HM Treasury

Future regulatory regime for benchmarks and benchmark administrators

Consultation Response

November 2026

HM Treasury

Future regulatory regime for benchmarks and benchmark administrators

Consultation Response

November 2026



© Crown copyright 2026

This publication is licensed under the terms of the Open Government Licence v3.0 except where otherwise stated. To view this licence, visit nationalarchives.gov.uk/doc/open-government-licence/version/3.

Where we have identified any third-party copyright information you will need to obtain permission from the copyright holders concerned.

This publication is available at: www.gov.uk/official-documents.

Any enquiries regarding this publication should be sent to us at public.enquiries@hmtreasury.gov.uk

ISBN 978-1-80994-014-8

PU 3701

Contents

Chapter 1	Executive summary	5
Chapter 2	Scope of regulation	8
Chapter 3	Benchmark contributors	18
Chapter 4	Users of benchmarks	19
Chapter 5	Overseas benchmarks	21
Chapter 6	Intervention and wind-down powers	24
Chapter 7	Next steps and timeline	25

Chapter 1
Executive summary

1.1 In December 2025, the government consulted on the future regulatory regime for benchmarks and benchmark administrators. The government proposed replacing the current regime, the UK Benchmarks Regulation (UK BMR), with the new Specified Authorised Benchmarks Regime (SABR).

1.2 The consultation proposed that only benchmarks deemed to be systemic under specified criteria would be subject to regulation. The focus of the regime would therefore be on benchmarks that pose significant risks to the UK financial system, or those that are fundamentally important to the markets they measure and are material to the functioning of related markets. It also proposed allowing HM Treasury to designate benchmark administrators at entity-level.

1.3 Under the model proposed in the consultation, HM Treasury would designate those benchmarks that meet the designation criteria, following a recommendation from the Financial Conduct Authority (FCA). Once a benchmark is designated, its administrator would need FCA authorisation and become subject to relevant regulatory requirements in regard to the specified benchmark, in order for it to continue to be used in the UK. For entity-level designation, the benchmark administrator would need FCA authorisation and become subject to relevant regulatory requirements for all of the benchmarks it produces.

1.4 In addition, the consultation proposed maintaining UK firms' access to overseas benchmarks while addressing the shortcomings of the existing overseas regime.

Objectives

1.5 Through the new SABR, the government is seeking to:

- Support the UK's position as a global financial centre whereby users can continue to access a wide range of benchmarks, including those provided from outside the UK;
- Work with the FCA to ensure that requirements placed on benchmark administrators, contributors, and users are commensurate with the risks to market integrity, financial stability and the real economy;
- Support innovation and competition so users can access a range of benchmarks suited to their needs; and
- Ensure that the FCA has the appropriate powers and tools to address misconduct and risks to consumers, fight financial crime, and thereby ensure market integrity and support financial stability.

Summary of consultation responses

1.6 The consultation received 29 responses, primarily from benchmark administrators and trade associations representing benchmark users and administrators. The government also received a small number of responses from Price Reporting Agencies and one from a professional services firm. The government appreciates the feedback provided by all parties.

1.7 All respondents supported the UK moving to a narrower, simplified and more proportionate regime for regulating benchmarks, and emphasised the importance of focusing on benchmarks that pose significant risks to the financial system.

1.8 However, the vast majority of respondents favoured moving to a model where HM Treasury could designate individual benchmarks but not benchmark administrators. Respondents argued that the ability to designate administrators at entity-level would create an overly broad regime, which would be inconsistent with the government's objective of targeting only systemic benchmarks.

Government response

1.9 After considering the consultation responses, the government will proceed with the development and introduction of SABR.

1.10 The regime will focus regulation on benchmarks that may pose significant risks to the UK financial system or are fundamentally important to the markets they seek to measure. This approach will deliver a more proportionate, risk-based and less burdensome regime, while aligning the UK more closely with other jurisdictions and enhancing international competitiveness.

1.11 In light of the feedback received, the government has decided to proceed with a framework under which HM Treasury may designate individual benchmarks only.

1.12 The government believes the principal risks posed by benchmarks relate to market integrity and financial stability. This approach balances maintaining oversight where most warranted while reducing regulatory burdens and supporting the UK's international competitiveness. The full rationale for this approach is set out in Chapter 2.

1.13 Subject to FCA advice and ministerial decision, the government's current expectation is that around 10 benchmarks will be designated compared to the millions currently regulated under UK BMR. This represents a significant narrowing of regulatory scope compared with the UK BMR, with 90% of benchmark administrators expected to fall outside the regime. Administrators will be regulated only in respect of their specified benchmark(s).

