



IHS Markit™

Announcement: Exclusion of issuer impacted by the US Sanctions pursuant to Executive Order 13959 within iBoxx indices (EO 13959 – Update 1)

22 January 2021

1. IHS Markit's Administration

IHS Markit Benchmark Administration Limited (**IMBA**) is the Index Administrator of the iBoxx indices (thereafter, "the Indices").

IMBA administers the Indices in compliance with the International Organisation of Securities Commissions Principles for Financial Benchmarks (the **IOSCO Principles**) and the UK Benchmarks Regulation (**UK BMR**).

2. Background

Following the announcement made by IMBA on 30 December 2020, in relation to the Executive Order (Executive Order 13959) signed by the President of the United States of America on Thursday, 12 November 2020, prohibiting U.S. Persons from transacting in securities of certain Chinese companies listed in the Executive Order, and following guidance provided by The U.S. Department of the Treasury (DOT) and Office of Foreign Assets Control (OFAC), IMBA will be removing the following issuer from affected Global, European and North American indices and newly created Asian sub-indices, effective at the next rebalancing on 31 January 2021. Further details of impacted securities and indices can be found below.

| Issuer name | Ticker | Related Entity listed in EO13959 |
|--|--------|--|
| Semiconductor Manufacturing International Corp | SMIZCH | Semiconductor Manufacturing International Corp. (SMIC) |

As stated in IMBA's announcement of 30 December 2020, IMBA is planning to hold a consultation in Q1 2021 to determine the ongoing treatment of impacted issuers, including a potential exclusion of bonds from such issuers and a corresponding timeline. IMBA will continue to monitor updates in relation to these sanctions, clarification about the treatment of subsidiaries, and potential impact to the Indices.

3. Impact within the iBoxx Indices

IMBA has conducted a review of OFAC’s currently published list of impacted issuers from the Executive Order 13959 and found one impacted issuer, with the following bond outstanding as of date of this announcement:

| Issuer name | ISIN | Ticker | Coupon | Maturity | Outstanding |
|--|--------------|--------|--------|------------|-------------|
| Semiconductor Manufacturing International Corp | XS2101828452 | SMIZCH | 2.693 | 02/27/2025 | 600,000,000 |

IMBA will be excluding this bond as of 31 January 2021 rebalancing from the impacted headline indices and any sub-indices and customs indices thereof, including any related preview and forward files:

| Impacted Index | % Market Value in index |
|---|-------------------------|
| iBoxx USD (Overall) | 0.0027 |
| iBoxx USD Emerging Markets Non-Sovereigns | 0.0356 |
| iBoxx USD Asia ex-Japan (Restricted) | 0.0450 |
| iBoxx ADBI (Restricted) | 0.0726 |

4. Key questions

For any questions regarding IMBA’s above announcement please contact indices@ihsmarkit.com