



iBoxx Restatement Policy

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1 Index Restatement Policy	3
2 Further information	4

1 iBoxx Restatement Policy

IHS Markit Benchmark Administration Limited, the Administrator of the iBoxx indices, is committed to conducting its business with integrity and to providing index information of the highest quality to its customers and index stakeholders. However, the Administrator recognizes that in some situations inaccuracies can arise that may warrant a restatement of one or more indices. Such inaccuracies may be caused by a range of events including:

- Incorrect or incomplete corporate events information and/ or application
- Late data delivery or data updates from external parties
- Incorrect constituent prices used
- Unavailability of up-to-date pricing data at the time of index calculation
- Index membership error

The Administrator has implemented a wide range of automated checks to capture and validate exceptions which could indicate an error or data problem. These include checks on large constituent-level price movements and large index-level movements. Additional comparative and consistency checks are also in place. All exceptions or warning alerts are reviewed and analysed by the Administrator. In the event that the alert is caused by a data or process error, and is identified before publication, index analysts will correct the error before official publication.

If an inaccuracy is not identified and resolved before index calculation and publication, or if input data received is revised retrospectively, the Administrator will review the impact on any affected index values. When determining whether it is appropriate to restate an index or not, the Administrator takes multiple factors into consideration including, but not limited to, the following:

- The magnitude and size of the deviation between published and updated index levels. The following thresholds would be generally used to measure materiality and are considered alongside the other factors:
 - 2.5 bps for indices underlying financial products (e.g. Exchange Traded Funds, Total Return Swaps)
 - 5 bps for headline indices
- When the error occurred and was discovered
- Impact at the constituent level (e.g. the inaccuracy may not be significant at the aggregated index level but could still warrant a restatement due to the impact to individual constituents)
- Whether the error affects month-end index levels
- Impact on ancillary calculations such as index- or constituent-level analytics
- Data processing impact on clients and vendors
- Financial product impact
- Number of indices and sub-indices affected
- Overall market conditions prevailing at that point in time (e.g. the occurrence took place during a period of extreme volatility)

Not all factors need to be present to warrant a restatement and some may be more determinative than others depending on the circumstances. If the analysis indicates that a revision of an index or indices may be warranted, the IHS Markit Proprietary Indices Administration Committee ("Committee") will make a restatement determination, applying expert judgement to consider all relevant factors as outlined above. In complex cases, the Committee might also decide to consult market participants as to the appropriate course of action. If the Committee decides to restate the IHS Markit iBoxx index levels, the reason for the restatement together with revised material will be published. The Committee will also ensure the Board of the Administrator is made aware of any restatements or underlying issues, of which they would reasonably expect to be informed.

In addition, where necessary, IHS Markit may compile an incident report to summarize the incident and the root cause and set forth remedial actions to avoid such an error in the future.

2 Further information

Glossary of key terms

The Markit iBoxx Glossary document of key terms is available in the *Methodology* section of the Markit iBoxx *Documentation* page on www.ihsmarkit.com.

Contractual and content issues

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Formal complaints

Formal complaints can be sent electronically to our dedicated e-mail address complaints_indices@ihsmarkit.com.

For any general index enquiries, please contact iBoxx indices support group at indices@ihsmarkit.com.

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