1.14 For overseas benchmarks, the government is committed to ensuring continued access beyond 2030 and to providing clarity on the

future regime well ahead of this deadline. Further details of the government's approach are set out in Chapter 5.

1.15 Alongside this document, the FCA has published a discussion paper.[1] It seeks views on building an effective, proportionate rulebook for firms in scope of the future regime that provide, contribute to or use specified benchmarks.

Next steps and timeline

1.16 In summer 2027, the government aims to publish and seek technical feedback on the draft Statutory Instrument(s) (SI) which will implement SABR. The FCA intends to publish a consultation paper with draft rules and guidance in parallel.

[1] FCA Discussion Paper: Reforming UK benchmarks regime

Chapter 2

Scope of regulation

The scope of the new Specified Authorised Benchmarks Regime

2.1 As set out in the consultation, the UK BMR has successfully delivered many of its original objectives, including supporting high standards of benchmark governance, and the transition away from the London Interbank Offered Rate (LIBOR).

2.2 However, the market has evolved, leaving the current regime overly expansive, complicated, and no longer fit for purpose in the UK. The government no longer considers it proportionate to regulate every benchmark administered in the UK and to impose the associated requirements on all contributors and users of those benchmarks.

2.3 The government is therefore introducing SABR, under which only systemic benchmarks will be regulated. SABR will be a designation-based regime, under which HM Treasury will designate benchmarks against criteria established in legislation. While HM Treasury retains ultimate responsibility for designation decisions, under usual circumstances, those decisions will be based on recommendations from the FCA. Subject to FCA advice and ministerial decision, the government expects there to be around 10 specified benchmarks.

2.4 Consistent with the Financial Services and Markets Act 2000 (FSMA) model of financial regulation, the government intends to delegate the firm-facing requirements to the FCA. Administrators of specified benchmarks would be required to obtain FCA authorisation and comply with the relevant obligations, making them subject to FCA supervision in relation to those benchmarks.

2.5 Under SABR, administrators of specified benchmarks will be authorised under Part 4A of FSMA and will be subject to the FCA's threshold conditions. If HM Treasury designates a benchmark whose administrator is not already authorised by the FCA, the administrator will be required to seek FCA authorisation. The transition arrangements, including the period between designation and authorisation, are described below.

2.6 Authorised firms, such as banks and asset managers, will no longer be required to use benchmarks administered by administrators included on the FCA Benchmarks Register.

2.7 Subject to consultation, the FCA's rules will prohibit administrators of specified benchmarks from making misleading references to their regulatory status. This approach will ensure that

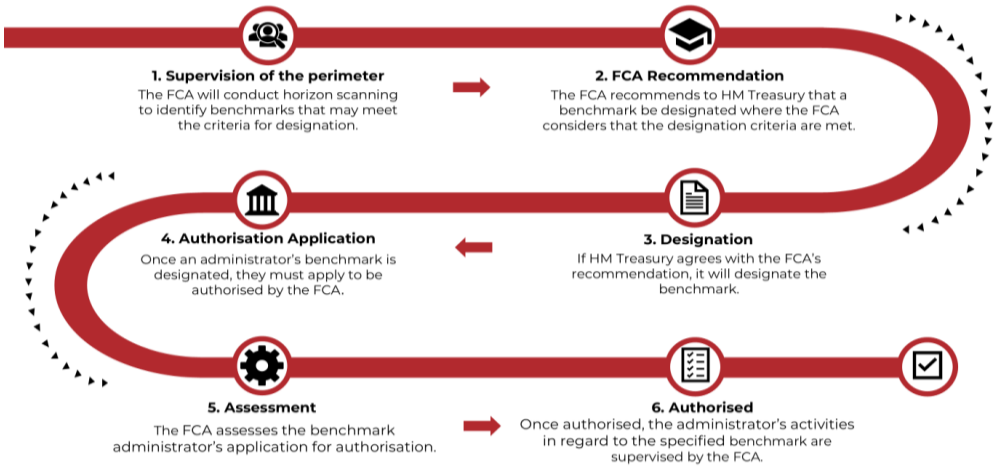
market participants continue to access a wide range of benchmarks, while addressing significant risks to market integrity in the UK.

Designation process

2.8 Under the new regime, the FCA will recommend benchmarks for designation to HM Treasury, taking into account factors such as levels of use in UK markets, the benchmark's type, and the contexts in which it is used. HM Treasury will consider the recommendation in determining whether designation is required, while retaining discretion to designate independently.

