

## **Background**

The Treasury Markets Association (the “TMA”) currently owns and administers the following interest rate and foreign exchange benchmarks:

- (a) CNH Hong Kong Interbank Offered Rate (“CNH HIBOR”);
- (b) HKD Overnight Index Average (“HONIA”); and
- (c) USD/HKD Spot Rate and USD/CNY(HK) Spot Rate (collectively, “FX Spot Rates”).

A data licensing regime will be launched, under which various types of licenses will be granted to subscribed users subject to the purposes for use of the benchmark data.

## **Commercial use of CNH HIBOR, HONIA & FX Spot Rates’ data to be subject to fees from June 2024**

From June 2024, subscribers who use CNH HIBOR, HONIA or FX Spot Rates data for commercial purposes are required to pay fees , in line with the practices of other benchmark administrators in major financial centres. Commercial use includes but is not limited to internal pricing and valuation and servicing third parties. Published data delayed by 24 hours or more will be available on TMA website for view only without any fee for non-commercial purposes.

The TMA has appointed FTSE Russell<sup>1</sup>, an LSEG business, its official Calculation Agent for the above-mentioned benchmarks, to act as the licensing entity on behalf of the TMA.

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<sup>1</sup> Formerly branded as Refinitiv

## **Data Usage Fee Schedule:**

Pricing as communicated by the licensing entity as at November 2023. Please contact your LSEG Data & Analytics (formally Refinitiv) representative to confirm if necessary.

Subscribers	CNH HIBOR and HONIA combined <sup>2</sup>	FX Spot Rates <sup>3</sup>
	USD per month	
Internal Usage <sup>4</sup> (single-site <sup>5</sup> / multi-site <sup>6</sup> )	1,250/2,500	500/1,000
Redistribution <sup>7</sup>	2,000	2,000
Derived data and index creation (and its redistribution) <sup>8</sup>	2,000	2,000
Trading and clearing (small <sup>9</sup> / large <sup>10</sup> )	2,000/5,000	2,000/5,000
Delayed view only <sup>11</sup>	Free of charge	Free of charge

## **Published benchmarks on TMA website**

From June 2024, the above-mentioned benchmark rates will be published on the TMA website on a 24-hour delayed basis. Click [here](#) to view the rates.

## **Contact Information**

<sup>2</sup> There are no separate fees for CNH HIBOR and HONIA. CNH HIBOR panel banks are exempt from internal usage fees for CNH HIBOR & HONIA combined only for the site that contributes to CNH HIBOR.

<sup>3</sup> There are no separate fees for USD/HKD Spot Rate and USD/CNY(HK) Spot Rate.

<sup>4</sup> Internal usage license covers the use of the benchmark data for primarily internal commercial purposes, including but not limited to the use of data as a reference rate in financial contracts or derivatives, pricing and valuation activities, market making, etc.

<sup>5</sup> An internal usage license (single-site) grants a single legal entity the right to use the benchmark data for commercial purposes.

<sup>6</sup> An internal usage license (multi-site) grants an entity the right to use the benchmark data for commercial purposes in its branches and majority-owned subsidiaries globally.

<sup>7</sup> A redistribution license grants the rights to redistribute the raw benchmark data to clients who have an internal usage license. Redistributors are required to report to FTSE Russell which of their clients receive the benchmark data.

<sup>8</sup> A derived data and index creation license permits entities such as analytics and index providers to create derived data and/or indices from the benchmark data, primarily for the purpose of redistributing such data to their own clients.

<sup>9</sup> A trading and clearing license (small) grants exchanges, trading platforms or clearing houses the right to trade and / or clear up to 5 million futures, options or swaps contracts per year.

<sup>10</sup> A trading and clearing license (large) grants exchanges, trading platforms or clearing houses the right to trade and / or clear unlimited futures, options or swaps contracts per year.

<sup>11</sup> The TMA will publish the daily benchmark data on its public website on a 24-hour delayed basis for view only. Viewing the benchmark data on the TMA website is free of charge but viewers are not allowed to use such data for commercial purposes. Please contact [benchmarks@lseg.com](mailto:benchmarks@lseg.com) for historical data.

TMA benchmark administration

Telephone: +852 2543 7661 / +852 2543 7880

Email: [Benchmarks@tma.org.hk](mailto:Benchmarks@tma.org.hk)

**For licensing queries**

FTSE Russell

Email: [benchmarks@lseg.com](mailto:benchmarks@lseg.com)

## **Frequently asked questions**

### **1. Why are these changes occurring?**

A data licensing regime helps the TMA monitor the usage of its benchmarks more effectively. The regime would also be useful if the TMA's benchmarks are required to be registered under the EU Benchmarks Regulation<sup>12</sup> or the UK Benchmarks Regulation<sup>13</sup>.

