

FX Global Code

#01 WHAT IS IT

#02 WHY SHOULD I ADHERE





#01 WHAT IS IT

WHY WAS THE CODE DEVELOPED?

// A well functioning FX market is in the interest of all market participants

BIS Governors commissioned its Markets Committee to develop a common set guidance to the FX market.

to help restore trust and promote the effective functioning of the FX market



Public-private sector collaboration



Promote and incentivise adherence



Review of existing Codes of Conduct



Establish Global Foreign Exchange Committee

Common set of guidelines **allows participants to have much greater confidence** that the market is functioning appropriately.

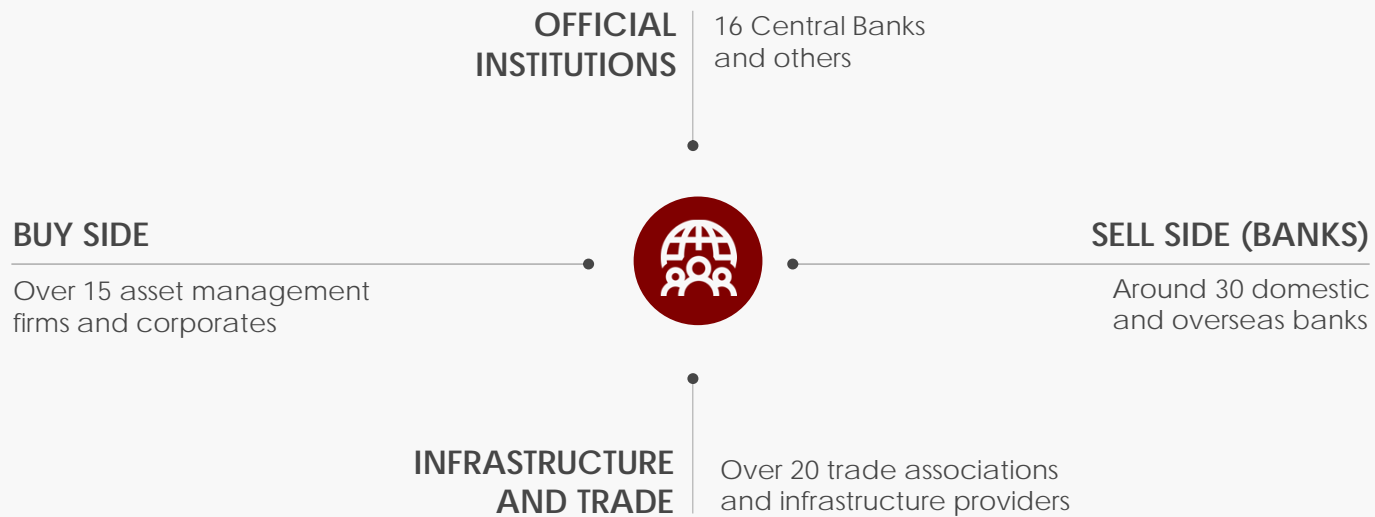


“In a globalised world, the foreign exchange market is one of the most vital parts of the financial plumbing.”

GUY DEBELLE, Deputy Governor at the Reserve Bank of Australia, Opening Remarks at the Launch of the FX Global Code

WHO CONTRIBUTED TO THE CODE'S DEVELOPMENT?

// Collaboration between central banks and private sector participants



WHAT MAKES THE FX MARKET SPECIAL?

// A complex and diverse market needs a common set of guidelines for fair, effective and robust trade

THE NATURE OF THE WHOLESALE FX MARKET IS INHERENTLY COMPLEX



Activity takes place across multiple venues; there is no single trading venue and no single price.



Trading happens 24 hours a day, spanning multiple centres.



Participation is diverse - with banks, asset managers, corporates, and central banks, each transacting FX to meet different objectives.



Participants act in different capacities (principals or agents; liquidity consumer and provider).

Common set of guidelines is **essential for promoting integrity and restoring confidence** in the FX market.

WHY WILL THIS CODE BE DIFFERENT?

// The FX market took collective responsibility to move toward a more favourable and desirable location

SEVERAL FACTORS WHY THIS CODE IS DIFFERENT:

01

What the Code captures

- Guidance in areas where clarity is needed
- Voluntary principles vs rule based
- Illustrative examples

03

How the Code will be maintained

- Public-private sector collaboration
- A living document evolving with the market
- Owned and maintained by the Global Foreign Exchange Committee