2.9 This process is detailed in Box 2.A below. To provide greater clarity and address queries raised by respondents on this process, the government intends to publish an Approach to Designation document.

Box 2.A Designation Process



*Box 2.A shows the designation process under SABR: 1) The FCA monitors for benchmarks that may meet the criteria. 2) The FCA makes designation recommendations to HM Treasury. 3) If HM Treasury agrees, it will designate the benchmark. 4) The administrator of a designated benchmark must apply for FCA authorisation. 5) The FCA will assess the authorisation application. 6) Once authorised, the administrator's activities in regard to the specified benchmark are supervised by the FCA.

2.10 There will also be a de-designation process to ensure the regime applies only to benchmarks that continue to meet the designation criteria. The FCA may recommend that a specified benchmark no longer meets those criteria, following which HM Treasury may de-designate it.

2.11 As part of the transition to SABR, benchmark administrators currently authorised under UK BMR that administer benchmark(s) which meet the criteria for designation will be grandfathered into the new regime, removing the need for firms to reapply for authorisation. However, the government recognises that in the future there may be a gap between a benchmark being designated and its administrator obtaining FCA authorisation. During this period, the benchmark could continue to be produced and used in the UK.

2.12 To manage risks during this period, the government expects to give the FCA a defined set of powers to engage with administrators of specified benchmarks and, where necessary, take action. Once an administrator is authorised, the FCA will have access to its full supervisory and enforcement powers.

2.13 Stakeholders will have a further opportunity to comment on the design of the designation process when the government publishes draft legislation.

Criteria for designation

Designated benchmarks

2.14 Under the proposals in its consultation, HM Treasury would be able to designate those benchmarks that meet the criteria in legislation. A proposed version of the designation criteria was included in the consultation (see Box 2.B).

2.15 The consultation sought views on the proposed criteria. It also sought views on having a designation regime based on qualitative criteria.

2.16 The proposed criteria suggested a benchmark be designated if there would be significant adverse impacts should it cease to be provided without 'sufficient notice'. To determine what this notice period should be, the consultation also asked what an appropriate period would be for authorised firms to move to a new benchmark, should the designated benchmark cease to be provided.

Box 2.B Proposed Criteria

Impact on the integrity of the UK financial system and consumers:

- The benchmark has no or few substitutes, or it is not reasonably practicable for one or more users of the benchmark to switch to one of the substitutes, and
- In the event that the benchmark ceases to be provided without sufficient notice or is provided on the basis of data no longer fully representative of the underlying market or economic reality or on the basis of unreliable data, there would be significant and adverse impacts on the integrity of the UK financial system and consumers.

Impact on the market that the benchmark seeks to measure

- The benchmark has no or few substitutes, or it is not reasonably practicable for one or more users of the benchmark to switch to one of the substitutes, and

  In the event that the benchmark ceases to be provided without sufficient notice, or is provided on the basis of data no longer fully representative of

the underlying market or economic reality or on the basis of unreliable data:

- There would be significant and adverse impacts on the market that the benchmark seeks to measure, and/or
- There could be significant and adverse impacts on markets materially connected to the market the benchmark seeks to measure.

Summary of responses

2.17 The government received significant feedback on the proposed designation criteria. Respondents sought greater certainty around what types of benchmarks would fall within scope and stressed that the criteria should not inadvertently bring low-risk benchmarks into the regime. Respondents also sought greater transparency regarding how the criteria would be applied in practice.

2.18 Some respondents cautioned against adopting a regime that applies uniformly across all types of benchmarks. In particular, commodity stakeholders argued that commodity benchmarks operate differently from financial benchmarks and therefore require tailored regulation.

2.19 A few respondents also raised concerns about a subset of foreign exchange (FX) benchmarks, typically administered overseas, that are not provided on a commercial basis. A couple of respondents therefore suggested an explicit exclusion.

2.20 Respondents provided detailed and constructive feedback on the drafting of the designation criteria, including a number of proposals to refine specific terms and concepts. While respondents were supportive of the overall objective, they highlighted that certain elements of the criteria could be open to interpretation, creating a risk of inconsistent application or unintended outcomes.

2.21 Some respondents were concerned that some low-risk benchmarks could be captured by the criteria, for example where a benchmark with limited usage could be designated on the basis of its effects on a narrow market segment.

