

Disclosure of incidences of errors

1st Quarter 2018 (I)

Missing contribution for both USD/HKD and USD/CNY(HK) Spot Rates from a broker (2 January 2018):

- A contributing broker failed to deliver input data to the calculation agent on 2 January 2018 for the two spot rates due to unexpected inaction of the contribution system caused by system restart over the year end.

Remedies:

- The contributing broker had put extra monitoring processes in place to prevent recurrence of such incident and had agreed to notify the TMA and calculation agent before any system maintenance.

1st Quarter 2018 (II)

Wrongly exclusion of eligible trade for USD/CNY(HK) Spot Rates (13 February 2018):

- An eligible spot trade was incorrectly rejected by the Calculation Agent for the benchmark calculation due to the day count on value date. For spot trade transacted on 13 February 2018, the correct value date was 22 February 2018 (15 February to 21 February was public holidays in China) and the day count on value date was 9 days. There was a discrepancy on the system calendar of Calculation Agent. The published benchmark was not revised, as the errors were confirmed more than one hour after publication, in line with existing error correction policy.

Remedies:

- The Calculation Agent had updated the system calendar and claimed that regular calendar checks would be imposed to ensure the correctness of day count on value date.

1st Quarter 2018 (III)

Switch to back-up submission process for TMA Spot Rates (7 March – 21 March 2018):

- On 7th March 2018, the Calculation Agent raised an email with a contributor stating that there was a feed issue, specifically on the repeat sending functionality on the real-time feed of trades at the same value. Trades were submitted manually via email to the calculation agent as soon as the trade window was closed as per the back-up procedure. The Calculation Agent's publication was therefore delayed. The issue was raised with the real-time feed software provider to investigate and a number of tests were carried out during the period from 7 to 21 March to resolve the issue.

Remedies:

- The final resolution was a complete rebuild of the configuration on the real-time feed which occurred on evening of the 21 March. Also, the contributor continues to automatically send the trades to the Calculation Agent via email as a permanent solution. The new build of the feed is anticipated to resolve the issues that were experienced and avoid a further occurrence.