



IHS Markit™

IHS Markit Benchmark Administration Limited

iBoxx Restatement Policy

October 2020

iBoxx Indices Restatement Policy

IHS Markit Benchmark Administration Limited (**IMBA** or the **Administrator**), 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. The Administrator however recognizes that in some situations, inaccuracies can arise that may warrant a restatement of one or more indices.

The Administrator has implemented a wide range of automated checks to capture and validate exceptions which could indicate an error or data problem. 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. However, if an inaccuracy is not identified and resolved before index calculation and publication, or if input data received is revised retrospectively, a decision will need to be made whether to restate the index and reissue all related data publications. Restatement decisions are based on the materiality of the error which is determined based on all relevant factors, including the number of indices and sub-indices affected, the time between publication and when the error is detected, the impact at the constituent level, whether month-end index levels are affected, the size of the deviation between published and updated index levels, the impact on ancillary calculations such as index- or constituent-level analytics, the data processing impact on clients and vendors, financial product impact, and general market conditions. 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 performed by the Administrator indicates that a revision of an index or indices may be warranted, the iBoxx Indices Administration Committee (the **IAC**) will make a restatement determination, considering relevant factors as outlined above. In complex cases, the IAC might decide to consult market participants for the appropriate course of action. If the IAC decides to restate the iBoxx index levels, the reason for the restatement together with the revised material will be published. The IAC will also make the Board of the Administrator aware of any restatements or underlying issues of which the Board would reasonably expect to be informed. In addition, where necessary, IHS Markit may compile and share with the Board an incident report to summarize the incident and the root cause and set forth remedial actions to avoid such an error in the future.

General approach for restatements

Type of error	Example	General approach
Index membership	Change in membership resulting from incorrect instrument classification reference data (e.g. amount outstanding, corporate action a calculation error)	Decision based on materiality
Pricing input	Updated pricing (whether through challenge or error from source data) Updated FX or other rates, received post index calculation	Decision based on materiality. The following threshold is generally considered alongside other relevant factors for assessing materiality: 2.5 bps for indices underlying financial products and 5 bps for headline indices Decision based on materiality
Analytics	Updated yield curve input data which affect instrument analytics (such as yield, duration, spread)	Correct future calculations (assuming no impact on index levels) Decision to republish history based on materiality
Reference Data	Incorrect coupon or maturity date (which do not necessarily affect membership but would affect index levels)	Decision based on materiality

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

For contractual or content issues please contact:

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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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Ownership

Markit Indices GmbH is a wholly-owned subsidiary of IHS Markit Limited.

Document Governance

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Policy Owner: Index Product Team
Applies to: iBoxx Benchmark Family
Approved by: Board of IHS Markit Benchmark Administration Limited
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