

Communiqué of GPW Benchmark

Recalculation of historical values of WIRON Index

- GPW Benchmark informs about the recalculation of the historical values of the WIRON Index and of the indices of the WIRON Compound Indices Family.
- The recalculated values of the indices were published on 28 December 2022 on the administrator's website and delivered to data vendors.
- The recalculation was carried out before the start of using the indices in financial products by any of the users
- The recalculation takes place as a consequence of audits carried out by the data contributors consisting in the assessment of their internal processes of identification, qualification and delivery of the transaction data to the administrator.

GPW Benchmark informs that while determining the new WIRON Index under the new documentation, in particular the Code of Conduct of the Family of Transaction-based Benchmarks, one of the contributors has identified an algorithm that was improperly identifying input data for WIRON index in the field of deposits of enterprises.

After the consultation with the Oversight Committee, which is an oversight function established according to the Benchmarks Regulation (BMR), the administrator requested all the banks- data contributors to carry out an audit of their internal processes of identification, qualification and delivery of the transaction data which are input data for transaction-based indices provided by the GPW Benchmark.

The audits in the data contributors were carried out by the representatives of their internal audit departments, as well as external audit firms. As a consequence, those data contributors that have identified certain errors, carried out an update of the data. The update of the transaction data concerned, first of all, the deposits of the large enterprises and consisted in reclassification of the entities as large enterprises as well as eliminating the mismatches identified in IT systems of some data contributors. The update of transaction data in case of financial institutions and other financial institutions concerned mainly elimination of wrong classifications between these two categories.

One-time errors i.e. failure to withdraw cancelled transactions from IT systems, failure to register transactions or failure to correct erroneous records that were identified during the audits, were verified, corrected and once again delivered to the administrator by the data contributors concerned. At the same time, the data contributors have informed about remedy actions undertaken as a consequence of the audits. The administrator has issued recommendations to the data contributors regarding their operational processes and internal controls.

The Oversight Committee has accepted the results of the audits.

In order to ensure transparency of the data delivery process, the representativeness of the Index and the reliability of information concerning the index, as well as the highest quality of operations regarding the provision of the WIRON Index and the indices from the WIRON Compound Indices Family, the Oversight Committee has recommended the recalculation of historical values.

The administrator has therefore decided to recalculate the historical values in order to ensure the adequacy and reliability of the measurement of the economic reality that the index intends to measure.

The decision of the administrator was verified with the users that plan to issue financial products based on the WIRON index in nearby future and does not affect any legal contracts that could be based on the indices.

Taking into account the above information received from the administrator, the competent authority (KNF) has required the administrator to (i) recalculate WIRON index for the period from 1 December 2022, taking into account the updates of data resulting of the audits and (ii) to publish the corrected values of the WIRON Index in the regular way used by the administrator.

Based on the BMR requirements and the applicable rules, on 27 December 2022 the administrator has recalculated the historical values of the WIRON Index, as well as the indices of WIRON Compound Indices Family in order to ensure the adequacy and reliability of the indices in measuring the economic reality that the index intends to measure.