2.22 Similar concerns around certainty and predictability were raised in relation to the qualitative criteria. While respondents did not generally oppose a qualitative assessment, many questioned how it would operate in practice and several suggested introducing a supplementary quantitative threshold below which benchmarks could not be designated.

2.23 Responses varied on the appropriate notice period for an authorised firm to transition to a new benchmark in the case that a designated benchmark it uses ceases to be provided. Most respondents favoured 12 months, while others supported periods of 6 or 24 months.

Commodity market participants generally considered benchmark cessation to pose more limited risks in their markets. A number of respondents also emphasised the need for flexibility, noting that appropriate notice periods can vary significantly across different benchmark types.

Government response

2.24 The government has carefully considered the responses received and acknowledges concerns regarding the proposed designation criteria.

2.25 The designation criteria will be asset-class agnostic, although the FCA may take factors such as asset class into account when recommending benchmarks for designation and when developing benchmark-specific rules.

2.26 In response to concerns that the regime could capture low-risk benchmarks, the government reiterates that meeting an element of the statutory criteria will not necessarily result in designation, and that the criteria for both domestic and overseas benchmarks will be applied pragmatically. Further, the government does not expect to designate foreign exchange benchmarks that are administered on a non-commercial basis.

2.27 The government does not expect to make material changes to the designation criteria but will consider targeted refinements to the drafting in light of respondents' feedback. Stakeholders will have a further opportunity to comment when the draft legislation is published.

2.28 On the inclusion of a quantitative usage threshold, the government is of the view that this would not be appropriate in legislation, as it could prove inflexible and difficult to calibrate across different benchmarks. Recognising the challenges in reliably determining usage levels, the FCA may consider available evidence on usage as part of its assessment when making recommendations to HM Treasury. As outlined earlier in this chapter, further details on the designation process will be set out in due course.

2.29 The government does not intend to prescribe a fixed notice period in legislation. The criteria will retain wording that a benchmark should be designated where its cessation would cause significant adverse impacts without a 'sufficient' notice period. The FCA will assess individual benchmarks to determine what an appropriate period would be when making designation recommendations.

Designated administrators

2.30 The consultation sought views on whether HM Treasury should have the power to designate benchmark administrators, in addition to individual benchmarks. The process of entity-level designation would consider whether the aggregate impacts of a firm's benchmarks could pose significant adverse risks to UK markets. Once authorised, all of a

firm's benchmark administration activity would be subject to FCA regulation and supervision.

Summary of responses

2.31 Responses were overwhelmingly opposed to entity-level designation. Respondents argued that such an approach would be overly broad and inconsistent with the policy objective of targeting only benchmarks that pose systemic risk.

2.32 Many were concerned that designating an administrator could bring large numbers of niche or low-risk benchmarks into scope unnecessarily. Some also raised concerns around the practicalities of entity-level designation. Several responses further questioned what characteristics of an administrator itself, rather than a specific benchmark, would justify designation.

2.33 A small number of respondents said that significant risk could arise from the activities of a benchmark administrator as well as from individual benchmarks.

Government response

2.34 The government has carefully considered responses on entity-level designation and the potential risks that may arise from the whole of a firm's benchmark administration activity. It agrees that entity-level designation could undermine the policy objective of focusing the regime on systemic risks by inadvertently bringing low-risk benchmarks within scope.

2.35 The government recognises that disruption permeating across a benchmark administrator could have a disproportionate impact on UK markets. For example, an operational incident could affect all of an administrator's benchmarks simultaneously. Likewise, widespread governance, data or methodology failings could extend across benchmark families, increasing both the likelihood and impact of market disruption.

2.36 However, SABR is intended to recalibrate the regulatory framework for benchmarks towards one focused on risks to market integrity and financial stability. In the government's view, these risks are driven primarily by the importance and characteristics of individual benchmarks rather than by the characteristics and scale of the administrator itself.

2.37 While the aggregation of an administrator's activities may, in some circumstances, amplify disruption, the government does not consider that addressing these risks through entity-level designation would justify the costs and potential unintended consequences that this approach would create. Therefore, the government will not take forward the proposal to have the option to designate benchmark administrators at an entity-level. Instead, designation will apply only to individual benchmarks.

2.38 This will further ensure that SABR remains aligned with benchmark regulation in other jurisdictions while supporting a competitive environment for benchmark administration in the UK.

Voluntary Opt-in

2.39 In the consultation, the government sought views on the proposal to not include a mechanism for firms to voluntarily opt in to SABR on the basis that this would be inconsistent with the objectives of the reform.

