



Index Industry Association launches Best Practices indexing standards and gains three new members

Global, 22 July 2013 - The Index Industry Association (“IIA”), the global organisation for index providers and the index industry, has launched a set of standards which define Best Practices for index providers globally. The IIA also announced today that CRSP, Research Affiliates LLC and STOXX have all joined the Association, bringing the total number of index providers represented by the IIA to 10, including many of the largest in the industry.

The [IIA Best Practices](#) are designed to ensure the highest quality and integrity of indices administered, maintained, or calculated by index providers. The standards developed by the IIA, and included in the Best Practices, cover areas such as governance, the quality and transparency of index methodologies, data collection, and index calculation and validation. Also included are standards for dealing with conflicts of interest, business continuity, confidentiality, record keeping, handling complaints and internal controls and reviews. Further information about the guidelines is available on the recently launched IIA website at www.indexindustry.org

All IIA members will abide by the Best Practices, while non-members can adopt the Best Practices by becoming a signatory and confirming their compliance with them.

Rick Redding, Executive Director of the IIA, said: “One of the main aims of the IIA is to represent the interests of index users and providers worldwide. The launch of the IIA Best Practices will help to achieve this aim as they are designed to ensure the highest standards of quality and integrity, but to do so in a way that fosters improvement, innovation, and vigorous competition in all aspects of the index industry. The Best Practices also demonstrate that index providers who are members of the IIA are meeting high standards and are fully aware of their responsibilities to index users.”

On the ratification of the three new members, Mr Redding added: “We are delighted to welcome CRSP, Research Affiliates LLC and STOXX to the IIA as they join with the

Association and other global index providers in educating investors on the attributes and role of indices within the financial markets.”

Many indices created, maintained, and disseminated by index providers, including IIA members, are widely used as benchmarks or are licensed for use in connection with a range of financial instruments. These indices can have material significance for investors around the world and for national, regional, or global financial markets.

For a copy of the IIA Best Practices and a [list of members](#) please visit www.indexindustry.org. A summary of the standards is attached.

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Notes to Editors

About IIA

The IIA is an independent, not-for-profit organization based in New York which represents the global index industry. Founded in March 2012, the association is the first ever index industry trade body and is open to membership from index businesses worldwide.

The purpose of the IIA is to represent the global index industry and the needs of investors by working with market participants, regulators and other representative bodies to promote sound practices in the index industry that strengthen markets by advocating the highest levels of ethics and integrity.

SUMMARY - IIA BEST PRACTICES

1. Governance

An Index Provider shall maintain robust governance arrangements, including a clearly defined management structure with transparent lines of reporting and appropriate allocation of authority and responsibility.

2. Quality and transparency of index methodologies

An Index Provider shall publish or otherwise make available the index methodologies for indices that are intended for commercial use and shall ensure sound administrative review of its index methodologies and the processes related to their calculation and maintenance.

3. Quality and transparency of data collection

An Index Provider shall take appropriate steps to utilize reliable sources of data and shall maintain clearly defined policies and processes for collecting, evaluating and utilizing relevant data in connection with index calculation.

4. Index calculation and verification

An Index Provider shall ensure that its indices are calculated in accordance with its methodologies.

5. Timely publication

An Index Provider shall ensure that information about its indices is published or otherwise made available in a timely manner, as appropriate to each index.

6. Conflicts of interest

An Index Provider shall take appropriate steps to identify and address conflicts of interest arising in connection with index calculation and maintenance.

7. Business Continuity and Disaster Recovery

An Index Provider shall maintain appropriate business continuity and disaster recovery plans to ensure that, as far as practicable, indices can continue to be calculated and published in an orderly and timely manner notwithstanding the occurrence of disruptive events.

8. Confidentiality and Recordkeeping

An Index Provider shall maintain appropriate and up-to-date records in connection with index services and implement and maintain appropriate safeguards to protect confidential information.

9. Responding to complaints

An Index Provider shall maintain written policies and procedures for promptly and appropriately responding to complaints about its indices.

10. Internal controls and reviews

An Index Provider shall establish an appropriate internal control framework to support its compliance with the Practices; its compliance shall be subjected to appropriate review on a periodic basis.