



EUROPEAN CENTRAL BANK

EUROSYSTEM

# FX Global Code and adherence: an update

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Frankfurt am Main, 26 April 2017

## A) FX Global Code

1. Timeline
2. Overview
3. Global Foreign Exchange Committee
4. May 2017 events
5. Consultation

## B) Adherence

- Adherence work-stream updates
  1. Market-led mechanisms
  2. Outreach to associations
  3. ECB FXCG Terms of Reference and membership

## A) FX Global Code

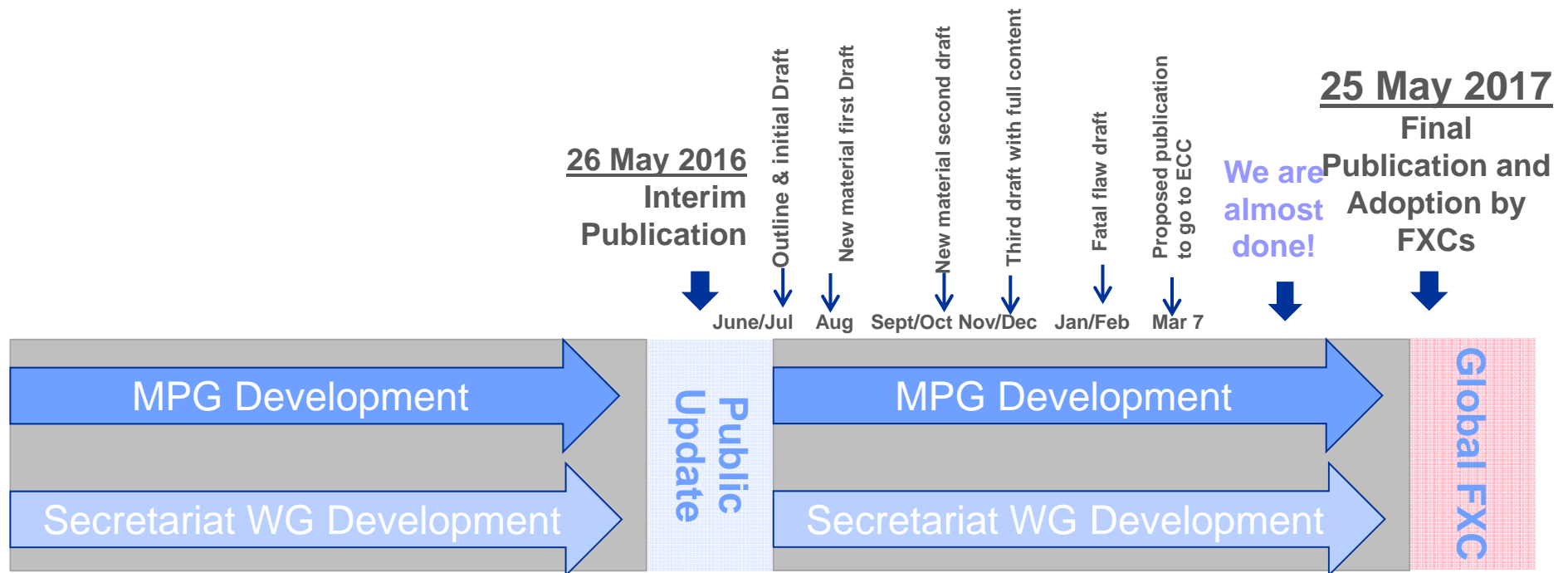
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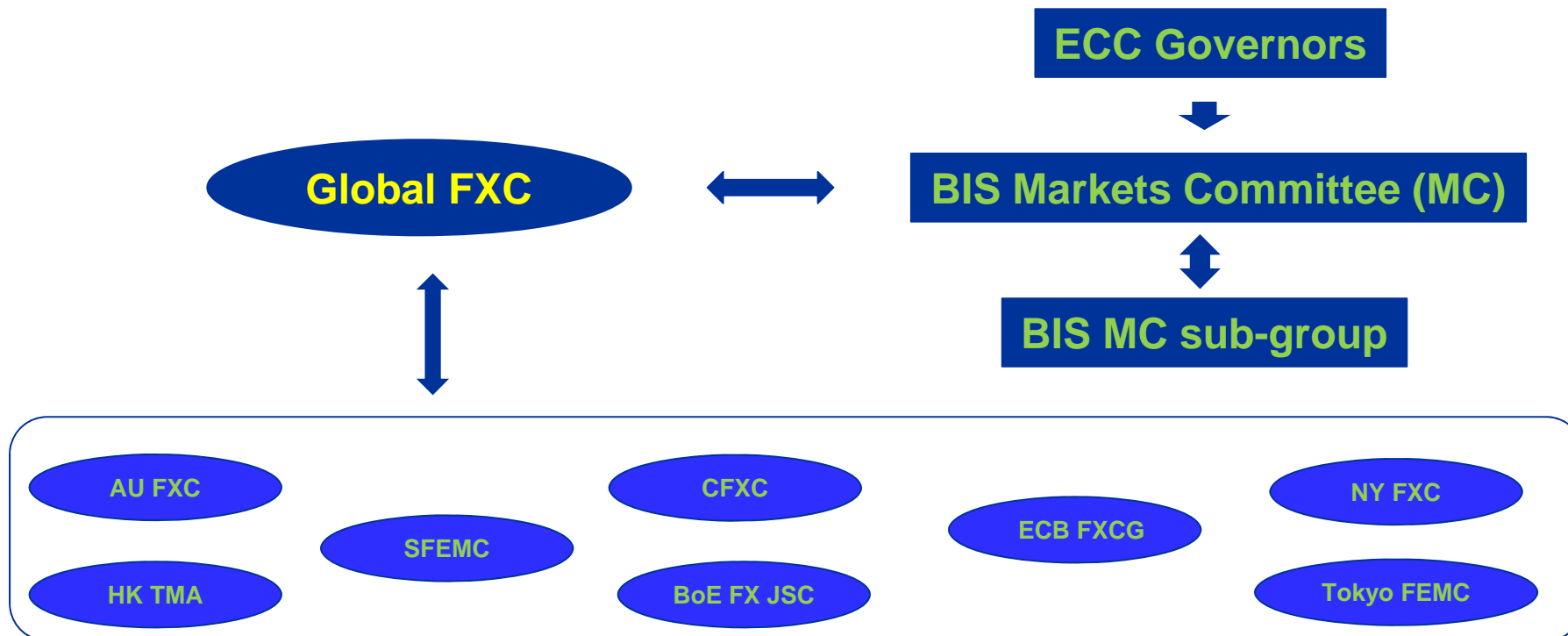
# Timeline

