolved by ICIS following the same general standards as a complaint. Where such a dispute cannot be resolved during the initial contact then the complainant will be referred to the complaints process. Additionally, the Complaints Policy requires staff to signpost the Feedback and Complaints Policy to customers that may wish to complain.</p> <p>The ICIS Editorial Corrections Policy (the 'Corrections Policy'), which is contained in the ICIS Compliance Manual, details that where a formal complaint results in a change in price, that price is communicated to the market as soon as possible.</p>	<p><b>Category 1 and 2 - PS</b></p> <p>PwC inspected the Complaints Policy and noted that it is as described in ICIS' Response to Principle 2.19.</p> <p>PwC inspected the ICIS Editorial Corrections Policy (the 'Corrections Policy'), which is part of the ICIS Compliance Manual and noted that it is as described in ICIS' Response to Principle 2.19.</p>
<p><b>Cooperation with Regulatory Authorities</b></p>		
<p>2.20 Audit trails, other documentation required by these principles and all other relevant information shall be readily available to market authorities in carrying out their regulatory duties and handed over without delay in accordance with applicable law audits carried out as appropriate.</p>	<p>Out of scope for the purpose of this assurance engagement.</p>	<p>Excluded from scope of Independent Assurance.</p>

IOSCO Principle	ICIS' Response	Practitioner's Testing
<b>External Auditing</b>		
<p>2.21 A PRA should appoint an independent, external auditor with appropriate experience and capability to review and report on the PRA's adherence to its stated methodology criteria and with the requirements of the principles. The first resulting audit should be completed within one year of the publication of the principles by IOSCO and its results published within fifteen months of the publication of the principles. Subsequent audits should take place annual and be published three months after each audit is completed with further interim audits carried out as appropriate.</p>	<p>ICIS has engaged PricewaterhouseCoopers LLP to carry out an assurance review of its ICIS business' policies, processes and control activities, in respect of the Principles, for selected price assessments.</p>	<p>This Principle is covered by this report.</p>

Glossary

Section V

Term	Definition and Explanation
BFOE	It stands for Brent, Forties, Oseberg and Ekofisk. These are fields in the North Sea that produce similar grades/specifications of crude oil. A BFOE price will usually be the cheapest of the four grades.
Bids	The price that a buyer is willing to publicly state that they will pay for a good or service. ICIS requires that all bids are 'firm'; meaning that the buyer cannot refuse to buy if a seller meets their stated bid price.
Compliance Manual	This is a suite of compliance policies applicable to all staff that is maintained by the ICIS Compliance Team including Feedback and Complaints Policy, Confidentiality Policy, Conflicts of Interest Policy, Consulting Editorial Co-op Principles, Corrections Policy, Data Standards Policy, Editorial Standards Policy, Escalation Policy, Gifts and Entertainment Policy, Methodology Consultation Process and Record Retention Policy.
Compliance Policies	All ICIS compliance policies including those found in the Compliance Manual.
Confidentiality Policy	An ICIS policy contained within the ICIS Compliance Manual that sets out the approach ICIS takes toward confidential information that comes from both inside and outside the ICIS business. A significant portion of this policy is focused on the approach to confidentiality of sources of market data.
Conflicts of Interest	An ICIS policy contained within the ICIS Compliance Manual that deals with the ICIS approach to the identification, investigation, mitigation and eradication of conflicts of interest. This includes requirements to avoid conflicts of interest created through financial interests in the markets ICIS reports.
Consulting Editorial - Co-op Principles	An ICIS policy contained within the ICIS Compliance Manual that sets out the process/policy for non-confidential or conflicted information sharing between departments.
Corrections Policy	An ICIS policy contained within the ICIS Compliance Manual that sets out the policy for when and how corrections are issued.
Crude	It is a short form for Crude oil. Crude oil is the raw form of oil that is produced from oil wells such as those in the North Sea.
Customer Care Team	The function within ICIS China that manages day-to-day customer interactions including complaints.
Customer Service Centre	The function within ICIS that manages day-to-day customer interactions including complaints.
Darwin, InCopy, QC Platform	An in-house developed document publishing and tracking system that is used by ICIS.
Data Standards Policy	An ICIS policy contained within the ICIS Compliance Manual that articulates the policy standards for the provision of data to ICIS.
Dated BFOE Assessment	An assessment of the price of BFOE that is dated for delivery at a future day or within a future range of dates.
Editorial Continuity Guidelines	The guidelines set out the standards for ensuring that a new or covering reporter can use to undertake the market report.
Editorial Standards	An ICIS policy contained within the ICIS Compliance Manual that sets out in detail the approach ICIS reporters must take towards their market reporting work.
Escalation Policy	An ICIS policy contained within the ICIS Compliance Manual that outlines the various options that ICIS reporters can use to escalate identified issues. This also includes options outside the ICIS management structure directly into RELX's compliance and ethics function.
Expiry Date	The date by which ICIS commits to publicly re-consult on its methodologies.

