Energy Price Reporting Organisations Unveil Draft Self-Regulatory Code

LONDON and NEW YORK, April 30, 2012 /PRNewswire/ -- Three independent publishers of information for the physical commodity markets -- Argus Media (Argus), ICIS and Platts -- today announced the launch of a draft Price Reporting Code for Independent Price Reporting Organisations (the IPRO Code) and their interest in obtaining feedback on the Code from energy market participants, other commodities information publishers and stakeholders.

A broad spectrum of parties -- including producers, generators, refiners, processors, distributors, traders, manufacturers and other private and public organisations -- rely on the integrity of the price assessment reporting process undertaken by IPROs and the ability of these publishers to produce and publish robust price assessments for commodity markets.

The draft IPRO Code has been created through a collaborative effort among the IPROs in recognition of the increasingly important role that IPROs play in bringing transparency to commodity pricing. In particular, they provide the recognised benchmarks that enable markets to function more smoothly and facilitate the development of hedging instruments, for the benefit of producers and consumers alike.

The Code is designed to demonstrate and ensure that all signatories meet the high standards and principles of good governance required to effectively serve the markets and customers. It is intended that once the Code is finalised, all independent price reporting organisations will be invited to become signatories and agree to adhere to the Code.

The IPRO Code establishes standards to be met across eight fundamental areas of IPRO activity:
1. Governance
2. Managing and mitigating conflicts of interest
3. The integrity and transparency of the price reporting process
4. Non-discriminatory participation and data collection processes
5. Timely publication of price assessments, corrections and methodology modifications
6. Monitoring and detecting of non-representative transaction data in connection with the price reporting process
7. Responding to complaints
8. Confidential information and record-keeping

The draft IPRO Code provides for robust monitoring and compliance. The chief executive of each signatory will be required to annually sign a public statement of compliance with the Code or provide a detailed explanation of any non-compliance and a description of remedial steps to be taken. In addition, each IPRO must periodically submit to an audit of its compliance with the Code.

Commenting on the draft IPRO Code, Argus Media Chairman and Chief Executive Adrian Binks said: "We believe the IPRO Code is the most appropriate way of demonstrating and ensuring strong governance, transparency and high standards for firms in our industry. I would like to thank ICIS and Platts for the collegial spirit in which this draft IPRO Code has been drawn up. The leading independent price reporting organisations are highly professional companies that have been serving the international energy markets and thousands of major industrial customers globally for many decades. We operate transparently to high and audited standards and are very pleased to evidence this through the IPRO Code. We hope all other independent price reporting organisations in the commodities sector will consider becoming signatories to it."

ICIS Managing Director Christopher Flook commented: "ICIS services bring transparency to energy, petrochemical and fertiliser markets worldwide. We are relied upon by over 30,000 customers from all sides of the market and we take this responsibility seriously. ICIS is pleased to join Argus and Platts in developing this Code, which articulates clearly our commitment to stakeholders. We hope it will be adopted as a standard by all independent price reporting organisations."

Platts President Larry Neal said: "Bringing greater transparency and efficiency to the world's commodity markets has been

Platts' mission for more than a century. Our efforts to develop and promote this Code, along with Argus and ICIS, reflect Platts' commitment to fostering transparency, efficiency and integrity in the markets well into the future. We look forward to receiving industry feedback on the Code, and encourage other IPROs to join us in finalizing its standards and signing on."

Argus, ICIS and Platts collaborated on drafting the Code from the third quarter of last year, after earlier preliminary discussions. All three companies proposed the concept of a self-regulatory framework in their individual comments on questions regarding industry oversight contained in the March 2012 consultation report on the "Functioning and Oversight of Oil Price Reporting Agencies" issued by the International Organization of Securities Commissions (IOSCO).

In addition to unveiling the Price Reporting Code for Independent Price Reporting Organisations today, the three publishers are also posting their full responses submitted to IOSCO on 30 March at the conclusion of IOSCO's public consultation period. Responses are available on each publisher's respective website.

Argus, ICIS and Platts are committed to seeking feedback from market participants, other potential IPRO Code signatories and other interested parties in working to finalise the draft IPRO Code. The draft Code is available on the websites of Argus, ICIS and Platts. Responses may be sent directly to each publisher as follows:

Send comments to *Argus Media* at: info@argusmedia.com
Send comments to *ICIS* at: iprocode@icis.com
Send comments to *Platts* at: Comments@Platts.com

For editors

1. Independent Price Reporting Organisations (IPROs) are publishers and information providers that bring transparency to commodity markets by publishing, on a commercial basis, price assessments reflecting prevailing market value.

2. "Independent" means having no vested interest in the markets -- for example not being a market participant, nor providing trading or clearing services to the market.

3. There are many independent publishers of commodity price information. The International Swaps & Derivatives Association (ISDA) lists more than 20 publishers of commodity reference price information in its standard contractual documentation for commodity derivatives.

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Argus is headquartered in London and has more than 400 staff in offices in Houston, Washington, New York, Portland, Calgary, Santiago, Bogota, Singapore, Beijing, Tokyo, Sydney, Dubai, Moscow, Astana, Kiev, Porto, Brussels, Johannesburg and other key centres of the energy industry. Argus was founded in 1970 and is a privately held UK-registered company. Learn more at *www.argusmedia.com*.

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