

# Global FXC Meeting

**Guy-Charles Marhic**  
**FXCG meeting**  
**Frankfurt am Main, 6 May 2014**

# Participants

Australia - Australian Foreign Exchange Committee

Canada - Canadian Foreign Exchange Committee

Euro area - ECB FXCG

Hong Kong - Treasury Market Association

Japan - Tokyo Foreign Exchange Committee

Singapore – Singapore Foreign Exchange Committee

UK- Foreign Exchange Joint Standing Committee

USA- Foreign Exchange Committee

# Agenda

1. Changes in Market Structure
2. Market implications of the implementation of SEF regulation
3. FX Reference Rates
4. Codes of conduct
5. Trade reporting
6. Focus of individual FXCs in coming year



[← Back to Payments & Markets](#)

**Market contact groups**

- [Bond market \(BMCG\)](#)
- [Foreign exchange \(FXCG\)](#)**
- [Money market \(MMCG\)](#)
- [Operations managers contact group \(OMCG\)](#)
- [Euro payments strategy \(COGEPS\)](#)
- [Euro securities infrastructures \(COGESI\)](#)

## Foreign exchange contact group (FXCG)

Share +

Topics Composition Meetings

The FXCG serves as a forum for discussing industry developments and structural trends of particular importance for the foreign exchange market. The FXCG exchange views on trends and developments in FX markets and shares ideas and experiences on the structure and the functioning of the FX markets. When necessary, issues pertaining to other related markets may be discussed as well. When appropriate, the FXCG might identify conditions leading to better market functioning.

[Work programme for 2014](#)

[Global preamble](#)

[ACI Model Code](#)

**Other market contact groups**

- [Australian FX Committee](#)
- [Bank of England - FX Joint Standing Committee](#)
- [Canadian FX Committee](#)
- [European Financial Markets Lawyers Group](#)
- [Hong Kong Treasury Markets Association](#)
- [New York Fed - FX Committee](#)
- [Singapore FX Market Committee](#)
- [Tokyo Foreign Exchange Market Committee \(TFEMC\)](#)

## Codes of Best Market Practice and Shared Global Principles

The foreign exchange market is a global market. Trading hours span roughly six days per week, twenty-four hours per day and take place in various financial centers. Across these financial centers, different codes are developed and employed to promote best market practices and high standards of conduct and professionalism, and to encourage fair, liquid, transparent and accessible foreign exchange markets. These codes typically have no statutory underpinnings but they may refer to legal requirements, ordinances or regulations which are binding. Participants in the foreign exchange market are urged to respect these voluntary guidelines when conducting their business. In addition, organizations such as the BIS may also issue recommendations and guidance relating to the management of risk associated with foreign exchange transactions.

The codes seek to include guidance on all elements of the foreign exchange transaction process from pre-trade to post-trade activities. While the codes have distinctive features based upon local factors in different regions, there is broad recognition that the foreign exchange market transcends regional borders. Accordingly, the various foreign exchange committees around the world seek to work together to enhance communication and coordination, to share information on committee initiatives and projects, and to exchange perspectives on developments and trends in the global foreign exchange market. In addition, there is shared support for certain high-level principles that underpin these various distinct codes and help to promote more robust risk management practices in global foreign exchange. For example, foreign exchange market participants are expected to have policies and procedures in place to:

- develop and promote a strong culture of ethical behaviour and standards of conduct;
- promote awareness and use of general dealing practices, procedures and conventions;
- ensure accurate and timely pre-trade preparation and trade capture;
- support robust and efficient back office operations including confirmation, netting, payment and settlement; and
- mitigate risk in foreign exchange transactions from the point of execution to settlement.

The foreign exchange committees in Hong Kong, London, New York, Singapore and Tokyo each produce and maintain their own codes. The Australian Foreign Exchange Committee and the ECB Foreign Exchange Contact Group, for example, along with a number of other regions use the ACI Model Code. For further information on any of the regional codes of best market practice and more specifics on the complete guidance provided by each individual code, please see the links below:

ACI - The Financial Markets Association

*ACI Model Code*

[http://www.aciforex.org/docs/misc/20120905\\_The\\_rewritten\\_Model\\_Code.pdf](http://www.aciforex.org/docs/misc/20120905_The_rewritten_Model_Code.pdf)

Hong Kong Treasury Markets Association

*Code of Conduct and Practice*

<http://www.tma.org.hk/PubFile/tmacode.pdf>

London Foreign Exchange Joint Standing Committee

*The Non-Investment Products Code*

<http://www.bankofengland.co.uk/markets/Documents/forex/fxjsc/nipscode1111.pdf>

New York Foreign Exchange Committee

*Guidelines for Foreign Exchange Trading Activities*

<http://www.ny.frb.org/FXC/2010/tradingguidelinesNov2010.pdf>

*Management of Operational Risk in Foreign Exchange*

<http://www.ny.frb.org/fxc/2010/operationsguidelinesNov2010.pdf>

Singapore Foreign Exchange Market Committee

*The Singapore Guide to Conduct and Market Practices for Treasury Activities*

[http://www.sfemc.org/pdf/SingaporeBlueBook\\_April2012.pdf](http://www.sfemc.org/pdf/SingaporeBlueBook_April2012.pdf)

Tokyo Foreign Exchange Committee

*Tokyo Code of Conduct*

[http://www.fxcomtky.com/coc/code\\_of\\_conduct\\_e.pdf](http://www.fxcomtky.com/coc/code_of_conduct_e.pdf)

The following foreign exchange committees collaborated in the drafting of this statement:

Australian Foreign Exchange Committee

Canadian Foreign Exchange Committee

ECB's Foreign Exchange Contact Group

Hong Kong Treasury Markets Association

London Foreign Exchange Joint Standing Committee

New York Foreign Exchange Committee

Singapore Foreign Exchange Market Committee

Tokyo Foreign Exchange Committee