The HKD HIBOR, which is owned by the Hong Kong Association of Banks and administered by the TMA, is not covered in the data licensing regime.

Additional financial resources made available to the TMA from the data licensing regime will provide more flexibility for the TMA to discharge its benchmark administration responsibilities more effectively and efficiently.

### **2. Do I need a data usage license for the TMA's benchmarks?**

A license is required for any party that intends to (a) use the TMA's benchmarks (namely CNH HIBOR, HONIA and FX Spot Rates) as data input or reference rate for commercial purposes; (b) redistribute such benchmarks to third parties; (c) create and redistribute derived data and/or indices using the benchmarks; or (d) offer contracts for trading and clearing that make reference to such benchmarks.

### **3. What is meant by using the TMA's benchmarks for commercial purposes?**

Commercial uses of the TMA's benchmarks include:

- Valuation and pricing activities, including but not limited to:
  - Collateral calculations
  - Interest rate fixings
  - FX fixings
  - Portfolio valuations
  - Index calculations
  - Contract pricing
  - Asset valuations

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<sup>12</sup> [https://finance.ec.europa.eu/regulation-and-supervision/financial-services-legislation/implementing-and-delegated-acts/benchmarks-regulation\\_en](https://finance.ec.europa.eu/regulation-and-supervision/financial-services-legislation/implementing-and-delegated-acts/benchmarks-regulation_en)

<sup>13</sup> <https://www.fca.org.uk/markets/benchmarks/regulation>

- Loan servicing
- Pricing curves
- Discounting curves
- Forward curves
- Risk calculations
- Surveillance and monitoring
- Compliance with internal policies
- Administrative, settlement or clearing activities
- Transactions, marketing or sales of financial products, including but not limited to:
  - Loans (including mortgages)
  - Securities (including structured products)
  - Derivatives
  - Funds
- Redistribution
- Creation and redistribution of derived data

#### **4. Which type of license do I require?**

Depending on the type of data usage, you may need one or more of the following licenses:

- Internal usage license allows holders to use the TMA's benchmark rates for primarily internal commercial purposes;
- Redistribution license allows entities such as data vendors to redistribute the benchmark data to clients who have an internal usage license;
- Derived data and index creation license permits entities such as analytics and index providers to create derived data and/or indices from the benchmark data, primarily for the purpose of redistributing such data to their own clients;
- Trading and clearing license allows exchanges, trading platforms and clearing houses to offer trading and/or clearing of futures, options or swaps contracts for which the TMA's benchmark rates are the underlying reference rates.

A user will not be liable for data usage fee if the TMA's benchmarks published on a 24-hour delayed basis are used for view only and non-commercial purposes.

For enquiries, please contact [benchmarks@lseg.com](mailto:benchmarks@lseg.com).

**5. Do I need to pay separate data usage fees if I obtain the TMA’s benchmarks through more than one market data vendor?**

No. One internal usage license will allow you to receive the TMA’s benchmarks via all your market data vendors.

**6. Do I need to pay separate data usage fees for CNH HIBOR and HONIA?**

No. You only need to pay one fee for both CNH HIBOR and HONIA.

**7. Do I need to pay separate data usage fees for the TMA’s USD/HKD Spot Rate and USD/CNY(HK) Spot Rate?**

No. You only need to pay one fee for both USD/HKD Spot Rate and USD/CNY(HK) Spot Rate.

**8. How can I gain and maintain access to historical data of the TMA’s benchmarks?**

Subscribers will have access to historical data. Please contact [benchmarks@lseg.com](mailto:benchmarks@lseg.com) for more details.

**9. How will I be billed for the usage of the TMA’s benchmarks?**

LSEG will bill you for the use of the TMA’s benchmarks. Please contact LSEG Data & Analytics (formally Refinitiv) for more details.

**10. Can I publish the TMA’s benchmarks on a public website?**

No. Please refer to the TMA website for the TMA’s benchmarks. These licenses are not available.

**11. Can I quote or use the TMA’s benchmarks in news articles or research reports?**

Including insubstantial amount of the TMA’s benchmarks in public news articles or research reports on a non-systematic basis after 24 hours of their original publication is not considered commercial use and therefore does not require a license.

**12. Can I show the TMA's benchmarks to my clients if I only hold an internal usage license?**

Internal usage license holders are allowed to provide the TMA's benchmarks to their clients on a non-systematic basis only in the ordinary course of business of providing pricing and valuation services of referencing the TMA's benchmarks in transactions and financial products.

Systematically displaying the TMA's benchmarks to third parties via a screen, feed, non-public website or any other means would require a separate redistribution license.