



Myrtle Equities

# Overview of Regulatory Bodies

This document offers a comprehensive guide to the global regulatory landscape governing index providers like Myrtle Equities. It identifies and explains the roles of key regulatory organizations, including the International Organization of Securities Commissions (IOSCO), the European Securities and Markets Authority (ESMA), the U.S. Securities and Exchange Commission (SEC), and other regional authorities in Asia, the Middle East, and Latin America. The document outlines the requirements and principles established by these bodies, such as transparency, data integrity, and governance, ensuring that Myrtle Equities' operations align with international standards. By detailing the global regulatory framework, this document serves to outline Myrtle Equities' commitment to compliance and industry best practices across all jurisdictions.

*Overview of Regulatory Compliance  
Methodologies Document*



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## 1. Introduction

Myrtle Equities Global LLC is an index provider that offers products at a global scale, therefore, Myrtle Equities operates within a complex regulatory environment governed by various international and regional agencies, who are charged with maintaining stability within financial markets. These organizations establish standards, principles, and guidelines to ensure the integrity, transparency, and fairness of financial benchmarks and indices. This document provides a detailed overview of the regulatory bodies overseeing the index industry, highlighting their mandates, key regulations, and the role they play in ensuring compliance and market stability. By adhering to these regulations, Myrtle Equities upholds its commitment to maintaining high ethical standards and fostering trust among investors and stakeholders.

## 2. International Regulatory Framework

### 2.1 International Organization of Securities Commissions (IOSCO)

IOSCO is the leading international policy forum for securities regulators, playing a central role in the oversight of financial benchmarks. Its “Principles for Financial Benchmarks” serve as the global standard for index providers, emphasizing governance, transparency, and data integrity. Myrtle Equities adheres to these principles by implementing robust internal controls, ensuring the quality of benchmark methodologies, and conducting regular audits to assess compliance. IOSCO’s framework is particularly important for fostering consistency across jurisdictions, allowing Myrtle Equities to offer indices that meet the expectations of global stakeholders.

### 2.2 Financial Stability Board (FSB)

The FSB works closely with IOSCO and other international bodies to promote the stability of the global financial system. Its initiatives focus on reducing systemic risks associated with financial benchmarks. Myrtle Equities aligns with FSB recommendations by addressing potential vulnerabilities in index calculation processes and ensuring operational resilience. The company’s risk management protocols are informed by the FSB’s guidelines, reflecting its commitment to mitigating systemic risks in the financial markets.

## 3. Regional Regulatory Bodies

### 3.1 European Union: European Securities and Markets Authority (ESMA)

ESMA oversees the regulation of financial benchmarks within the European Union under the EU Benchmark Regulation (BMR). The BMR establishes stringent requirements for index providers, including mandatory registration, governance standards, and the establishment of oversight committees. Myrtle Equities complies with ESMA’s regulations by maintaining a governance

framework that ensures impartiality and accountability. Additionally, Myrtle Equities' indices are subject to periodic reviews to meet the transparency and reliability standards mandated by the BMR.

### 3.2 United States: Securities and Exchange Commission (SEC)

The SEC regulates the activities of index providers under the Securities Act of 1933 and the Investment Advisers Act of 1940. While indices themselves are not classified as securities, their use in financial products like ETFs and mutual funds brings them under the SEC's purview. Myrtle Equities ensures compliance with SEC regulations by maintaining clear disclosures, avoiding conflicts of interest, and adhering to fiduciary responsibilities in its operations. Regular audits and oversight mechanisms are implemented to align with the SEC's standards.

### 3.3 United Kingdom: Financial Conduct Authority (FCA)

Following Brexit, the FCA introduced the UK Benchmark Regulation to govern index providers operating within the UK. Similar to the EU BMR, this regulation emphasizes the governance, transparency, and robustness of financial benchmarks. Myrtle Equities has established operational frameworks to ensure compliance with the FCA's requirements, including the development of contingency plans for benchmark cessation and the mitigation of risks associated with data reliability.

### 3.4 Asia-Pacific Regulators

In the Asia-Pacific region, regulatory oversight varies by jurisdiction. Key regulators include the Monetary Authority of Singapore (MAS), the Australian Securities and Investments Commission (ASIC), and the Financial Services Agency of Japan (FSA). These bodies emphasize the need for transparency and governance in index administration. Myrtle Equities' operations in the region adhere to local regulations, ensuring that indices offered in Asia-Pacific markets meet regional compliance standards.

## 4. Key Regulatory Principles and Requirements

### 4.1 Governance and Oversight

All regulatory bodies emphasize the importance of strong governance frameworks for index providers. Myrtle Equities' governance structure includes an independent oversight committee tasked with monitoring compliance and addressing potential conflicts of interest. Regular reviews of index methodologies ensure alignment with regulatory expectations and industry best practices.

### 4.2 Data Integrity and Methodology

Maintaining the integrity of data used in index calculations is a fundamental regulatory requirement. Myrtle Equities employs rigorous data validation protocols to ensure the accuracy and reliability of input data. Additionally, the company's methodology documentation is transparent and accessible, allowing stakeholders to understand the processes underpinning index construction.

### 4.3 Transparency and Disclosure

Transparency is a cornerstone of regulatory compliance. Myrtle Equities provides detailed disclosures regarding the methodologies, assumptions, and limitations associated with its indices. These disclosures are designed to inform stakeholders and mitigate potential risks related to the misuse or misunderstanding of index data.

## 5. Challenges and Future Developments

The regulatory environment for index providers continues to evolve, driven by technological advancements, market dynamics, and emerging risks. Myrtle Equities recognizes the challenges posed by increasing regulatory complexity and is committed to proactive engagement with regulators and industry groups. By staying ahead of regulatory changes and adopting innovative compliance solutions, Myrtle Equities aims to remain a leader in the index industry.

## 6. Conclusion

Myrtle Equities' adherence to the standards set by global and regional regulatory bodies underscores its dedication to maintaining the highest levels of integrity, transparency, and accountability. By aligning its operations with the requirements of organizations such as IOSCO, ESMA, the SEC, and others, Myrtle Equities ensures that its indices serve as reliable benchmarks for the global financial markets. This document reflects the company's ongoing commitment to compliance and its role in fostering trust and stability within the industry.

**DISCLOSURE.** Myrtle Equities Global LLC ("Myrtle Equities," "MEG") is a global index provider located at 228 Park Ave S, New York, NY 10003. Myrtle Equities is a limited liability company registered under the laws of the State of New York and complies with all applicable business and finance-related rules and regulations set forth by the State of New York and the United States government. This document has been prepared to disclose the methodologies used by Myrtle Equities in calculating and maintaining its proprietary index price levels. It is intended solely for informational purposes and is not designed to provide investment, financial, legal, or tax advice. By accessing this document, readers acknowledge and agree that it is their responsibility to consult with appropriate professionals regarding their specific circumstances and requirements. Myrtle Equities is not a financial advisor, broker, or investment advisor. The information provided within this document and any related materials is not intended to be, and should not be construed as, a solicitation, recommendation, endorsement, or offer to buy or sell any securities or other financial instruments. The methodologies described herein are developed and maintained solely for the purpose of creating and managing proprietary indices.

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