

Disclosure of incidences of errors

4th Quarter 2017 (I)

HKD HIBOR Input error from contributing bank (31 October 2017):

- On 31 October 2017, TMA queried a contributing bank 2M HKD HIBOR submission as post publication check. The bank replied the correct 2M HKD HIBOR submission should be 0.84%, but the submitted rate was 1.84% due to fat finger error. 2M HKD HIBOR was not revised as the error was confirmed 4 hours after publication, which is in line with existing error correction policy.

Remedies:

- The bank claimed that they would strengthen their checker and approver mechanism by adding an extra checker to review submission pages provided by calculation agents.

4th Quarter 2017 (II)

CNH HIBOR delayed publication (1 November 2017):

- On 1 November 2017, the publication of CNH HIBOR by the calculation agent was delayed from 11:15 a.m. to 11:29 a.m. The calculation agent reported the delay was caused by a weekday system change.

Remedies:

- As preventive measures for hiccup caused by weekday system change, the calculation agent strengthened their backup system, pre- and post-change checks, and management approval procedure.

4th Quarter 2017 (III)

Spot Rates reading duplicated trades for calculation (6 November 2017):

- On 6 November 2017, during post publication check, TMA Office noticed that three USD/CNH trades from a contributing broker used in benchmark determination appeared to be identical (same trade identification number, price, volume and time) and another three USD/HKD trades from the same broker also appeared to be identical. The calculation agent confirmed with the contributor that two of the three identical trades were redundant for both USD/CNH and USD/HKD. The published benchmarks were not revised, as the errors were confirmed more than one hour after publication, in line with existing error correction policy.

Remedies:

- The calculation agent put in extra manual check after the incident, and enhanced its system on 11 December as rectification.