Summary of responses

2.40 Views were mixed on whether an opt-in route should be introduced. Respondents in favour of an opt-in route argued that it would provide administrators with greater certainty regarding their regulatory status, particularly where benchmark usage may fluctuate over time. However, some also suggested that designation could be perceived as a regulatory "kitemark", potentially disadvantaging benchmarks that are not designated, and that an opt-in route could help mitigate this effect.

2.41 Other respondents did not see a clear benefit to an opt-in regime and agreed that it would be inconsistent with the objectives of SABR. These respondents also argued that an opt-in route could reinforce perceptions that regulated benchmarks are safer than non-regulated benchmarks, contrary to the objectives of SABR.

Government response

2.42 The government remains of the view that it is not necessary to introduce a voluntary opt-in mechanism. The reforms are intended to decouple a benchmark's regulatory status from users' perceptions of quality or robustness. Under SABR, non-regulated benchmarks should not be construed as being of lower quality or less suitable than designated benchmarks. Administrators of designated benchmarks will not be permitted to use their status to market their non-regulated benchmarks.

2.43 An opt-in mechanism would be contrary to this approach, expanding the regime beyond its focus and risking reinforcing a perception that regulatory status is a sign of higher quality.

Environmental, Social and Governance (ESG) benchmarks

2.44 The consultation proposed that ESG benchmarks should be designated under SABR only where the benchmark meets the statutory criteria. As a result, many ESG benchmarks would fall outside the scope of regulation under the new regime.

2.45 This reduction in scope was noted as having potential implications for the recently introduced ESG ratings regime, which

introduces regulation for providers of ESG ratings. The consultation invited views on any operational or other unintended consequences.

2.46 The consultation also sought views on whether the UK should retain the Paris-Aligned Benchmark (PAB) and Climate Transition Benchmark (CTB) labels and continue to regulate their use.

Summary of responses

2.47 The vast majority of respondents agreed that ESG benchmarks should fall within scope only where they meet the designation criteria. Feedback primarily focused on the interaction between the ESG Ratings regime and SABR. Respondents noted that it would be desirable if the current exemption for regulated benchmarks incorporating an ESG rating as part of their methodology continued to exempt such benchmarks even where they are no longer regulated under SABR.

2.48 A small number of respondents sought clarification on the treatment of existing ESG-specific requirements, including disclosure obligations. Some questioned whether it would be proportionate to retain these requirements given SABR's objectives.

2.49 Most respondents agreed that the requirement for regulated benchmark administrators to endeavour to provide PABs and CTBs should be removed. Some suggested that there would be merit in retaining recognition of the European Union (EU) labels, highlighting the benefits of continued alignment with EU standards where these labels continue to be used. A minority of respondents favoured retaining the labels, which would enable investors to assess products according to their climate goals while supporting international alignment with other jurisdictions.

Government response

2.50 The government intends to regulate ESG benchmarks only where they meet the designation criteria under SABR. The targeted regime reflects its view that significant market disruption is the principal risk posed by benchmark activities.

2.51 The ESG ratings regime addresses risks that standalone ratings may be opaque, poorly governed, or subject to conflicts of interest, potentially distorting investment decisions and the allocation of capital to standalone activities.

2.52 The forthcoming SABR SI will preserve the exemption for benchmarks, whether designated under the SABR regime or not, from the scope of the ESG Ratings regime. As it stands, the government considers this to be the appropriate boundary between the two frameworks, ensuring that benchmark administrators are not brought within the ESG Ratings regime unless they also provide standalone ratings.

2.53 Therefore, the government will amend the ESG Ratings SI to exempt benchmarks. The FCA will continue to monitor the perimeter as the market develops.

2.54 The government intends to remove the requirement for regulated administrators to endeavour to provide PABs and CTBs. Given their limited use in the UK, retaining this obligation would be inconsistent with SABR's focus on systemic benchmarks. The government nevertheless supports their voluntary provision where there is investor demand.

Commodity benchmarks

2.55 The consultation proposed applying the same designation criteria to commodity benchmarks as to other benchmarks and removing the separate legislative regime for commodity benchmarks, with detailed requirements for commodity benchmarks being delegated to the FCA.

Summary of responses

2.56 Most respondents agreed that the same criteria for designation should apply to commodity benchmarks as to other benchmarks. Respondents generally saw limited benefit in maintaining separate legislative criteria for commodity benchmarks.

2.57 Commodity market participants stressed that the requirements for specified commodity benchmarks should continue to reflect the unique characteristics of commodity markets. They argued that the tailored requirements in Annex II of UK BMR should be retained to avoid uncertainty, divergence from international standards, and disruption to an established regime.

