

Technical Note

IBOR Fallbacks: Revision to Usage Terms

Restrictions on the 'use' of HKD HIBOR Fallbacks and Related Data

The Hong Kong Treasury Markets Association ("TMA"), through its appointed Calculation Agent and licensing entity, FTSE Russell, an LSEG business, has introduced a commercial policy and licensing arrangements for use of HKD Overnight Index Average ("HONIA"). Consequently, additional restrictions have been placed on the use of Hong Kong Dollar Interbank Offered Rate ("HIBOR") Fallback ("HKD HIBOR Fallback") Rates, the associated Adjusted RFR HONIA ("Adjusted HONIA"), and the Spread Adjustment for HKD HIBOR.

In respect of Adjusted HONIA, such rate may not be used as a fallback or to facilitate transition to alternative reference rates.

Absent an appropriate license in place between a user and FTSE Russell or its affiliates, a user may not use any of the Adjusted HONIA, HKD HIBOR Fallback, or Spread Adjustment for HKD HIBOR as a primary reference rate in a Financial Product.

Updated IBOR Fallback Usage Terms, effective 1st November 2024 can be found in the "Resources" section of Bloomberg's LIBOR Transition Solutions web [pages](#)¹. For the avoidance of doubt, there are no new restrictions on the use of HKD HIBOR Fallback as a fallback reference rate in a Financial Product, per the Usage Terms.

Further information about the commercial arrangements for HONIA can be found on the TMA [website](#)².

For reference, a list of relevant tickers subject to the aforementioned conditions can be found in Figure 1.

Figure 1

List of HKD HIBOR Fallbacks, Adjusted HONIA and Spread Adjustment Tickers

Tenor	Fallback Ticker	Adjusted HONIA Ticker	Spread Adjustment Ticker
Overnight	VHIHDON Index	XHONIAON Index	YHIHDON Index
1 Week	VHIHD01W Index	XHONIA1W Index	YHIHD01W Index
2 Weeks	VHIHD02W Index	XHONIA2W Index	YHIHD02W Index
1 Month	VHIHD01M Index	XHONIA1M Index	YHIHD01M Index
2 Months	VHIHD02M Index	XHONIA2M Index	YHIHD02M Index
3 Months	VHIHD03M Index	XHONIA3M Index	YHIHD03M Index
6 Months	VHIHD06M Index	XHONIA6M Index	YHIHD06M Index
1 Year	VHIHDIY Index	XHONIA1Y Index	YHIHDIY Index

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¹ <https://www.bloomberg.com/professional/solutions/regulation/libor-resource-center/>

² <https://www.tma.org.hk/TMA%20Notice%20on%20Licensing%20Regime%20with%20FAQ.pdf>

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