

Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014 (Text with EEA relevance)

TITLE III

REQUIREMENTS FOR DIFFERENT TYPES OF BENCHMARKS

[^{F1}CHAPTER 3A

[^{F2}UK Climate Transition Benchmarks and UK Paris-aligned Benchmarks]

Article 19a

[^{F3}UK Climate Transition Benchmarks and UK Paris-aligned Benchmarks]

1 The requirements laid down in Annex III shall apply to the provision of, and contribution to, [^{F4}UK] Climate Transition Benchmarks and [^{F4}UK] Paris-aligned Benchmarks, in addition to the requirements of Titles II, III and IV.

2 [^{F5}The Treasury may make regulations] to supplement this Regulation by laying down the minimum standards for [^{F6}UK] Climate Transition Benchmarks and [^{F6}UK] Paris-aligned Benchmarks to specify:

- a the criteria for the choice of the underlying assets, including, where applicable, any criteria for excluding assets;
- b the criteria and method for the weighting of the underlying assets in the benchmark;
- c the determination of the decarbonisation trajectory for [^{F6}UK] Climate Transition Benchmarks.

3 Benchmark administrators which provide an [^{F7}UK] Climate Transition Benchmark or an [^{F7}UK] Paris-aligned Benchmark shall comply with this Regulation by 30 April 2020.

Textual Amendments

- F3** Art. 19a heading substituted (31.12.2020) by [The Benchmarks \(Amendment and Transitional Provision\) \(EU Exit\) Regulations 2019](#) (S.I. 2019/657), regs. 1(2), **14A(3)(a)** (with regs. 51-53, 65) (as amended by S.I. 2019/1212, regs. 1(3), 20(3)(4); S.I. 2020/628, regs 1(3), 12(4); and with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)
- F4** Word in Art. 19a(1) substituted (31.12.2020) by [The Benchmarks \(Amendment and Transitional Provision\) \(EU Exit\) Regulations 2019](#) (S.I. 2019/657), regs. 1(2), **14A(3)(b)** (with regs. 51-53, 65) (as amended by S.I. 2019/1212, regs. 1(3), 20(3)(4); S.I. 2020/628, regs 1(3), 12(4); and with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)
- F5** Words in Art. 19a(2) substituted (31.12.2020) by [The Benchmarks \(Amendment and Transitional Provision\) \(EU Exit\) Regulations 2019](#) (S.I. 2019/657), regs. 1(2), **14A(3)(c)(i)** (with regs. 51-53, 65) (as amended by S.I. 2019/1212, regs. 1(3), 20(3)(4); S.I. 2020/628, regs 1(3), 12(4); and with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

Changes to legislation: Regulation (EU) 2016/1011 of the European Parliament and of the Council, CHAPTER 3A is up to date with all changes known to be in force on or before 13 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

- F6** Words in Art. 19a(2) substituted (31.12.2020) by [The Benchmarks \(Amendment and Transitional Provision\) \(EU Exit\) Regulations 2019 \(S.I. 2019/657\)](#), regs. 1(2), **14A(3)(c)(ii)** (with regs. 51-53, 65) (as amended by [S.I. 2019/1212](#), regs. 1(3), 20(3)(4); [S.I. 2020/628](#), regs 1(3), 12(4); [S.I. 2020/1385](#), regs. 1(4), 68; and with savings in [S.I. 2019/680](#), reg. 11); 2020 c. 1, Sch. 5 para. 1(1)
- F7** Word in Art. 19a(3) substituted (31.12.2020) by [The Benchmarks \(Amendment and Transitional Provision\) \(EU Exit\) Regulations 2019 \(S.I. 2019/657\)](#), regs. 1(2), **14A(3)(d)** (with regs. 51-53, 65) (as amended by [S.I. 2019/1212](#), regs. 1(3), 20(3)(4); [S.I. 2020/628](#), regs 1(3), 12(4); and with savings in [S.I. 2019/680](#), reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

Article 19b

Requirements for [F8UK Climate Transition Benchmarks]

Administrators of [F9UK] Climate Transition Benchmarks shall select, weight, or exclude underlying assets issued by companies that follow a decarbonisation trajectory by 31 December 2022, in accordance with the following requirements:

- (i) the companies disclose measurable carbon emission reduction targets to be achieved within specific timeframes;
- (ii) the companies disclose a reduction in carbon emissions which is disaggregated down to the level of relevant operating subsidiaries;
- (iii) the companies disclose annual information on progress made towards those targets;
- (iv) the activities relating to the underlying assets do not significantly harm other ESG objectives.