2.58 A small number of respondents agreed that it was appropriate for the FCA to calibrate firm-facing requirements for commodity benchmarks and supported the FCA continuing to apply relevant international standards in this area.

Government response

2.59 The government intends to apply the same designation criteria to commodity benchmarks as to other benchmarks, consistent with the approach proposed in the consultation. This provides a clear and consistent basis for designating a benchmark regardless of asset class.

2.60 As only around 10 benchmarks are expected to be designated, the vast majority of commodity benchmarks will not be regulated by the regime. The government intends to delegate the requirements currently contained in Annex II of the UK BMR to the FCA, which will consult further on how these rules should apply to specified benchmarks.

2.61 The FCA will have regard to relevant international standards, including the International Organisation of Securities Commissions (IOSCO) Principles for Oil Price Reporting Agencies. Delegating these

requirements to the FCA will provide flexibility to respond to emerging risks and evolving international standards. Commodity benchmarks that fall outside the regime will not be subject to these requirements, although the government continues to support adherence to internationally recognised standards as industry best practice.

2.62 Stakeholders will have the opportunity to engage with the FCA during the rulemaking process, helping to ensure that rules for specified benchmarks are proportionate and appropriately reflect the characteristics of commodity markets.

Chapter 3
Benchmark contributors

3.1 Under the UK BMR, authorised firms that contribute to benchmarks are subject to governance and control requirements. The UK BMR also covers unauthorised contributors, who, while not authorised under FSMA, are subject to requirements on transparency, record-keeping and cooperation with administrators.

3.2 For designated benchmarks, the consultation proposed retaining obligations for authorised benchmark contributors while removing obligations for unauthorised contributors. The consultation also sought views on whether the FCA's existing powers remain sufficient to mitigate risks arising from the increasing use of non-price data.

Summary of responses

3.3 Respondents broadly supported a narrow, proportionate approach to regulating authorised contributors and removing obligations on unauthorised contributors, while emphasising that any requirements for contributors to designated benchmarks should remain tightly scoped.

3.4 Respondents did not support granting the FCA powers over non-price data. They noted that such data is often provided voluntarily by overseas or unregulated participants and argued that extending regulatory powers could discourage information sharing and reduce data quality and transparency.

Government response

3.5 For specified benchmarks, the government intends to retain obligations on authorised benchmark contributors. Consistent with respondents' support for a narrow and proportionate approach, the FCA will consult on firm-facing requirements for authorised contributors to ensure they are appropriately calibrated and reflect the role and characteristics of different contributors.

3.6 In response to the feedback, the government will remove obligations on unauthorised contributors and will not provide the FCA with further specific powers over non-price contributors. The FCA will consult on applying a principles-based approach to ensuring all data used to determine a specified benchmark, whether that is price or non-price data, is accurate.

Chapter 4
Users of benchmarks

4.1 Given that the vast majority of benchmarks are expected to fall out of scope of regulation under SABR, the government's consultation sought views on removing the existing requirement for authorised firms to use only regulated benchmarks.

4.2 The consultation also sought views on how references to financial benchmarks should be treated across other regulatory regimes, like the Market Abuse Regulation and the Markets in Financial Instruments Regulation. The government welcomed feedback on whether FCA guidance would be helpful in informing authorised firms' approach to using non-regulated benchmarks.

Summary of responses

4.3 Respondents overwhelmingly supported this proposal, agreeing that removing the use requirement is a necessary component of a designation-based regime. Many highlighted the risk that SABR may create an unintended preference for designated benchmarks. These respondents generally emphasised the importance of ensuring that undesignated benchmarks are not perceived as being of lower quality.

4.4 Some respondents also noted that permitting firms to use any benchmark, whether regulated or not, could increase the burden on benchmark users, such as asset managers, of undertaking more due diligence. These respondents called for FCA guidance to support consistent and effective due diligence practices.

4.5 In addition, some respondents questioned the value of retaining requirements to maintain fallback plans. They argued that, given the widespread adoption of contractual fallbacks following the LIBOR transition, the burdens caused by the current requirements for written fallback plans are disproportionate to their practical utility.

4.6 In respect of references to other regulatory regimes, respondents stressed the importance of ensuring consistency and avoiding unintended consequences for benchmarks that will no longer be regulated.

4.7 In response to the request for views on the content of FCA guidance for the use of non-regulated benchmarks, most respondents reiterated that any such guidance should not indirectly favour specified benchmarks and should be principles-based and proportionate.

