

Disclosure of incidences of errors

3rd Quarter 2020 (I)

Wrong submission for HONIA from a contributor (8 July 2020):

- On 8 July 2020, there was an IT issue on input system of a contributing broker. Trades were missed, duplicated and input into wrong desk etc. After full reconciliation on next day, there was one trade of 120 million HKD missed for the contribution. As a result, there was a material impact of 0.04 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 IT issue on the input system has been completely resolved thereafter.

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3rd Quarter 2020 (II)

Re-calculation of HKD HIBOR (16 July 2020):

- A contributing bank raised a request for re-calculation of HKD HIBOR due to their wrong submission on 2W tenor. The correct rate should be 0.24% instead of 0.30%. As a result, there was a material impact of 0.07 basis point. The benchmark was revised by 12:01 pm according to the error correction policy.

Remedies:

- The discrepancy were due to an IT issue which has been investigated.

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3rd Quarter 2020 (III)

Re-calculation of HKD HIBOR (28 August 2020):

- A contributing bank raised a request for re-calculation of HKD HIBOR due to their wrong submission on O/N tenor. The correct rate should be 0.32% instead of 0.31%. Being as outlier, there was no material impact to the benchmark outcome. The individual submission was updated by 12:10 pm according to the error correction policy

Remedies:

- The discrepancy was due to a wrongly input trade ticket being discovered during post contribution reconciliation.

3rd Quarter 2020 (IV)

Wrong submission for CNH HIBOR from a contributing bank (1 September 2020):

- A contributing bank reported that there was a wrong submission on O/N tenor of CNH HIBOR due to human error. The correct rate should be 2.43% instead of 2.40%. As a result, there was a material impact of 0.3 basis point to the benchmark outcome. The benchmark was not revised as the error was reported over an hour post publication, which was in line with existing error correction policy.

Remedies:

- The bank claimed that system automation would be adopted in order to avoid human error.

3rd Quarter 2020 (V)

Spot Rates reading duplicated trades for calculation (14 September 2020):

- There were duplicated trades for the calculation of TMA's Spot USD/CNH Rate. After investigation, the Calculation Agent informed TMA that a contributing broker was also sending test data for the new data feed aiming to remove latency issue reported in August 2019. As a result, there was a material impact of 1 pip. The benchmark was revised, which was in line with error correction policy.

Remedies:

- On the next day, the benchmark calculation was switched to manual mode with confirming trades with the broker. The auto-calculation was resumed on 22 September 2020 and the sub-second issue was completely resolved.