- Textual Amendments**
- F8** Words in Art. 19b heading substituted (31.12.2020) by [The Benchmarks \(Amendment and Transitional Provision\) \(EU Exit\) Regulations 2019 \(S.I. 2019/657\)](#), regs. 1(2), **14A(4)(a)** (with regs. 51-53, 65) (as amended by [S.I. 2019/1212](#), regs. 1(3), 20(3)(4); [S.I. 2020/628](#), regs 1(3), 12(4); and with savings in [S.I. 2019/680](#), reg. 11); 2020 c. 1, Sch. 5 para. 1(1)
 - F9** Word in Art. 19b(1) substituted (31.12.2020) by [The Benchmarks \(Amendment and Transitional Provision\) \(EU Exit\) Regulations 2019 \(S.I. 2019/657\)](#), regs. 1(2), **14A(4)(b)** (with regs. 51-53, 65) (as amended by [S.I. 2019/1212](#), regs. 1(3), 20(3)(4); [S.I. 2020/628](#), regs 1(3), 12(4); and with savings in [S.I. 2019/680](#), reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

Article 19c

Exclusions for [F10UK Paris-aligned Benchmarks]

1 [F11The Treasury may make regulations] in order to supplement this Regulation by identifying, in respect of [F12UK] Paris-aligned Benchmarks, the sectors to be excluded because they do not have measurable carbon emission reduction targets with specific deadlines that are aligned with the objectives of the Paris Agreement. F13 ...

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Textual Amendments

- F10** Words in Art. 19c heading substituted (31.12.2020) by [The Benchmarks \(Amendment and Transitional Provision\) \(EU Exit\) Regulations 2019 \(S.I. 2019/657\)](#), regs. 1(2), **14A(5)(a)** (with regs. 51-53, 65) (as amended by [S.I. 2019/1212](#), regs. 1(3), 20(3)(4); [S.I. 2020/628](#), regs 1(3), 12(4); and with savings in [S.I. 2019/680](#), reg. 11); 2020 c. 1, Sch. 5 para. 1(1)
- F11** Words in Art. 19c(1) substituted (31.12.2020) by [The Benchmarks \(Amendment and Transitional Provision\) \(EU Exit\) Regulations 2019 \(S.I. 2019/657\)](#), regs. 1(2), **14A(5)(b)(ii)** (with regs. 51-53, 65) (as amended by [S.I. 2019/1212](#), regs. 1(3), 20(3)(4); [S.I. 2020/628](#), regs 1(3), 12(4); and with savings in [S.I. 2019/680](#), reg. 11); 2020 c. 1, Sch. 5 para. 1(1)
- F12** Word in Art. 19c(1) substituted (31.12.2020) by [The Benchmarks \(Amendment and Transitional Provision\) \(EU Exit\) Regulations 2019 \(S.I. 2019/657\)](#), regs. 1(2), **14A(5)(b)(i)** (with regs. 51-53, 65) (as amended by [S.I. 2019/1212](#), regs. 1(3), 20(3)(4); [S.I. 2020/628](#), regs 1(3), 12(4); and with savings in [S.I. 2019/680](#), reg. 11); 2020 c. 1, Sch. 5 para. 1(1)
- F13** Words in Art. 19c(1) omitted (31.12.2020) by virtue of [The Benchmarks \(Amendment and Transitional Provision\) \(EU Exit\) Regulations 2019 \(S.I. 2019/657\)](#), regs. 1(2), **14A(5)(b)(iii)** (with regs. 51-53, 65) (as amended by [S.I. 2019/1212](#), regs. 1(3), 20(3)(4); [S.I. 2020/628](#), regs 1(3), 12(4); and with savings in [S.I. 2019/680](#), reg. 11); 2020 c. 1, Sch. 5 para. 1(1)
- F14** Art. 19c(2) omitted (31.12.2020) by virtue of [The Benchmarks \(Amendment and Transitional Provision\) \(EU Exit\) Regulations 2019 \(S.I. 2019/657\)](#), regs. 1(2), **14A(5)(c)** (with regs. 51-53, 65) (as amended by [S.I. 2019/1212](#), regs. 1(3), 20(3)(4); [S.I. 2020/628](#), regs 1(3), 12(4); and with savings in [S.I. 2019/680](#), reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

Article 19d

Endeavour to provide [^{F15}UK Climate Transition Benchmarks]

By 1 January 2022, administrators which are located in the [^{F16}United Kingdom] and which provide significant benchmarks determined on the basis of the value of one or more underlying assets or prices shall endeavour to provide one or more [^{F17}UK] Climate Transition Benchmarks.]

