



ICIS launches formal methodology consultation process

ICIS, a leading information provider for petrochemical, energy and fertilizer markets, is launching a new methodology consultation process across all markets, with immediate effect.

ICIS has always consulted with market participants before enacting material changes to its methodologies but this announcement marks the start of a new, formal, consultation process. The process ensures that ICIS will be in full compliance with its obligations under the new Independent Price Reporting Organisations (IPRO) Code.

The IPRO Code has been in development for more than a year. In October 2012, the International Organisation of Securities Commission (IOSCO), published high-level principles (Principles for Oil Price Reporting Agencies – IOSCO FR06/12), which the IPROs have now adopted within their code. This code clearly sets out the standards and measures to be taken by an IPRO that ensure the quality and integrity of the price assessment process. One of the areas covered by the principles and standards is the development of methodologies.

Consultation on all methodologies will be carried out on a rolling basis, with expiry dates set on all documents. This will ensure ICIS consults on its methodologies regularly and give market participants an indication of when the methodology will be reviewed next.

When conducting a general review of its methodologies, ICIS will ask broad general questions to ascertain how well the methodology is performing in fulfilling its overall purpose, to provide a reliable measure of physical market value.

ICIS may also consult on specific changes to the methodologies from time to time. These changes may be to address an issue identified by ICIS in market structure, market behaviour, an existing methodology, or in reaction to feedback from customers or market participants about any of these.

ICIS is committed to conducting a fair and open consultation process. It will therefore only decide on a particular methodology change after the consultation process has concluded. Market participants should therefore not assume that because a change is proposed in a consultation, ICIS will necessarily make that change. We would therefore encourage all market participants to engage in the consultation process.

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