

4th Quarter 2023 (I)

Wrong submission for HONIA from a contributor (6 November 2023):

- On 6 November 2023, the calculation agent of HONIA queried a contributing broker regarding a transaction entry without rate, then the broker confirmed that the rate of the transaction is missing due to input error post publication. As a result, there was a material impact of 0.434 basis point. The benchmark was not revised as the error was within 3 basis points, which was in line with existing error correction policy.

Remedies:

- The broker was reminded by the TMA to exercise extra attention with 4-eye check mechanism during the submission process.

4th Quarter 2023 (II)

Wrong submission for CNH and HKD HIBOR from a contributing bank (21 November 2023):

- On 21 November 2023, the TMA identified potential error from a contributing bank (unchanged HIBOR submissions for 3 consecutive days) and sent an email query to the bank regarding it, the respondent confirmed absence of abnormalities. Later on 24 Nov 2023, the bank reported submitting unchanged HIBOR rates due to an operational error where formulas utilized in the existing tool for rate determination were incorrectly overwritten on 20 and 21 Nov 2023. Both automated checks in-built in the tool and existing manual checks wasn't able to pick up the issue. Also, the user who responded TMA's query failed to escalate and look into the matter correctly, resulting in a delayed reporting by the bank. The benchmark was not revised as the incident was reported over an hour post publication, which was in line with existing error correction policy.

Remedies:

- The TMA paid a visit to the bank on 29 November 2023 in order to review the previous incidents and their remediations. Upon the follow-up discussion, the bank agreed to protect and lock spreadsheet tool to prevent similar issues, implement additional control checks to detect stale rates and large variances between submitted and published rates, manage TMA queries and escalations with extraattention plus higher priority in response.