## Developing the FX Global Code: A Road Map



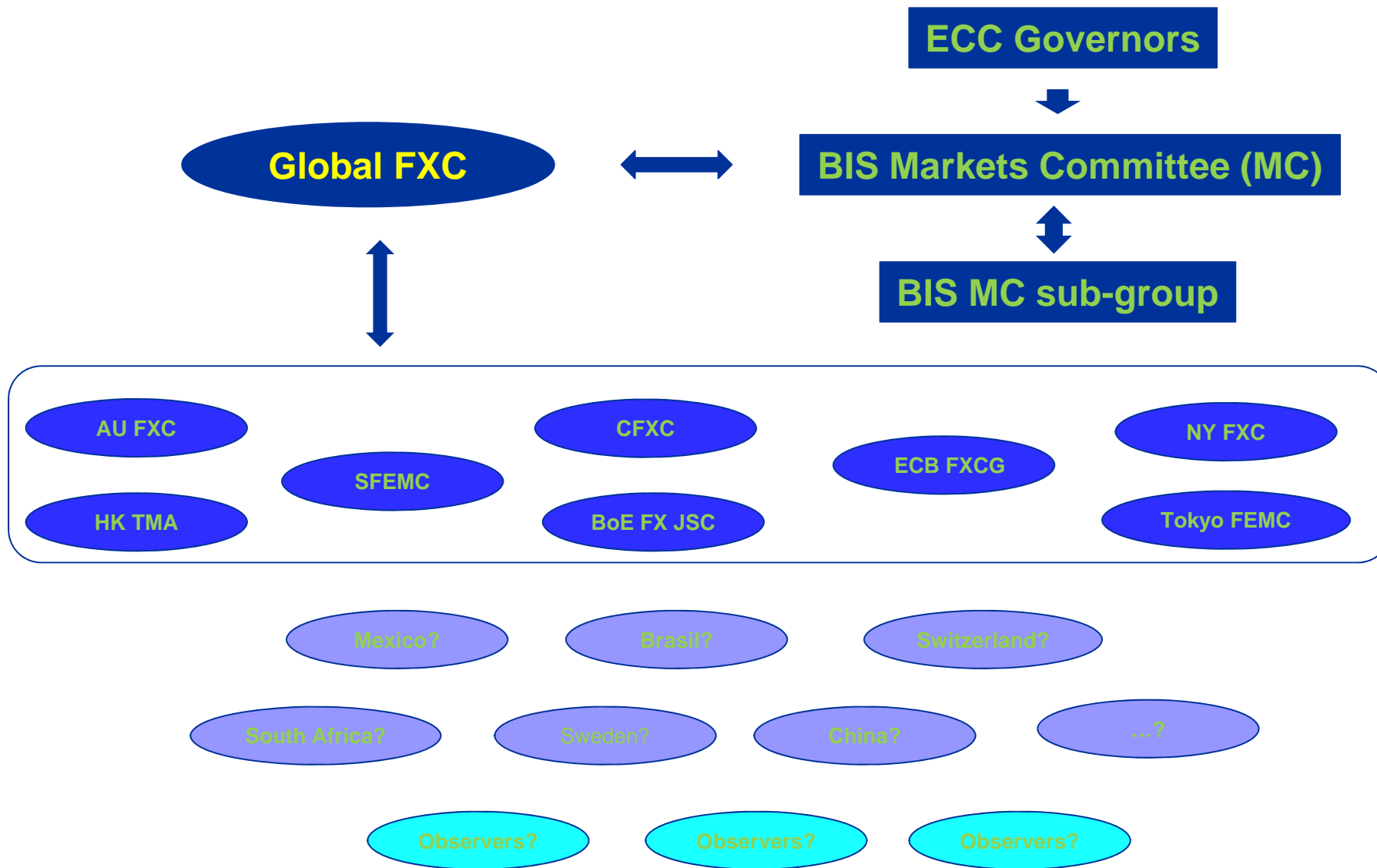
- Substantive Changes to note for Global Economic Meeting (GEM) version:
  - Principle 4 amended
    - “Accountable” removed, interpreted as specific to certain regulatory accountability regimes, and sufficiently captured by “responsible for”
    - Language on “board” removed
  - Example related on “under-filling” removed
    - Example was interpreted as overly simplistic
    - Any adjustments likely to result in additional fatal flaws so example was removed
  - Principle 17: kept initial draft
- **20 March:** Code approved by GEM
  - FRBNY running final editing process

# Global Foreign Exchange Committee (Global FXC) 2017



ECC : Economic Consultative Committee includes all Governors who participate in BIS Board meetings and the BIS General Manager.

# Global FXC 2018 and beyond



- **24 May:** approval by GFXC
- **25 May:**
  - Release of the Code and Public Report on Adherence on BIS FXWG website
  - Global Economic Meeting (GEM) Public Statement
  - European System of Central Bank (ESCB) Press Release
  - FXCs Statement of Support
  - MPG Statement of Support
- Press conference (9:00-10:00 LDN)
- FX Week Webinar (11:30-12.15 LDN)
- GFXD Hosted Panel



- Developing proposal for GFXC to launch consultative process on Principle 17
  - Timing
  - Content
  - Logistics