Government response

4.8 The government intends to remove the requirement for authorised firms to use only regulated benchmarks and acknowledges that this change will represent a transition for both users, who will have more flexibility regarding the benchmarks they use, and benchmark administrators.

4.9 Regarding the potential increase in burdens on users of undertaking due diligence on benchmarks, the government agrees that the UK BMR has provided additional assurance regarding the accuracy and robustness of benchmarks. However, users' wider obligations already require them to undertake due diligence to assess the suitability of benchmarks for their clients. The government does not consider the UK BMR to have replaced those assessments. These requirements remain an important safeguard for investor outcomes, regardless of whether a benchmark is regulated.

4.10 That said, alongside existing support for users in assessing benchmark suitability, including the IOSCO Statement on *Matters for Users of Financial Benchmarks to Consider*, the FCA is considering issuing non-binding best practice guidance to provide further assistance to users of both regulated and unregulated benchmarks.

4.11 To address concerns that specified benchmarks may be perceived as more credible or reliable than unregulated benchmarks, the FCA proposes to require administrators of specified benchmarks to be clear, fair, and not to mislead regarding their regulatory status and the implications of using specified benchmarks.

4.12 The FCA will also consider the requirements for users to maintain fallback plans through its discussion paper, and these will be finalised in its rules.

4.13 Through the SABR SI, the government will ensure that cross-references between regimes are updated as necessary. Stakeholders will have the opportunity to comment on the exact changes when the draft SI is published.

Chapter 5
Overseas benchmarks

5.1 Under UK BMR, overseas benchmarks may only be used in the UK if they have been registered by the FCA as complying with one of three available access routes: equivalence, endorsement or recognition.

5.2 Ahead of the UK BMR being implemented, industry highlighted significant operational challenges with this approach, leading to transitional provisions being implemented in 2018 which allowed users to access overseas benchmarks not on the FCA's register. This transitional period was most recently extended to the end of 2030.

5.3 The consultation proposed that only designated overseas benchmarks would need to comply with an overseas benchmarks regime to be used in the UK. It suggested a number of options, including maintaining existing access routes available under the UK BMR and introducing bespoke UK access routes. It also sought views on the regulatory framework and measures needed to ensure the overseas regime operates effectively. These proposed access routes are shown in Box 5.A below.

Box 5.A Potential Access Routes

Access routes under UK BMR

Equivalence:

Benchmarks regulated in a jurisdiction that has received an equivalence decision from HM Treasury may be included on the FCA register. As of November 2026, the UK has maintained UK BMR equivalence decisions for Australia, Singapore and the European Economic Area.

Recognition:

An overseas benchmark may be included on the FCA register where its administrator can demonstrate that it applies the IOSCO Principles in a manner equivalent to compliance with the UK BMR. This must be supported by either appropriate assurance or supervision in its home jurisdiction. In addition, the administrator must appoint a UK legal representative and be subject to a cooperation arrangement between the FCA and the relevant overseas authority.

Endorsement:

An overseas benchmark may access the UK market through endorsement by a UK authorised benchmark administrator. The UK administrator must ensure that the benchmark is regulated by standards at least as stringent as those under the UK BMR, often measured by its compliance with the relevant IOSCO Principles.

Other access routes proposed in relation to SABR:

Overseas Recognition Regime (ORR):

The ORR would be designed and operated in line with the broader approach taken by the government to ORRs, set out in the Overseas Recognition Regimes Guidance Document.[2] Where a designated overseas benchmark is already regulated in a jurisdiction with an ORR determination, it would not need to be regulated by the FCA to be provided to UK users.

The FCA's approach to international firms

Overseas benchmarks that have been designated would need to either set up an authorised branch or subsidiary in the UK subject to their size and other considerations such as any existing supervisory cooperation between the FCA and the relevant home authority. Where a corporate group has a UK authorised entity, this may be sufficient to enable benchmarks produced by overseas administrators within that group to be provided in the UK.

Summary of responses

5.4 Responses on the treatment of overseas benchmarks and potential access routes varied considerably, and no consensus emerged on the preferred approach.

5.5 One consistent theme across responses was the importance of maintaining UK users' access to overseas benchmarks, with some arguing the overseas regime should be removed entirely. While recognising the importance of access, other respondents emphasised that an overseas regime is necessary to maintain a level playing field between domestic and overseas administrators.

