**High Level Contingency plans as per article 28(2) of BMR in case of Benchmark change or cessation**

As a supervised entity and a user of benchmarks in the EEA and in order to comply with article 28(2) of the European Benchmarks Regulation (BMR)[[1]](#footnote-1), CAL&F Group (Credit Agricole Leasing & Factoring) produce and will keep maintaining robust contingency plans describing the detailed actions to be undertaken in the event an index it uses :

* **materially changed** (for instance in the event when a benchmark administrator made the decision to implement a new methodology resulting in a **substantial change** in the underlying interest that the index aims to measure),
* **ceased to exist or being published by its administrator** (permanently or temporary)**,**
* **was not authorized** (i.e. as per the BMR not included in the ESMA register**):**
* **before 01.01.2020 for non-critical benchmarks administrated by an EEA administrator**,
* **before 01.01.2022 for critical benchmarks and third-country administrated benchmarks**,
* **was removed from the list of authorized administrators and benchmarks (i.e. from the ESMA register).**

These contingency plans were designed to cover:

1. **an emergency plan** in case a benchmark is suddenly no longer available (i.e. stop being published or made available to the public) or an administrator/calculation agent suddenly stops to administrate / calculate one of its Benchmarks;
2. **a medium/long-term plan** preparing a transition roadmap when the change or cessation of a benchmark is known well in advance.

These plans are referencing how CAL&F Group is monitoring such potential events in order for it to launch these plans as soon as an event occurs and is detected.

In addition, a list of important actions to be taken into account in these plans was also established and is including the following points:

* an emergency inventory of positions / expositions to determine the impacts of such an event and to assess the consequences as well as the highest priorities, analyze the existing documentation and products,
* as per the fallback clause, CAL&F Group will communicate, propose and agree with the client a sustainable benchmark alternative if technically possible,
* CAL&F Group may focus primarily on its major exposures and more sensitive clients (Factoring Business),
* depending on the Benchmark’s type (critical, significant, non-significant), CAL&F Group shall liaise with the relevant trade association or working group to seek guidance and a single outcome to avoid any market fragmentation.

A responsibility assignment matrix and an escalation process were also put in place to describe the participation by the various departments and function of CAL&F Group to handle and take part in these plans as quickly and effectively as possible.

As a reminder, this publication only provides general information background regarding these potential issues and regulatory obligations.

CAL&F Group is internally maintaining and updating when adequate more detailed and robust written contingency plans.

This publication and internal plans may also be subject to updates without notice and especially in case where the regulation would change or any other cases where adjustments will need to be considered.

1. “*Supervised entities other than an administrator as referred to in paragraph 1 that use a benchmark shall produce and maintain robust written plans setting out the actions that they would take in the event that a benchmark materially changes or ceases to be provided. Where feasible and appropriate, such plans shall nominate one or several alternative benchmarks that could be referenced to substitute the benchmarks no longer provided, indicating why such benchmarks would be suitable alternatives. The supervised entities shall, upon request, provide the relevant competent authority with those plans and any updates and shall reflect them in the contractual relationship with clients*” [↑](#footnote-ref-1)