

April 21, 2021

# Policy on Treatment of Revisions to TORF Official Rates, etc.

QUICK Benchmarks Inc.

## **1. Objective**

The Policy on Treatment of Revisions to TORF Official Rates, etc. (the “Policy”) sets out the policy on how to treat revisions to TORF official rates under Article 17 of the TORF Operational Rules.

## **2. Definition**

The definition of terms shall be those defined in the TORF Operational Rules except for those defined below:

### **(1) Inappropriate calculation**

Inappropriate calculation refers to the calculation of official or reference rates by QUICK Benchmarks Inc. (“QBS”) or reporting brokers using manners or procedures which are inconsistent with those set out in the TORF Operational Rules and/or TORF Code of Conduct as well as those set out in internal rules established by reporting brokers based on the TORF Code of Conduct. Inappropriate calculation excludes situations which could not be recognized when calculating official or reporting rates.

## **3. Reporting on inappropriate calculation of reference rates**

If a reporting broker has identified inappropriate calculation of its reporting rate, it shall immediately report to QBS the reason why inappropriate calculation has occurred and both the original and revised reporting rate using the format separately established by QBS.

## **4. Treatment of revisions to official rates, etc.**

### **(1) Principal treatment**

A) Treatment of official rates, etc.

QBS shall not revise any official rates after publication.

B) Treatment of reporting rates

QBS shall not revise any reporting rates after publication of official rates.

(2) Exceptional treatment

Notwithstanding the preceding paragraph, when there is a significant impact on the level of official rates (The threshold is set at 2bp (0.02%). The level of this threshold is reviewed as appropriate and if any change will be made, the change will be notified beforehand over a certain period.) as a result of inappropriate calculation identified by 6:00 p.m. of the day, official rates, etc. may be revised based on the determination of the Board of Directors, after discussions of whether to revise official rates, etc. at the TORF Planning and Administration Committee.

If QBS revised official rates, etc., QBS shall announce this on its website by no later than 7:00 pm of the day and distribute revised rates to the information vendors. In such a case, the revision is deemed to be made to official rates, etc. as of 5:00 p.m. of the day.

## **5. Ensuring transparency**

QBS shall announce on a quarterly basis whether there is any inappropriate calculation of official rates, etc.

## **6. Revision**

A revision to the Policy shall be considered at the TORF Planning and Administration Committee and determined by the Board of Directors.

In revising the Policy, the revision shall be reported to the TORF Oversight Committee before submitting to the Board of Directors for its approval.

## **Supplement**

1. Effective date

The Policy shall be effective from April 26, 2021.

(This English translation is provided exclusively as a convenience. Any questions that may arise in interpretation of words and provisions of these rules shall be interpreted in accordance with the Japanese original version.)

