



Compliance statement  
[Article 26(3) of Regulation (EU) 2016/1011]  
Hungarian Indices

A. General Information	
1. Date of creation of this document and, where applicable, of the latest update to it	Created: 17.12.2019. Last updated: 09.12.2021.
2. Name of the administrator	Budapest Stock Exchange Ltd.
<b>B. Budapest Stock Exchange Ltd. chooses to not apply the following provisions of Regulation (EU) 2016/1011 in respect of the non-significant benchmark or non-significant benchmarks identified below</b>	
1. The benchmark or benchmarks in respect of which the provision(s) do not apply	Hungarian Indices – BUX/BUMIX
2. i. The provision or provisions of Regulation (EU) 2016/1011 that do not apply	2. ii. For each provision, the reasons why it is appropriate for the administrator not to comply with that provision
<u>Article 4 (7) d)</u> <i>Administrators shall ensure that their employees and any other natural persons whose services are placed at their disposal or under their control and who are directly involved in the provision of a benchmark:</i>	Participation in the provision of benchmarks, in particular due to the transparent methodology, other rules of the provision and the narrow scope of discretion, does not provide participants with significant advantages over external market participants in contribution to the benchmark determination by way of engaging in bids, offers and trades. In addition, the importance of the use of the BSE benchmarks in the capital markets does not justify the application of such provision.



<p><i>are prohibited from contributing to a benchmark determination by way of engaging in bids, offers and trades on a personal basis or on behalf of market participants, except where such way of contribution is explicitly required as part of the benchmark methodology and is subject to specific rules therein</i></p>	
<p><u>Article 5 (3) a)</u></p> <p><i>The oversight function shall operate with integrity and shall have the following responsibilities, which shall be adjusted by the administrator based on the complexity, use and vulnerability of the benchmark:</i></p> <p><i>reviewing the benchmark's definition and methodology at least annually</i></p>	<p>The internal auditor in his / her supervisory function has the opportunity to review the definition and methodology of the benchmark, but the reviews are in principle carried out by the Index Committee at least twice a year. In all cases, decisions made following reviews are subject to review by the internal auditor.</p>
<p><u>Article 5 (3) e)</u></p> <p><i>The oversight function shall operate with integrity and shall have the following responsibilities, which shall be adjusted by the administrator based on the complexity, use and vulnerability of the benchmark:</i></p> <p><i>overseeing any third party involved in the provision of the benchmark, including calculation or dissemination agents</i></p>	<p>The activities of third parties involved in the provision of the benchmark shall be overseen in accordance with the BSE outsourcing rules, with the participation of the persons and departments specified therein.</p>



<p><u>Article 5 (4)</u></p> <p><i>The oversight function shall be carried out by a separate committee or by means of another appropriate governance arrangement.</i></p>	<p>The oversight function is carried out by the internal auditor of BSE. The complexity of the BSE benchmarks does not require the use of a separate committee or other appropriate governance arrangement.</p>
<p><u>Article 13 (2) b)</u></p> <p><i>The procedures required under point (c) of paragraph 1 shall provide for:</i></p> <p><i>the comments referred to in point (a) of this paragraph, and the administrator's response to those comments, to be made accessible after any consultation, except where confidentiality has been requested by the originator of the comments</i></p>	<p>The importance of the use of the BSE benchmarks in the capital markets does not justify the application of such provision.</p>
<p><u>Commission Delegated Regulation (EU) 2021/1352</u></p> <p><u>Article 4 (1)</u></p> <p><i>Administrators shall assess the impact of various market conditions on the methodology using historical data from stressed market conditions.</i></p>	<p>The benchmarks use regulated market data. Due to the nature of the production and input data, there is little likelihood of a conflict of interest. The degree of discretion that is part of the benchmarking process is such that it does not involve the risk of manipulation.</p>
<p><u>Commission Delegated Regulation (EU) 2021/1352</u></p> <p><u>Article 4 (1)</u></p>	<p>The benchmarks use regulated market data. Due to the nature of the production and input data, there is little likelihood of a conflict of interest. The degree of discretion that is part of the benchmarking process is such that it does not involve the risk of manipulation.</p>



*Administrators shall use parameters and assumptions in the methodology to capture a variety of historical or, in the case of administrators of critical benchmarks, hypothetical conditions, including the most volatile periods experienced by the markets and taking into account a variety of hypotheses for correlation between underlying assets.*