

Scope of rules for benchmarks, use in the Union of benchmarks provided by an administrator located in a third country, and certain reporting requirements

2023/0379(COD) - 19/05/2025 - Final act

PURPOSE: to adopt a regulation on financial benchmarks to reduce red tape for EU businesses, particularly SMEs.

LEGISLATIVE ACT: Regulation (EU) 2025/914 of the European Parliament and of the Council amending Regulation (EU) 2016/1011 as regards the scope of the rules applicable to benchmarks, the use in the Union of benchmarks provided by an administrator located in a third country and certain information requirements.

CONTENT: **benchmarks** are widely used by companies and investors in the EU as references in their financial instruments or contracts. This Regulation amends a regulation from 2016 regarding the scope of the rules for benchmarks, the use of benchmarks provided by administrators located in third countries, and certain reporting requirements.

Under Regulation (EU) 2016/1011 of the European Parliament and of the Council, all administrators of benchmarks, regardless of the systemic relevance of those benchmarks or the amount of financial instruments or contracts that use those benchmarks as reference rates or as performance benchmarks, are to comply with very detailed requirements that place a disproportionate regulatory burden on administrators of smaller benchmarks in the Union.

The aim of the amending Regulation is to **reduce the regulatory and administrative burden on EU businesses and investors** on those benchmarks with the greatest economic impact and to ensure that EU benchmark users continue to have access to the broadest possible set of benchmarks, including third-country benchmarks. In addition, the Regulation aims to establish a simplified framework for third-country benchmarks in the EU.

The main elements of the amended Benchmark Regulation are:

Significant benchmarks

Only critical or significant benchmarks remain within the scope of the new Regulation. The Regulation will reduce the regulatory burden on administrators of benchmarks defined as not significant in the EU by removing them from the scope of the legislation.

Certain modifications are introduced regarding the **designation, monitoring, and regulatory treatment** significant benchmarks. In addition to the EUR 50 billion threshold, qualitative criteria were introduced to identify significant benchmarks. The calculation of the EUR 50 billion threshold now considers the range of maturities or tenors, currencies and return calculation variants. The Commission may adopt a delegated act to specify the methodology for calculating the EUR 50 billion threshold and to set clear criteria for assessing benchmark usage.

European Securities and Markets Authority (ESMA)

ESMA's jurisdiction is extended. The Regulation grants ESMA **supervisory powers** over third-country benchmark administrators active in the EU. In addition, ESMA becomes the sole supervisory authority for these administrators, improving cross-border cooperation, regulatory efficiency, and simplification.

Voluntary participation scheme

The Regulation provides that administrators that would be excluded from the scope of the Regulation would be allowed to voluntarily choose to apply the rules ('opt-in') under certain conditions. A competent authority may designate a benchmark as significant if: (i) the administrator submits a written request clearly stating the reasons for the request for designation; and (ii) the benchmark is used within a combination of benchmarks in the EU as a reference for financial instruments, financial contracts or investment funds with a total average value of at least EUR 20 billion.

Spot foreign exchange benchmarks

A specific **exemption** is established for spot foreign exchange benchmarks. The Commission will be empowered to designate, by means of implementing acts, certain exchange rate benchmarks as exempt.

Benchmarks related to environmental, social and governance (ESG) claims

Under the Regulation, administrators of EU climate transition benchmarks or EU Paris Agreement benchmarks must have **authorisation, registration, endorsement or recognition**, for the purposes of regulatory oversight and to avoid misleading ESG-related claims. The European Commission will assess, by 30 June 2029, the adequacy of current ESG disclosure requirements and their alignment with other sustainability regulations.

Commodity benchmarks

The Regulation introduces changes to the regulatory treatment of commodity benchmarks to better reflect their specific characteristics and ensure **proportionate regulatory burden**. Commodity benchmarks based on contributions from non-supervised entities will be subject to the rules of Regulation (EU) 2016/1011 as soon as the total average notional value of financial instruments referencing the benchmark exceeds EUR 200 million over 12 months.

ENTRY INTO FORCE: 8.6.2025.

APPLICATION: from 1.1.2026.