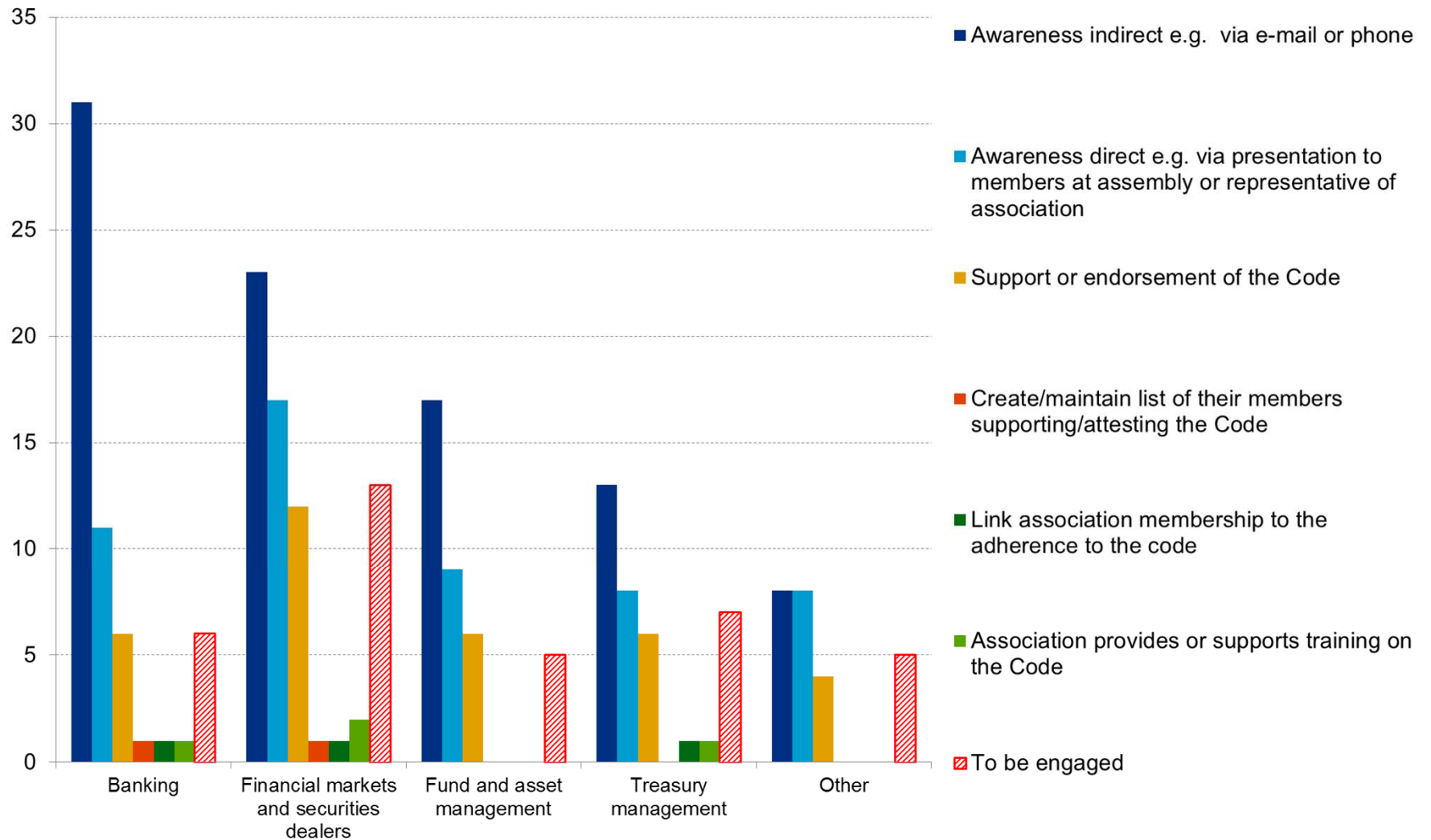
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# Outreach to associations



### 3. FXCG Membership

- **Adherence demonstration:** *All FXCG members to commit to adhere to the Code*
- **Transition arrangement:** *6 months and no later than 12 months*
- **Statement of Commitment:** *standard document and dated*
- **Publication:** *list on ECB FXCG web page*
- **Renewal:** *after each update or on request*
- **Treatment of members not “wholesale FX market participants”**
- **Non-adherence**

### *Issues for discussion:*

1. How to make the consultation process successful?
2. How do FXCG members intend to publish their statement?
3. Could FXCG members sign the Statement by 15 December 2017 (when ECB review membership) or no later than 12 months?
4. How do FXCG members see practical modalities e.g.
  1. Sending to ECB FXCG Secretariat
  2. Renewal frequency (e.g. when a new Code is released)
  3. List on ECB website
5. Non adherence

*“To be an eligible FXCG member candidate, applicants are requested to express their commitment to adhere to the FX Global Code (the Code) by endorsing the Statement of Commitment (SoC) annexed to the Code. This SoC should be sent to the FXCG secretariat along with the application letter. During the transition period of the introduction of the Code, actual members are requested to send their SoC with date of endorsement to the FXCG secretariat within 6 months of the Code publication and no later than 12 months, i.e. 25 May 2018. Members will be requested to renew their SoC after any update of the Code.”*



Thank you  
for your attention