

IHS Markit Benchmark Administration Limited (IMBA UK) Consultation on coupon payments following Russia-related Sanctions (2022-08)

31 March 2022

1. IMBA UK's Administration

IHS Markit Benchmark Administration Limited (IMBA UK) is the Index Administrator of the iBoxx indices. IMBA UK administers the indices in accordance with the International Organisation of Securities Commissions Principles for Financial Benchmarks (IOSCO Principles) and the UK Benchmarks Regulation (UK BMR).

2. Consultation Results

Given recent public information suggesting some certainty around coupon payments being received successfully on specific Russian bonds, IMBA UK has launched a [consultation](#) on 25 March seeking feedback on the treatment of such payments in iBoxx indices.

During the course of the consultation, IMBA UK has received largely supportive feedback to implement the proposed treatment of coupons. In accordance with its governance process, IMBA UK therefore announces the following:

1. Russian Federation debt in hard currency as well as corporate and sub-sovereign debt in hard currency with Russia as the country of risk

IMBA UK will recognize the coupon payments that have been publicly confirmed to be disbursed to investors and include them into the total return calculation of the indices. This will take place as of 30 March 2022 for the confirmed coupons as of today. Any further coupons that are confirmed in the next two days will be implemented as of 31 March 2022. Any coupon payments that are not confirmed to be disbursed by 31 March 2022 will not be considered in the index performance. Coupons that are confirmed after the month-end removal of Russian securities will not be considered in the index calculations.

2. Russian Federation local currency (RUB-denominated) government debt

All coupons due after 11 March (the effective date of the original consultation) and denominated in RUB will not be considered in the index performance, given such payments are distributed into restricted "type C accounts" held by Russian banks.

As communicated in the result of Consultation on Russia-related Sanctions and Market Accessibility consultation on 10 March 2022, outstanding bonds with Russia as the country of risk will leave the iBoxx indices on 31 March 2022 with a value of zero (technically 0.000001). Any hard currency bonds that are confirmed to be redeemed by 31 March 2022 will be recognized in the index with their final redemption price. For clarity, bonds in iBoxx indices that are designated with country of risk "Belarus" do not have coupon payments due in March 2022 and are thus not featuring in the consultation and list.

See below appendix for impacted securities.

FOR MORE INFORMATION:

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APPENDIX

Below is the summary of potential impacted hard currency bonds with a country of risk "Russia" that are in iBoxx indices as of the time of publication of this updated consultation result announcement.

Bonds for which the payments have been **confirmed to be disbursed**:

ISIN	Bond Description	Currency	Coupon Date
XS2134628069	GMKNRM 2.55 09/11/25	USD	11-Mar-2022
US55315NAD57	GMKNRM 2.55 09/11/25	USD	11-Mar-2022
XS2384719402	PHORRU 2.6 09/16/28	USD	16-Mar-2022
US71922LAD10	PHORRU 2.6 09/16/28	USD	16-Mar-2022
XS0971721450	RUSSIA 4.875 09/16/23	USD	16-Mar-2022
US78307ADG58	RUSSIA 4.875 09/16/23	USD	16-Mar-2022
US78307ADH32	RUSSIA 5.875 09/16/43	USD	16-Mar-2022
XS0971721963	RUSSIA 5.875 09/16/43	USD	16-Mar-2022
XS2230649225	BOINTE 6 09/17/26	USD	17-Mar-2022
US09973BAB53	BOINTE 6 09/17/26	USD	17-Mar-2022
US2387703866	AKBHC 6 Perpetual	USD	20-Mar-2022
US87251LAA44	AKBHC 6 Perpetual	USD	20-Mar-2022
XS1533915721	EVRAZ 5.375 03/20/23	USD	20-Mar-2022
US30050AAG85	EVRAZ 5 5.375 03/20/23	USD	20-Mar-2022
XS2384475930	CRBKMO 3.875 09/21/26	USD	21-Mar-2022
US12504PAJ93	CRBKMO 3.875 09/21/26	USD	21-Mar-2022
XS1795409082	GAZPRU 2.5 03/21/26	EUR	21-Mar-2022
XS0906949523	GAZPRU 4.364 03/21/25	EUR	21-Mar-2022
RU000A0ZYYP9	RUSSIA 4.375 03/21/29	USD	21-Mar-2022
RU000A0ZYYN4	RUSSIA 4.375 03/21/29	USD	21-Mar-2022
US85812RAA77	NLMKRU 4 09/21/24	USD	21-Mar-2022
XS1577953174	NLMKRU 4 09/21/24	USD	21-Mar-2022
US37955KAC62	GLPRLI 6.5 09/22/23	USD	22-Mar-2022
XS1405775450	GLPRLI 6.5 09/22/23	USD	22-Mar-2022
US44970CAA53	IMHRUS 5.9 09/23/25	USD	23-Mar-2022

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XS2232013263	IMHRUS 5.9 09/23/25	USD	23-Mar-2022
RU000A1006T7	RUSSIA 5.1 03/28/35	USD	28-Mar-2022
RU000A1006S9	RUSSIA 5.1 03/28/35	USD	28-Mar-2022
US73180YAB02	PGILLN 4.699 03/28/22	USD	28-Mar-2022
XS1405766384	PGILLN 4.699 03/28/22	USD	28-Mar-2022
XS0114288789	RUSSIA 7.5 03/31/30	USD	31-Mar-2022

Bonds with payments that are not confirmed are as follows:

ISIN	Bond Description	Currency	Coupon Date
XS1961080501	EUCHEM 5.5 03/13/24	USD	13-Mar-2022
US29873VAB09	EUCHEM 5.5 03/13/24	USD	13-Mar-2022
US78486MAA80	SUEK 3.375 09/15/26	USD	15-Mar-2022
XS2384174228	SUEK 3.375 09/15/26	USD	15-Mar-2022
XS2046736919	CHMFRU 3.15 09/16/24	USD	16-Mar-2022
US85805RAE80	CHMFRU 3.15 09/16/24	USD	16-Mar-2022
XS2010044548	CHEPRU 4.5 09/19/24	USD	19-Mar-2022
US16325LAA52	CHEPRU 4.5 09/19/24	USD	19-Mar-2022
XS0830192711	SIBNEF 4.375 09/19/22	USD	19-Mar-2022
US36192NAA90	SIBNEF 4.375 09/19/22	USD	19-Mar-2022
US368266AV45	GAZPRU 4.95 03/23/27	USD	23-Mar-2022
XS1585190389	GAZPRU 4.95 03/23/27	USD	23-Mar-2022
US825795AB30	SIBUR 3.45 09/23/24	USD	23-Mar-2022
XS2010044621	SIBUR 3.45 09/23/24	USD	23-Mar-2022
XS0609017917	RURAIL 7.487 25/03/31	GBP	25-Mar-2022

Please note that users of the iBoxx indices are solely responsible for ensuring such users' compliance with all applicable laws (including, without limitation, sanctions laws and any other rules, regulations or prohibitions) in connection with such use (including, without limitation, trading, investment or other use).