



EUROPEAN CENTRAL BANK

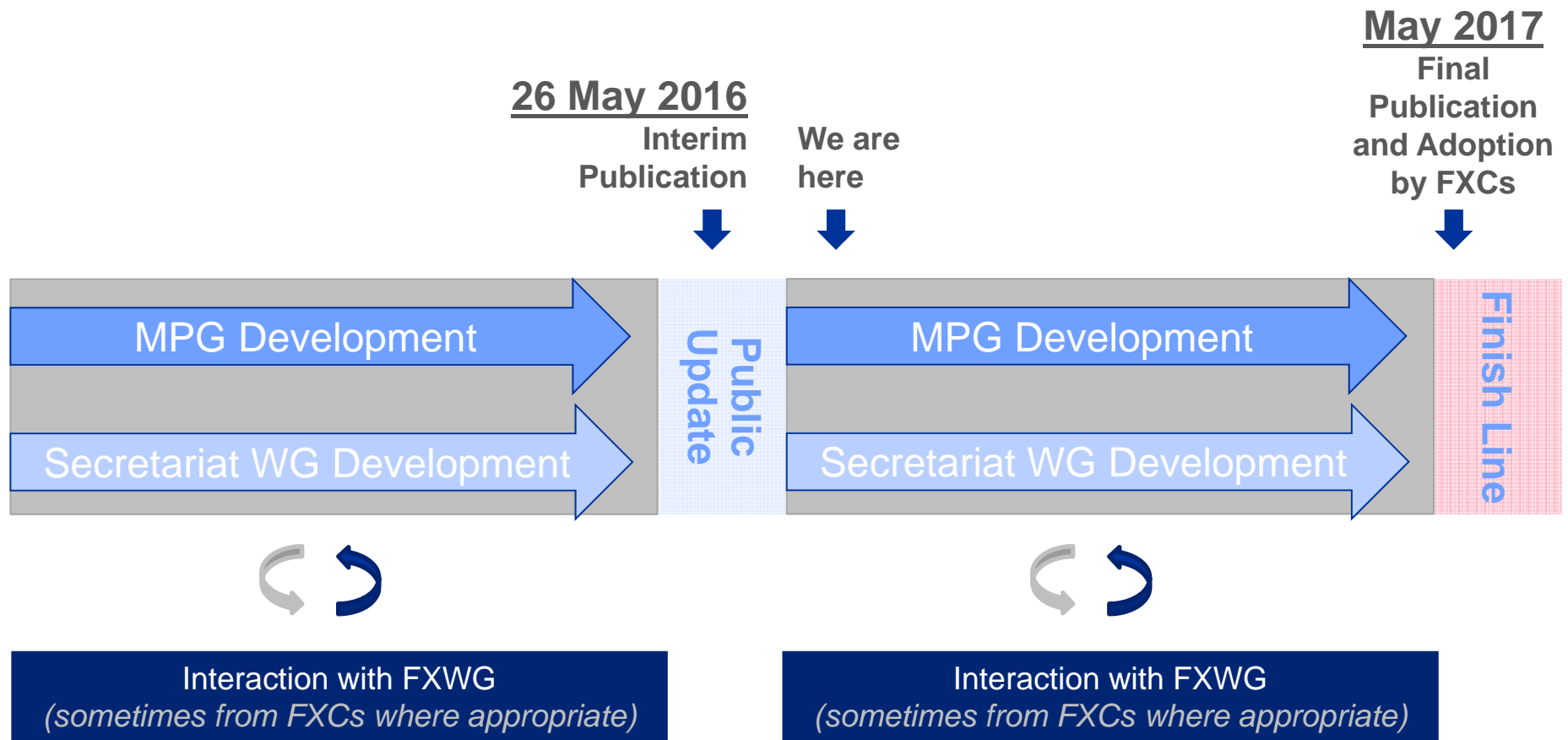
EUROSYSTEM

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FXCG Secretary

Single Code & Adherence: Way forward

Frankfurt am Main, 30 June

Developing the Global FX Code: A Road Map



Timeline

Date		Deliverable	Deliverer(s)
Jul-01	Jul-11	Finalize Phase 2 Detailed Outline	SWG and MPG
Jul-12		Discuss Phase 2 Detailed Outline at FXWG Meeting (Frankfurt)	FXWG and MPG reps
Aug-22		Circulate First Draft of New Material	SWG and MPG
Aug-22	Aug-29	FXWG & MPG Feedback Window	FXWG, supported by SWG, and MPG
Aug-30	Sep-07	Prepare Feedback for Meeting	SWG
Sep-10		Discuss First Draft at FXWG Meeting (Basel)	FXWG
Oct-03		Circulate Second Draft of New Material³	SWG and MPG
Oct-04	Oct-19	FXWG & FXC Feedback Window	FXWG and FXCs + CB Lawyer Group
Oct-20	Nov-01	Prepare Feedback for Meeting	SWG and MPG
Nov-05		Discuss Second Draft at FXWG Meeting (Basel)	FXWG and MPG
Dec-05		Circulate Third Draft of Complete Code⁴	SWG and MPG
Dec-06	Dec-20	FXWG and FXC Feedback Window	FXWG and FXCs
Dec-21	Jan-04	Prepare Feedback for Meeting	SWG and MPG
Jan-07		Discuss Third Draft at FXWG Meeting (Basel)	FXWG and MPG reps
Feb-03		Circulate Fatal Flaw Draft of Complete Code	SWG and MPG
Feb-06	Feb-10	FXWG and FXC Feedback Window	FXWG and FXCs
TBD		Additional FXWG Meeting (HK)	w/ MPG?
Feb-15	Feb-28	Prepare Publication	SWG and MPG
Mar-11		Discuss Publication at FXWG Meeting	FXWG
Mar-12		ECC Approval	ECC
Mar-31		Circulate Final Code	SWG and MPG
May-06		FXWG Meeting	FXWG
May TBD		Agree on Publication at London Global FXC Meeting + Publish	FXCs

Outline

1. Ethics

- Personal Integrity
- Market Conduct

2. Governance

- Comprehensive Policies and Procedures
- Control Framework (incl. compliance)
- Framework around staff culture and incentives
- Framework for ensuring Staff and Management knowledge
- Robust Framework for Management of Technologies
- Clear On-Boarding Processes
- Transparent of management of Client relationships
- Contingency Procedures
- Specific Issues for Electronic Trading

Outline (cont.)

3. Execution

- Front Office Roles and Mandate (MPG)
- Order Handling (MPG)
- **Electronic Trading and Venues (MPG)**
- Relationships between brokers and dealers (MPG)
- Relationships between Counterparties and dispute resolution (MPG)
- **Prime Brokerage (MPG)**

4. Risk Management and Compliance

- Risk Management Framework
- Risk Audit Framework
- Compliance Framework
- Type of risks: operational, settlement, credit, market
- Broad Risk Mitigation Steps

5. Post Trade Processes

6. Annex: Illustrative examples

FXCG Working Groups

- Mapping MPG working groups
- Focus on key areas
- Co-chair buy & sell-side, MPG members
- One corporate and one asset manager in each group
- Each FXCG member to volunteer to join a group (or several)