



IHS Markit™

IHS Markit Benchmark Administration Ltd. EMIX Restatement Policy

October 2020

EMIX Restatement Policy

IHS Markit Benchmark Administration Limited (**IMBA** or the **Administrator**), the Administrator of the EMIX 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.

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, the Administrator will review the impact on any affected index values, and will determine whether it is appropriate 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 multiple 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 rebalancing index levels are affected, the magnitude and size of the deviation between published and updated index levels, the data processing impact on clients and vendors, financial product impact, and general market conditions prevailing at that point in time. 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 relevant Index 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 as to the appropriate course of action. If the IAC decides to restate the IHS Markit EMIX index levels, the reason for the restatement together with 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 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	Incorrect change in membership (addition or deletion of index constituent) resulting from incorrect corporate action implementation, incorrect constituent replacement, error during index rebalance etc.	Restatement decision based on materiality*
Incorrect application of index methodology	Error in the implementation of the index calculation methodology (i.e., incorrect weighting, incorrect implementation of corporate action etc.)	Restatement decision based on materiality*

Dividends	Late regular cash dividend - Regular cash dividend confirmed after the ex-date	No restatement. Apply the dividend on the next trading day
	Cancelled dividend - Dividend cancelled after the ex-date	No restatement. Apply the negative adjustment on the next trading day
	Missed/adjusted dividend - Dividend application was missed on the ex-date, was applied on a wrong date or incorrect terms were applied	Restatement decision based on materiality* and whether the correct information was available on the market on time
Missed/adjusted corporate action	Corporate action application was missed on the ex-date, was applied on a wrong date or incorrect terms were applied	Restatement decision based on materiality* and whether the correct information was available on the market on time
Incorrect Close Price	Incorrect close price of the index constituent used in the index calculation	Restatement decision based on materiality* and whether the correct information was available on the market on time
Incorrect FX rate	Incorrect FX rate used in the index calculation	Restatement decision based on materiality* and whether the correct information was available on the market on time
Constituent identifier change	Change in constituent's name, Sedol, ISIN, etc.	No restatement. Apply change on the next trading day

*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.

Further information

Contractual and content issues

For contractual or content issues please contact:

Markit Indices GmbH
 Friedrich-Ebert-Anlage 35-37
 60327 Frankfurt am Main
 Germany
 E-mail: indices@ihsmarkit.com
 Web: www.ihsmarkit.com

Technical issues and client support

For technical issues and client support please contact:

E-mail: indices@ihsmarkit.com

Phone:	Asia Pacific	Japan:	+81 3 6402 0127
		Singapore:	+65 6922 4210
	Europe	General:	+800 6275 4800
		UK:	+44 20 7260 2111

USA

General:

+1 877 762 7548

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 indices support group at indices@ihsmarkit.com.

Document Governance

Policy Name:	EMIX Restatement Policy
Policy Owner:	Regulatory Compliance
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