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Update on Single Code

Frankfurt am Main, 8 March 2016
1. FX Working Group overview
2. First review
3. Second review
1-FX Working Group overview

FXWG and Work Stream 1 & 2

Guy Debelle (RBA)
- Chair of BIS Markets Committee
- Chair of FXWG

**Work stream 1:** Developing the Global FX Code
- Led by Simon Potter, FRBNY
  - FXWG Member

**Work stream 2:** Developing Proposals to Promote Adherence to the Global FX Code
- Led by Chris Salmon, BoE
  - FXWG Member
1-FX Working Group overview

Developing the Global FX Code and Adherence: A Road Map

May 2017
Final Publication and Adoption by FXCs

MPG Development

Secretariat WG Development

Interaction with FXWG
(sometimes from FXCs where appropriate)

Finish Line
• Feedback received from a dozen central banks as well as the MPG

• 700+ individual comments
  • 4% general
  • 55% ethics
  • 32% execution
  • 9% post trade

• Roughly even mix of style comments versus content comments

• FXWG and MPG feedback somewhat consistent, FXWG more focused on brevity
2- First review within FXWG (11-28 December)

Revisiting Style Points

- **Central Guidance when developing the Code** *(From September Meeting)*
  - The Code should establish principles and, where appropriate, provide examples.
  - The Code should be as succinct and clear as possible.
  - The Code should be organized in such a way to encourage ease of use and adherence by market participants.

- **Targeted level of detail** *(From November Meeting)*

![Less Detail Principles-Based More Detail Rules-Based](image-url)
3- Second review (3-12 February 2016)

- Feedbacks received from OMCG, FXCG, ESCB Committee (MOC)

- 211 individual comments
  - 3% introduction
  - 2% ethics
  - 8% info sharing
  - 44% execution
  - 40% confirmation and settlement
  - 3% general
3- Second review (3-12 February)

- **General comments**
  - Less legalistic, mindful of terms with legalistic definitions (e.g. *duty of care*)
  - Clear and consistent language (principal/agent/intermediaries, use *should* instead of *must*)
  - Focus on high level principles, reinforce balanced approach for level of detail
  - More details in some area (market colour, pre-hedging, mark-ups…)
  - Move some examples to annex, develop examples after principles have been defined