5.6 Many respondents emphasised the importance of avoiding duplicative authorisation requirements to support access to global benchmark markets. They argued that requiring overseas administrators already subject to appropriate regulation and supervision in their home jurisdictions to obtain UK authorisation would

2 Overseas_Recognition_Regimes_Guidance_Document_final_.pdf

impose disproportionate burdens and could discourage them from making benchmarks available to UK users.

5.7 In relation to access routes, respondents questioned whether the ORR alone would provide sufficient market access, noting that some overseas jurisdictions may not qualify for an ORR determination. They argued that endorsement and recognition could provide complementary routes where an ORR determination is not possible. Some respondents favoured reducing the number of access routes to simplify the framework.

Government response

5.8 In light of the range of views expressed, the government intends to develop a proportionate framework that preserves access to overseas benchmarks while enabling appropriate oversight where necessary.

5.9 As set out in the consultation, once an overseas benchmark is designated, its administrator will need to comply with FCA obligations for the benchmark to continue to be used in the UK. Given the high bar for designation, the government expects few, if any, overseas benchmarks to be designated, at least in the initial phase of the regime.

5.10 Despite this expectation, the government considers it important to retain the ability to designate an overseas benchmark where necessary. This ensures the FCA has the tools required to oversee and, where appropriate, intervene in relation to overseas benchmarks.

5.11 Having considered respondents' views on the available access routes, the government considers that designated overseas benchmarks should access the UK market through routes that enable effective FCA oversight. It does not believe that the Recognition or ORR routes would provide a level of oversight commensurate with the risks these benchmarks could pose to UK markets.

5.12 It therefore considers that administrators of designated overseas benchmarks would need either to access the UK market through an endorsement regime or be authorised under the FCA's approach to international firms. These routes would enable the FCA to have an appropriate level of oversight.

5.13 The government has also considered how SABR's endorsement regime should work. Under UK BMR, any UK entity can endorse an overseas benchmark, including a firm outside the overseas administrator's corporate group. This can make it difficult for an overseas administrator to share confidential information and therefore limit the UK endorsing entity's ability to verify compliance. SABR will therefore limit endorsement to entities in the same corporate group.

5.14 The government will continue to engage with the FCA to ensure these access routes and associated oversight are proportionate to the risks benchmarks pose. Further detail on how these routes will work will be provided through the draft SI and the FCA's consultation process.

Chapter 6

Intervention and wind-down powers

6.1 As set out in the consultation, the government believes that the FCA should be equipped with an appropriate toolkit to address risks and mitigate potential market disruption.

6.2 The consultation proposed retaining the FCA's existing wind-down powers for designated benchmarks, including use restriction, and sought views on potential additional powers.

Summary of responses

6.3 Respondents broadly supported applying existing wind-down powers to designated benchmarks, citing the LIBOR transition as evidence of their value in managing risks, while emphasising that the powers should be proportionately calibrated to different benchmark types.

6.4 Respondents supported giving the FCA powers to restrict the use of designated benchmarks, provided these powers are used only in exceptional circumstances. Most respondents opposed extending these restrictions to unregulated benchmarks, though some supported extension where there is a risk of significant market disruption.

6.5 Among the limited responses received, there was no support for expanding the existing wind-down powers, with respondents instead favouring a clear and proportionate framework.

Government response

6.6 Having considered consultation responses, the government intends to provide the FCA with wind-down powers for specified benchmarks broadly equivalent to those under the UK BMR. These powers should remain sufficiently broad to enable intervention where necessary to mitigate market disruption, but are intended to be used only in exceptional circumstances, as seen in the case of LIBOR.

6.7 The government will set out further detail on the full scope and extent of the powers during the SI drafting process. Subject to consultation, the FCA expects to incorporate the current provisions on critical benchmark powers into its Handbook and set out its approach to exercising those powers in guidance.

Chapter 7

Next steps and timeline

7.1 In summer 2027, the government aims to publish and seek technical feedback on the draft SI which will implement SABR. This will give stakeholders an opportunity to provide feedback on whether the draft legislation achieves the government's policy intent, and to highlight any unintended consequences.

7.2 The FCA will consider the feedback on its discussion paper on the firm-facing requirements and aims to publish a consultation paper with draft rules and guidance, also in summer 2027.

HM Treasury contacts

This document can be downloaded from www.gov.uk

If you require this information in an alternative format or have general enquiries about HM Treasury and its work, contact:

Correspondence Team

HM Treasury

1 Horse Guards Road

London

SW1A 2HQ

Tel: 020 7270 5000

Email: public.enquiries@hmtreasury.gov.uk