Response to consultation: Refinements to the error correction policy for financial benchmarks administrated by the Treasury Markets Association

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| --- | --- |
| **Full name** |  |
| **Job title** |  |
| **Organisation** |  |
| **Type of organisation** |  |
| **Contact address** |  |
| **Telephone number** |  |
| **Email** |  |
| **Disclosure of submission**  (check as appropriate) | Do *not* disclose the fact that I have made a submission |

| **Questions** | **Responses** |
| --- | --- |
| ***Recommendation 1: Make consistent the error correction policies*** | |
| ***Question 1***  *Do you agree that the specifications of the TMA-administrated benchmarks should state that the benchmarks are subject to revision?* | **Agree**  **Disagree** |
| ***If disagreed*, please state suggested way forward and rationale behind** |
| ***Question 2***  *Do you agree that we should adopt the same timeline for making revisions to the published rates of the TMA-administrated benchmarks, i.e.*  *(a) standardise the cut-off for notification of errors as 1 hour after initial publication; and*  *(b) errors eligible for revision should be corrected by 1 hour 50 minutes after initial publication?* | **(a) Standardise the cut-off for notification of errors as 1 hour** **–**  **Agree**  **Disagree – cut-off should be**  **30 minutes**  **2 hours**  **3 hours**  **Other: \_\_\_\_\_\_\_\_** |
| **(b) Errors to be corrected by 1 hr 50 mins after initial publication** **–**  **Agree**  **Disagree – error should be corrected by \_\_\_\_\_ hr \_\_\_\_\_ mins after initial publication** |
| ***If disagreed*, please state suggested way forward and rationale behind** |
| **Questions** | **Responses** |
| ***Recommendation 2: A “materiality threshold” for interest rate benchmarks*** | |
| ***Question 3***  *Do you agree that any revision of HIBOR and ONIA should be subject to a “materiality threshold” (i.e. below which the benchmark rates would not be revised after initial publication), in a manner similar to other major interest rate benchmarks such as LIBOR and EURIBOR?* | **Agree**  **Disagree** |
| ***If disagreed*, please state suggested way forward and rationale behind** |
| ***Question 4***  *If you agree that a threshold should be set for revisions of HIBOR and ONIA, do you agree that it should be 3 basis points, i.e. same as LIBOR?* | **Agree**  **Disagree – threshold should be**  **1 basis point**  **2 basis points**  **Other: \_\_\_\_\_\_\_\_** |
| ***If disagreed*, please state suggested way forward and rationale behind** |
| ***Question 5***  *Do you agree that a “materiality threshold” would not be needed in the error correction policy of the FX Spot Rates, i.e. same as other major FX spot benchmarks including the WM/Reuters 4 pm London Fix?* | **Agree**  **Disagree – there should be a threshold of \_\_\_\_\_\_\_\_** |
| ***If disagreed*, please state suggested way forward and rationale behind** |
| **Questions** | **Responses** |
| ***Recommendation 3: Increasing the transparency of errors*** | |
| ***Question 6***  *Do you agree with the recommendations for increasing transparency of error corrections, i.e.*  *(a) publishing the error correction policy;*  *(b) publishing an interim message that the benchmark rates may be revised;*  *(c) clearly indicating any revised benchmark rates; and*  *(d) within one month after the end of each quarter, publishing incidences of error in the past quarter on an anonymous basis, including those not leading to a revision?* | **(a) Publishing error correction policy** **–**  **Agree**  **Disagree** |
| **(b) Publishing an interim message** **–**  **Agree**  **Disagree** |
| **(c) Clearly indicating any revised benchmark rates** **–**  **Agree**  **Disagree** |
| **(d) Publishing on a quarterly and anonymous basis incidences of errors within one month after the end of each quarter** **–**  **Agree**  **Disagree** |
| ***If disagreed*, please state suggested way forward and rationale behind** |
| **Questions** | **Responses** |
| ***Recommendation 4: A three-month notice period for the transition*** | |
| ***Question 7***  *Do you agree with a* ***three-month notice period*** *for transition?* | **Agree**  **Disagree – notice period should be**  **one month**  **six months**  **Other: \_\_\_\_\_\_\_\_** |
| ***If disagreed*, please state suggested way forward and rationale behind** |
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| If you would like to provide other responses to the TMA regarding this consultation, please include them here | |

The closing date for responses is **24 February 2017**. ***Responses received after this date may not be read.*** Consultation responses should be returned to the TMA Secretariat by ***any one*** of the following channels:

1. ***By mail***

TMA Secretariat

55/F, Two International Finance Centre 8 Finance Street, Central, Hong Kong

1. ***By fax***

+852 2878 7297

1. ***By email***

[[consultation@tma.org.hk](mailto:consultation@tma.org.hk)](mailto:andyng@tma.org.hk%20) ***AND*** [akfkwok@hkma.gov.hk](mailto:akfkwok@hkma.gov.hk)

Next steps

We do not intend to write back to those who respond to this consultation. However, we will read and consider responses received, as well as publish a summary of the consultation feedback, which will include our final response explaining how comments and views have influenced the final decisions on relevant issues.