



**Announcement:
Launch of iTraxx Asia ex-Japan IG (Restricted) Indices**

Sub-indices of iTraxx Asia ex-Japan indices
11 January 2021

1. Administration

IHS Markit is the Index Administrator of the iTraxx indices.

2. Background

Pursuant to an Executive Order (Executive Order 13959) signed by the President of the United States of America on Thursday, 12 November 2020, U.S. Persons are prohibited from transacting in securities of certain Chinese companies listed in the Executive Order. The executive order comes into force on 11 January 2021, with an initial 35 companies that have been listed in the order as per 22 December 2020. Divestment of existing holdings is required by November 2021.

IHS Markit consulted with the iTraxx Asia ex-Japan Index Advisory Committee to determine the potential impact to market participants and users of the iTraxx Asia ex-Japan Indices. IHS Markit has also conducted analysis which has shown a lack of clarity on the treatment of subsidiary and affiliated companies of impacted entities.

Based on the above information, as well as feedback received from the iTraxx Asia ex-Japan Index Advisory Committee, other market participants, and infrastructure providers, IHS Markit has decided to implement the impact of the sanctions in the indices as detailed below.

IHS Markit will continue to monitor for any updates in relation to these sanctions, the addition of further entities or their subsidiaries to the list, and potential impact to the iTraxx indices. Furthermore, IHS Markit is planning to hold a future consultation to review the iTraxx Asia ex-Japan index rules prior to the launch of iTraxx Asia ex-Japan Series 35 at the March 2021 index roll.

3. Launch of iTraxx Asia ex-Japan (Restricted) Indices

In response to the impact of the sanctions established by the Executive Order on iTraxx Asia ex-Japan indices, IHS Markit is launching sub-indices that will exclude entities deemed or expected to be impacted by the sanctions. These equally weighted sub-index series will be available for trading as separate instruments alongside the parent CDS indices, with the same characteristics as their respective parent CDS index series in terms of maturity, fixed coupon and recovery rates. The full list of impacted iTraxx Asia ex-Japan index series and the new sub-index series created are provided in the Appendix below.

The RED Codes and the first trading date of these new sub-Indices will be communicated in a subsequent announcement. The iTraxx Asia ex-Japan Index rulebook will be updated to reflect the selection rules for the sub-indices.

4. Appendix

Parent Index Series	New Sub Index Series	Entities from parent index excluded in New Sub-Index	
Index Name	Index Name	Markit Ticker	Reference Entity
iTraxx Asia ex-Japan IG Series 25 Version 1	iTraxx Asia ex-Japan IG (Restricted) Series 25 Version 1	CNOOC	CNOOC LIMITED
iTraxx Asia ex-Japan IG Series 26 Version 1	iTraxx Asia ex-Japan IG (Restricted) Series 26 Version 1	CNOOC	CNOOC LIMITED
iTraxx Asia ex-Japan IG Series 27 Version 1	iTraxx Asia ex-Japan IG (Restricted) Series 27 Version 1	CNOOC	CNOOC LIMITED
iTraxx Asia ex-Japan IG Series 28 Version 1	iTraxx Asia ex-Japan IG (Restricted) Series 28 Version 1	CNOOC	CNOOC LIMITED
iTraxx Asia ex-Japan IG Series 29 Version 1	iTraxx Asia ex-Japan IG (Restricted) Series 29 Version 1	CNOOC	CNOOC LIMITED
iTraxx Asia ex-Japan IG Series 30 Version 1	iTraxx Asia ex-Japan IG (Restricted) Series 30 Version 1	CNOOC	CNOOC LIMITED
iTraxx Asia ex-Japan IG Series 31 Version 1	iTraxx Asia ex-Japan IG (Restricted) Series 31 Version 1	CNOOC	CNOOC LIMITED
iTraxx Asia ex-Japan IG Series 32 Version 1	iTraxx Asia ex-Japan IG (Restricted) Series 32 Version 1	CNOOC	CNOOC LIMITED
		CORP3177	CHINA NATIONAL CHEMICAL CORPORATION LIMITED
iTraxx Asia ex-Japan IG Series 33 Version 1	iTraxx Asia ex-Japan IG (Restricted) Series 33 Version 1	CNOOC	CNOOC LIMITED
		COLI	CHINA OVERSEAS LAND & INVESTMENT LIMITED
		CORP3177	CHINA NATIONAL CHEMICAL CORPORATION LIMITED
iTraxx Asia ex-Japan IG Series 34 Version 1	iTraxx Asia ex-Japan IG (Restricted) Series 34 Version 1	CNOOC	CNOOC LIMITED
		COLI	CHINA OVERSEAS LAND & INVESTMENT LIMITED
		CORP3177	CHINA NATIONAL CHEMICAL CORPORATION LIMITED

5. Further Information

For any queries, please email itraxxadvisory@ihsmarkit.com.

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