

MARKET NOTICE

To: ALL MARKET PARTICIPANTS
From: FIXED INCOME AND CURRENCIES MARKETS GROUP
Reference: FMDQExchange/FCG/150822/MN-31
Notice Date: August 15, 2022
Effective Date: November 15, 2022

REVISION TO THE FMDQ EXCHANGE BENCHMARK ERROR POLICY

This Market Notice serves to inform all market stakeholders of the revisions to the FMDQ Securities Exchange Limited (“**FMDQ Exchange**” or “**Exchange**”) Benchmarks Error Policy to ensure that FMDQ Exchange’s Benchmarks¹ are administered in line with global standards as set out in the IOSCO² Principles for Financial Benchmarks (“**PFB**”). The Benchmark Error Policy was documented to ensure the accuracy in the computation of FMDQ Exchange Benchmarks in line with their respective methodologies, while maintaining their representativeness and integrity.

The FMDQ Exchange Benchmark Error Policy contains procedures for dealing with error reports with respect to the Exchange’s Benchmark administration activities and the associated re-publication of any of FMDQ Exchange Benchmarks (where applicable).

Consequently, FMDQ Exchange hereby notifies market stakeholders of the following revisions to section 3 (*Policy Review of Thresholds And Timelines*) of the Benchmark Error Policy:

S/N	Section	Revised Policy
1.	Transparency of Post-cut Errors	The Exchange shall publish on its website on a quarterly basis, the incidence of errors. This shall include errors <i>that resulted in refixes</i> and errors that did <i>not result in refixes</i> , either because the errors came to light after the cut-off time or were below the Exchange’s materiality threshold.
2.	Cut-off time for Benchmark Refixes	<i>Benchmark errors may be identified either by FMDQ Exchange or external stakeholders.</i> Error(s) identified by external stakeholders must be reported to the Exchange within timelines stipulated <i>below</i> for a refix of the relevant Benchmarks to be considered. <i>In some instances, FMDQ Exchange may deviate from the standard treatment of errors documented in its Error Policy. This may only be done with prior authorisation and upon the exercise of expert judgement by the FMDQ Exchange Benchmark Oversight Committee.</i>
Cut-off time for FMDQ Benchmark Refixes		
Description	NITTY	NIBOR
		NAFEX

¹ FMDQ Exchange Benchmarks refers to NAFEX, NIBOR and NITTY benchmarks.

² The International Organisation of Securities Commissions



Cut-off time for discovering/reporting an error	<i>12:00 noon on the next business day following initial publication</i>	<i>2:00 PM on the next business day following initial publication</i>	Within two (2) hours after initial publication
FMDQ Exchange initial refixing announcement	<i>Same day as error was discovered</i>		Within thirty (30) minutes after discovering or receiving notification of error
FMDQ Exchange publishes the revised rate indicating on the publication that the published rate is being revised due to an error	<i>12:00 noon on the next business day after decision to perform a revision</i>	<i>2:00 PM on the next business day after decision to perform a revision</i>	Within thirty (30) minutes after FMDQ Exchange's decision to perform a revision
Total time after initial publication	<i>Two (2) business days</i>		Maximum: 3 hours (Same day)

Legend

Text in black	Old/Retained text from the previous Benchmark Error Policy
<i>Text in blue</i>	New text introduced in the current Benchmark Error Policy

The revised Benchmark Error Policy shall take effect three (3) months from the publication of this Market Notice and is available on the FMDQ Benchmark Administration page on FMDQ Group website. (Click [here](#) to view).

Should you have any question(s) about this Market Notice, please do not hesitate to contact the Fixed Income and Currencies Markets Group at fcg@fmdqgroup.com