02

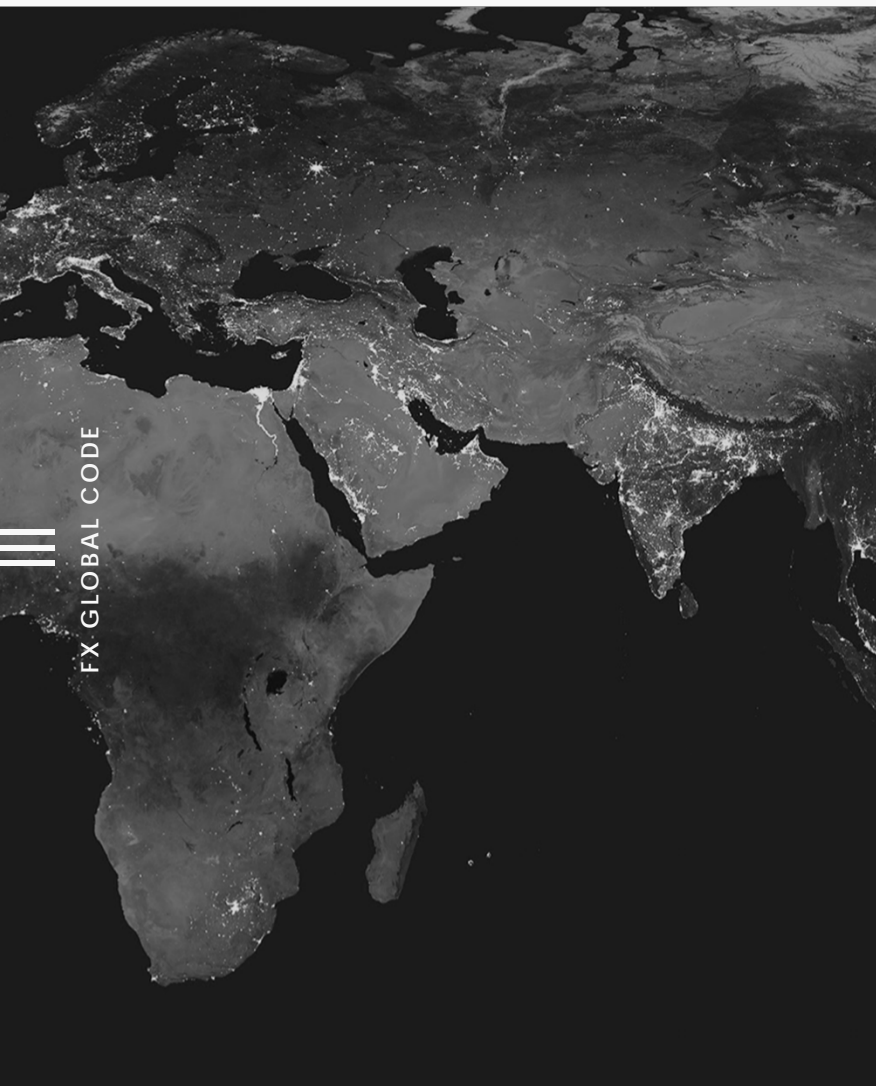
Who the Code applies to

- All wholesale FX market participants
- Incorporates the principle of proportionality, given the diverse nature of market participants

04

How the Code is implemented

- Framework to support adherence
- Global Index and Public Registers
- Training and education



WHAT IS THE CODE?

// Principles and Content

- 55 principles universally recognized as best practices
- Clear and simple language
- Illustrative examples and Glossary

SIX LEADING PRINCIPLES



Ethics



Governance



Execution



Information Sharing



Confirmation & Settlement



Risk Management & Compliance



#02 WHY SHOULD I ADHERE

WHY SHOULD I ADHERE TO THE CODE?

// Adopting the Code benefits both the institution and the FX market as a whole

01

Provides an opportunity to **improve internal FX operations**

04

Supports a **fair, effective and resilient FX market**

02

Informs stakeholders and investors that **you are an informed and responsible market participant**

05

Fosters a **level playing field between buy-side and sell-side**

03

Offers **valuable understanding on key topics** in the FX market

06

Strengthens the buy-side community's voice in the FX market

WHY DOES IT MATTER?

// International buy-side ambassadors underscore the importance of the FX Global Code



"All market participants, including corporates like Airbus, have a collective responsibility towards enhancing and upholding conduct standards across the FX industry. Airbus is therefore committed to the FX Global Code and had already previously been acting in accordance with its leading principles and will continue to do so."

CLAAS KOHL, Head Of Treasury Reporting and Middle Office at Airbus



"At the heart of the Code is the requirement to act with integrity. This is one of the firm's core values, ensuring that we strive to do the right thing for our clients. Therefore adopting the FX global code was a natural step for Schroders."

ROBBIE BOUKHOUFANE, Portfolio Manager at Schroders



"QIC is a strong advocate for the FX Global Code alongside other areas of responsible investing. For buy-side market participants, the principles go well beyond a Code of Conduct, and represent best practice for areas of governance, execution, risk management and settlements."

STUART SIMMONS, Senior Portfolio Manager at QIC

JOIN FORCES TO UPHOLD CONDUCT STANDARDS

// The Code reflects a much broader movement in financial markets towards sustainable finance

“Adhering to the Code has benefits that go well beyond the FX market. As signatories, you are ambassadors for responsible investment.”

FAIR AND ETHICAL TRADING PRACTICES

RESPONSIBLE INVESTMENT

ACCOUNTABILITY

INTEGRITY

CORPORATE GOVERNANCE

RELIABILITY

SUSTAINABLE FINANCE



“Responsible investment is critical for financial markets to be able to fulfil their important social role of facilitating the flow of capital across the globe and to support trade, investment and, ultimately, growth and employment.”

BENOÎT CŒURÉ, Member of the Executive Board of the European Central Bank



#03 WHERE TO GET MORE INFO

WHERE CAN I GET MORE INFORMATION?

// Wealth of material available at Global and national FX Committee websites



The Code and reference material is available here.

www.globalfx.org



Global Index of institutions who have adhered to the Code.

www.globalfx.org/global_index.htm



Talk to your primary bank contact

Talk to associations

Talk to international buy-side ambassadors*

Talk to national FX Committee

* Representatives from:

Airbus, QIC, NBIM, Schroders, DE Shaw,

Nomura Asset Management, Eaton Vance