

Disclosure of incidences of errors

1st Quarter 2020 (I)

Missing submission from a HONIA contributing broker (31 January 2020):

- A potential missing submission (notional was submitted only; rates was missing) was identified during post publication surveillance by the TMA Office. After confirming with the broker, we found that they had missed the rate (2%). As a result, there was a material impact of 1 basis point. The benchmark was not revised as the error was smaller than 3 basis points, which was in line with the error correction policy.

Remedies:

- The broker was reminded by the TMA to review the Code of Conduct for Submitters. Also, the Calculation Agent would adopt a 4-eye check for potential input error prior publication.

Disclosure of incidences of errors

1st Quarter 2020 (II)

Switch to back-up submission process for TMA Spot Rates (17 February 2020):

- Since 17 February 2020, there were discrepancies between the auto-feed and contingency file from a contributing broker for TMA Spot Rates. The root cause was identified due to the infrastructure maintenance and restart of systems. By the time of writing this report on 4 March 2020, the issue had not been fixed completely. The benchmark calculation was switched to manual mode with confirming the trades with the broker. The issue was completely resolved on 23 March 2020 and the auto-calculation was resumed on 24 March 2020.

Remedies:

- The contributor continues to automatically send the trades to the Calculation Agent via email as a contingency. Also, the contributor will notify the TMA in case of any major scheduled maintenance in the future as to avoid a further occurrence.

1st Quarter 2020 (III)

Technical issue from calculation agent (24 February 2020):

- On 24 February 2020, the Calculation Agent of CNH HIBOR and TMA Spot Rates encountered system issue which resulted in:
 - CNH HIBOR: delayed publication by around 5 minutes;
 - CNH HIBOR: a contributing bank's submission was not taken by the system before cut-off;
 - TMA Spot USD/CNH Rate: an eligible trade was missed for the benchmark calculation. There was a material impact of 2 pips. The benchmark was not revised as the error was reported longer than 1 hour after initial publication, which was in line with error correction policy.

Remedies:

- The Calculation Agent confirmed it was a one-off incident due to the infrastructure maintenance and restart of systems. Also, the TMA will be notified in advance when there is major scheduled system maintenance.
- The relevant CNH HIBOR contributor was reminded of calling the hotline provided by Calculation Agent for urgent submission assistance.