Term	Definition and Explanation
Feedback and Complaints	An ICIS policy contained within the ICIS Compliance Manual that sets out the Feedback and Complaints process of ICIS; including the timescales and escalation processes which must be followed.
Firewall	An information firewall is used to separate the ICIS Editorial division from the commercial parts of the business. The presence of the firewall requires that Editorial staff report independently of any other business function and that information is not passed between the firewalled divisions.
Gifts and Entertainment	An ICIS policy contained within the ICIS Compliance Manual that sets out the standards ICIS staff must follow.
Grades	When talking about crude oil markets, grades refer to the specification of the oil that is usually linked to the field from which the crude oil has been produced.
Heads of Departments	The heads of all functional departments that report directly to the ICIS Managing Director of Reed Business Information Limited.
ICIS	The commodity market reporting business of Reed Business Information Limited (RBI) that produces commodity market news including market prices.
ICIS Compliance Manual	See Compliance Manual
IM	Instant Messenger is a form of electronic communication that allows two or more individuals to 'chat' with each other. IM is a generic term often used to refer to the use of Yahoo Messenger, the most dominant IM platform used in commodities trading.
IOSCO	The International Organization of Securities Commissions. An association of organisations that regulate the world's securities and futures markets.
Key	ICIS introduced a "key" to the Crude Methodology on 7 September 2013, which can be used by its readers to understand the way the price assessment was performed (in accordance with the methodology).
Market Data	Data provided to ICIS about market activity including data regarding transactions, bids and offers.
Methodology	The set of methods applied to the market data collected by the reporter to assess the price.
Methodology Consultation Process	An ICIS policy contained within the ICIS Compliance Manual that sets out the process that must be followed when updating methodologies.
Offers	The price that a seller is willing to publicly state that they will accept for a good or service. ICIS requires that all offers are 'firm', meaning that the seller cannot refuse to sell if a buyer meets their stated offer price.
Personal Account Dealing Declarations	A declaration made by staff on an annual basis which details any financial interests held by staff.
PRA	Price Reporting Agency. The term used by IOSCO to refer to market reporting companies such as ICIS that produce market prices as part of their news products.
Price Assessment	The process of applying the methodology to the market data in order to assess the market price which is published through the World Crude Report.
Reed Business Information Limited	Reed Business Information Limited (RBI) is the business-to-business division of RELX Group.
Record Retention Policy	An ICIS policy contained within the ICIS Compliance Manual that provides details on when and how ICIS archives its records of its market reporting work.
Recruitment Standards	A set of standards used by ICIS to assess the suitability of a candidate for a job as a reporter.
RELX	The parent company of the RBI division within which the ICIS business operates.

Term	Definition and Explanation
Reporter	The individual employed by ICIS who reports news and prices for a specific/given market. Although referred to as reporters and editors by ICIS, ICIS China editorial teams hold the title and position of analyst.
Risk and Compliance Team	This team operates independently of other ICIS departments and as part of the RBI Risk and Compliance Team reports directly to the RBI CFO.
Salesforce	The Customer Relationship Management (CRM) IT system used by ICIS to store all its prospect data, customer data and customer interactions.
Transactions	Refers to any agreement or arrangement between a buyer and a seller to exchange a relevant commodity for a payment or other form of consideration. Typically such a transaction must meet certain terms as specified in the methodology document (for example, a minimum volume size, specification and location).