Textual Amendments

- F15** Words in Art. 19d heading substituted (31.12.2020) by [The Benchmarks \(Amendment and Transitional Provision\) \(EU Exit\) Regulations 2019 \(S.I. 2019/657\)](#), regs. 1(2), **14A(6)(a)** (with regs. 51-53, 65) (as amended by [S.I. 2019/1212](#), regs. 1(3), 20(3)(4); [S.I. 2020/628](#), regs 1(3), 12(4); and with savings in [S.I. 2019/680](#), reg. 11); 2020 c. 1, Sch. 5 para. 1(1)
- F16** Words in Art. 19d(1) substituted (31.12.2020) by [The Benchmarks \(Amendment and Transitional Provision\) \(EU Exit\) Regulations 2019 \(S.I. 2019/657\)](#), regs. 1(2), **14A(6)(b)(i)** (with regs. 51-53, 65) (as amended by [S.I. 2019/1212](#), regs. 1(3), 20(3)(4); [S.I. 2020/628](#), regs 1(3), 12(4); and with savings in [S.I. 2019/680](#), reg. 11); 2020 c. 1, Sch. 5 para. 1(1)
- F17** Word in Art. 19d(1) substituted (31.12.2020) by [The Benchmarks \(Amendment and Transitional Provision\) \(EU Exit\) Regulations 2019 \(S.I. 2019/657\)](#), regs. 1(2), **14A(6)(b)(ii)** (with regs. 51-53, 65) (as amended by [S.I. 2019/1212](#), regs. 1(3), 20(3)(4); [S.I. 2020/628](#), regs 1(3), 12(4); and with savings in [S.I. 2019/680](#), reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

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Textual Amendments

- F1** Inserted by [Regulation \(EU\) 2019/2089 of the European Parliament and of the Council of 27 November 2019 amending Regulation \(EU\) 2016/1011 as regards EU Climate Transition Benchmarks, EU Paris-aligned Benchmarks and sustainability-related disclosures for benchmarks \(Text with EEA relevance\)](#).
- F2** Ch. 3a heading substituted (31.12.2020) by [The Benchmarks \(Amendment and Transitional Provision\) \(EU Exit\) Regulations 2019 \(S.I. 2019/657\)](#), regs. 1(2), **14A(2)** (with regs. 51-53, 65) (as amended by [S.I. 2019/1212](#), regs. 1(3), 20(3)(4); [S.I. 2020/628](#), regs 1(3), 12(4); and with savings in [S.I. 2019/680](#), reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

Changes to legislation:

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Changes and effects yet to be applied to :

- Regulation revoked by [2023 c. 29 Sch. 1 Pt. 1](#)

Changes and effects yet to be applied to the whole legislation item and associated provisions

- Title 6Ch. 4 addition by [EUR 2019/2175](#) Regulation (This amendment by the EU not applied to legislation.gov.uk because it is brought into force after IP completion day.)
- Art. 3.1(24) words omitted by [S.I. 2019/657 reg. 5\(10\)\(f\)](#) (This amendment not applied to legislation.gov.uk. Reg. 5(10)(f) omitted immediately before IP completion day by virtue of S.I. 2020/1385, regs. 1(4), 58(4))
- Art. 51(1B)(a)(ii) words substituted in earlier amending provision S.I. 2019/657, reg. 42(2) by [S.I. 2019/1212 reg. 20\(2\)\(a\)](#) (This amendment not applied to legislation.gov.uk. Reg. 20(2) omitted (30.6.2020) by virtue of S.I. 2020/628, regs. 1(4), 16)
- Art. 51(2)(b) word substituted by [S.I. 2019/657 reg. 42\(3\)\(b\)\(i\)](#) (This amendment not applied to legislation.gov.uk. Reg. 42(3) substituted immediately before IP completion day by S.I. 2020/628, regs. 1(3), 12(6)(b))
- Art. 51(2)(b) words substituted by [S.I. 2019/657 reg. 42\(3\)\(b\)\(ii\)](#) (This amendment not applied to legislation.gov.uk. Reg. 42(3) substituted immediately before IP completion day by S.I. 2020/628, regs. 1(3), 12(6)(b))