

THOMSON REUTERS BENCHMARK SERVICES LIMITED

WM/REUTERS CLIENT CONSULTATION

UPDATE TO WM/REUTERS CLIENT CONSULTATION

Proposed introduction of Trade Data for CNH Chinese Yuan Offshore

Many thanks for the responses received to the client consultation announced on 12th August, on the proposed introduction of trade data for CNH Chinese Yuan Offshore.

Clients responded with the following questions;

- Confirmation sought of time frame, should this proposal be adopted
- Confirmation sought of current methodology for CNH Chinese Yuan Offshore
- Confirmation sought of trade methodology
- Request for information of the analysis approach undertaken
- Request for frequency of this event ie currencies adopting trade methodology having been non trade previously

All responses received were replied to, to the satisfaction of each client, and all responses are now considered closed.

The governance process has concluded and Thomson Reuters intend to progress to introduce trade data for CNH Chinese Yuan Offshore.

A four week notice period will be provided to clients, and therefore CNH will be sourced from Trade Data as detailed in the communication below from **6am HK Monday 7th November**.

REMINDER OF PROPOSAL – ISSUED 12TH AUGUST 2016

Proposal: Introduction of Trade Data for CNH Chinese Yuan Offshore

WM/Reuters Practice Standards states our commitment to providing Benchmark rates which are calculated using appropriate data sources which are representative of individual currency markets, and which are based on foreign exchange rates that have been formed by the competitive forces of supply and demand and are anchored by observable transactions entered into at arm's length between parties in the market. These Practice Standards align with MAR 8.3.10 and also the [IOSCO Principles](#) for Financial Benchmarks.

CNH Chinese Yuan Offshore is currently sourced from indicative interbank quoted rates, provided by multiple financial institutions. We have undertaken analysis to review the feasibility of introducing transactional data from the following foreign exchange trading platforms; Thomson Reuters Matching and EBS as the primary source for this benchmark rate. This analysis has confirmed that the inclusion of data from both trading platforms achieves the necessary requirements regarding sufficiency, quality and data hierarchy to enable this proposal to be put before clients.

We therefore propose that CNH will become a 'trade' currency and the benchmark rate will be calculated using the WM/Reuters Trade Methodology, with data sourced from Thomson Reuters Matching and EBS.

We would like to invite comment on this proposal. Please respond by emailing wmreuters.ops@thomsonreuters.com by close of business Friday 2nd September 2016.

Kind Regards,

WM/Reuters Operations Team

Thomson Reuters

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