



## PRESS RELEASE

# AUTHORISATION OF GLOBALCOAL AS AN APPROVED BENCHMARK ADMINISTRATOR UNDER THE EUROPEAN UNION BENCHMARKS REGULATION BMR

London 16 December 2019

[globalCOAL](#), the world's leading online physical coal trading platform, price referencing agency and creator of SCoTA, is pleased to announce that it is now approved by the FCA as a Benchmark Administrator under the European Union Benchmarks Regulation (BMR) which requires approval by 1st January 2020.

Published in the [ESMA Register of Benchmark Administrators](#) on 16 December 2019, globalCOAL's approval enables its key indices including gC NEWC and gC RB to be used as settlement against ICE derivatives. The Benchmarks Regulation requires the use of sufficient and reliable data and robust methodologies. In particular, it calls for the use of actual transaction input data where possible. globalCOAL's registration underlines its commitment to high standards in benchmark administration ensuring objectivity, quality, reliability, and integrity of its benchmarks for market participants.

In the interest of the market, globalCOAL invests much time and effort in ensuring that its benchmarks are robust and reliable. A strong framework of safeguards is in place, to support the trustworthiness of the gC benchmarks. An independent oversight of processes ensures that these safeguards continue to operate effectively. The calculation of the gC benchmark is transparent and automatic, without the use of any discretion or judgement.

The underlying data for the globalCOAL benchmarks are derived from trading activity on the globalCOAL on-line trading platform. The calculation of each benchmark follows a similar methodology that has long been accepted in the market. A number of trading screen rules support the reliability of the benchmarks by ensuring that bids and offers are genuine expressions of a willingness to trade at those levels and that transactions are genuine.

globalCOAL is regulated by the UK's Financial Conduct Authority and by the National Futures Association in the USA. Any abuse of those physical markets which contribute to an index that affects the derivatives markets is a criminal offence.

"The European Union Benchmarks Regulation, supervised by the FCA, is the key legislation in helping to ensure the avoidance of potential conflicts of interest in the benchmarking business, making sure that stringent standards are met, before approvals are given," says Martin Abbott, CEO of globalCOAL. "Being registered as an authorised Benchmark Administrator is of paramount importance to globalCOAL, without which, exchanges in the EU would not be able to use our benchmarks in settling financial contracts and we are very proud to have achieved this milestone."

Andrew Goldsmith, General Counsel at globalCOAL comments: "Being approved by the FCA as a Benchmark Administrator is the culmination of months of in-depth analysis by the regulator of our management of conflicts of interest, the suitability of our benchmark methodologies for measuring the prices of the underlying markets and what we do to prevent and deal with potential market abuse. We are delighted with the approval of our application by the FCA, which underpins the effectiveness of our processes and the reliability of our methodologies."

### **About globalCOAL**

globalCOAL is the leading online trading platform where global market participants buy and sell physical thermal and metallurgical coal of a standardised quality, on standardised delivery terms, based on SCoTA - the world's standard coal trading agreement.

globalCOAL acts as a broker for the platform's clients. globalCOAL calculates and publishes coal price benchmarks and other indices by means of transparent methodologies. Those benchmarks are used as the settlement prices for coal derivatives traded on ICE and via the OTC market.

Market participants use globalCOAL's price data as a reference in physical and derivative contracts, for risk management, market analytics, strategic planning and for a variety of other purposes to facilitate the day to day running of their coal business.

### **gC approved Benchmarks**

#### **globalCOAL NEWC Index**

The globalCOAL NEWC Index is a reference price for high quality (6,000kcal/kg) thermal coal delivered on a free on board basis at Newcastle Port in New South Wales, Australia. Input data are transactions, bids and offers in the NEWC product, sourced from the globalCOAL trading platform.

#### **globalCOAL RB Index**

The globalCOAL RB Index is a reference price for high quality (6,000kcal/kg) thermal coal delivered on a free on board basis at Richards Bay, South Africa. Input data are transactions, bids and offers in the RB1 product, sourced from the globalCOAL trading platform.

#### **globalCOAL DES ARA Index**

The globalCOAL DES ARA Index is a reference price for high quality (6,000kcal/kg) thermal coal delivered on a DES basis at the ports of Amsterdam, Rotterdam or Antwerp in Northern Europe. Input data are transactions, bids and offers in the DES ARA product, sourced from the globalCOAL trading platform.

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About globalCOAL®

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globalCOAL was founded by leading members of the world coal industry to promote screen trading of standardised coal products. The company has developed the world's leading electronic marketplace for thermal coal, as well as a range of standardised coal quality specifications, a Standard Coal Trading Agreement (SCoTA®), and robust methodology for coal price index calculation. globalCOAL is also cooperating with leading energy exchange ICE Futures Europe to develop the coal Futures market. For more information, please visit [www.globalcoal.com](http://www.globalcoal.com)

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