



EUROPEAN CENTRAL BANK

EUROSYSTEM

Guy-Charles Marhic
FXCG Secretariat
Principal Portfolio Management Expert

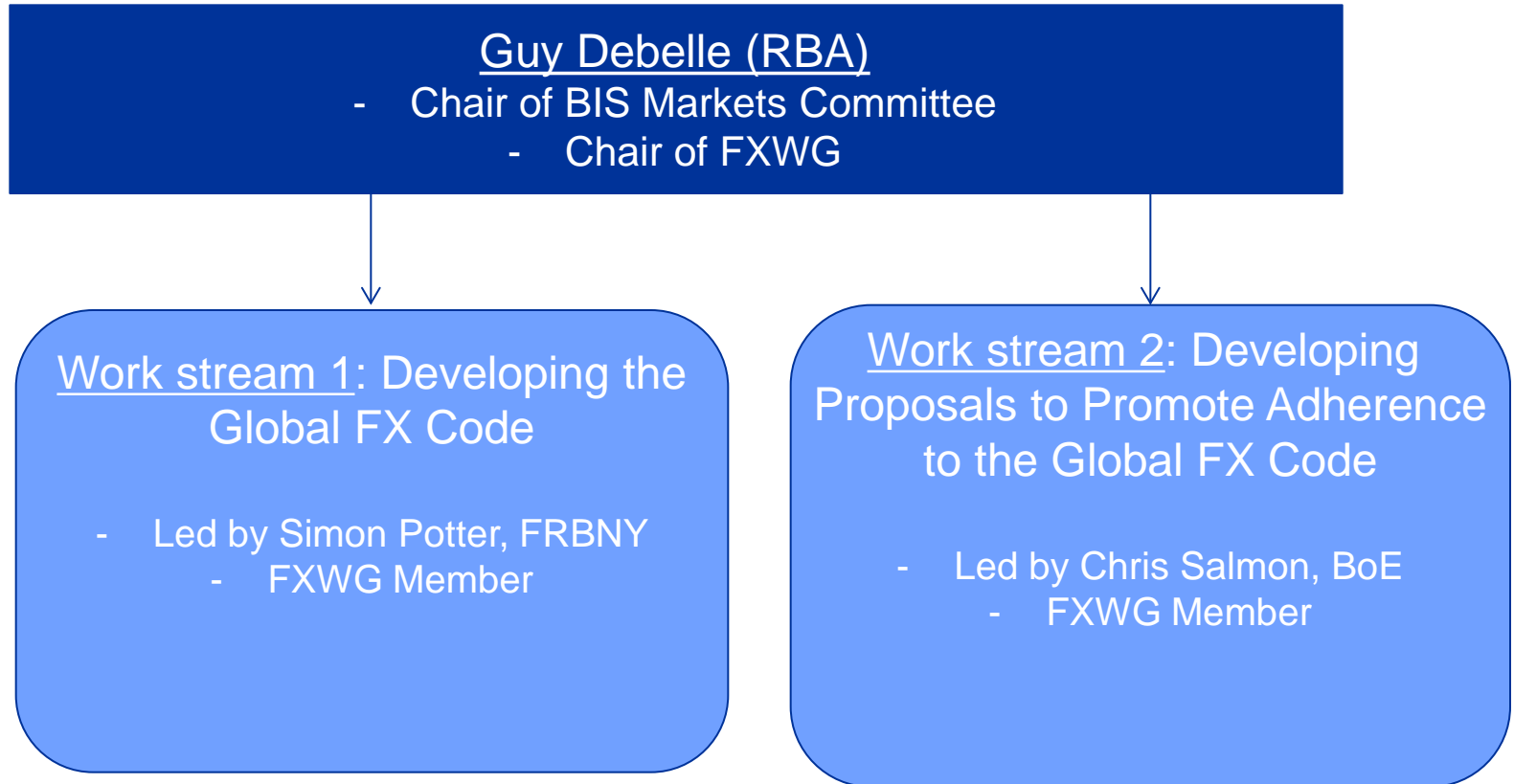
Update on Single Code

Frankfurt am Main, 8 March 2016

- 1. FX Working Group overview**
- 2. First review**
- 3. Second review**

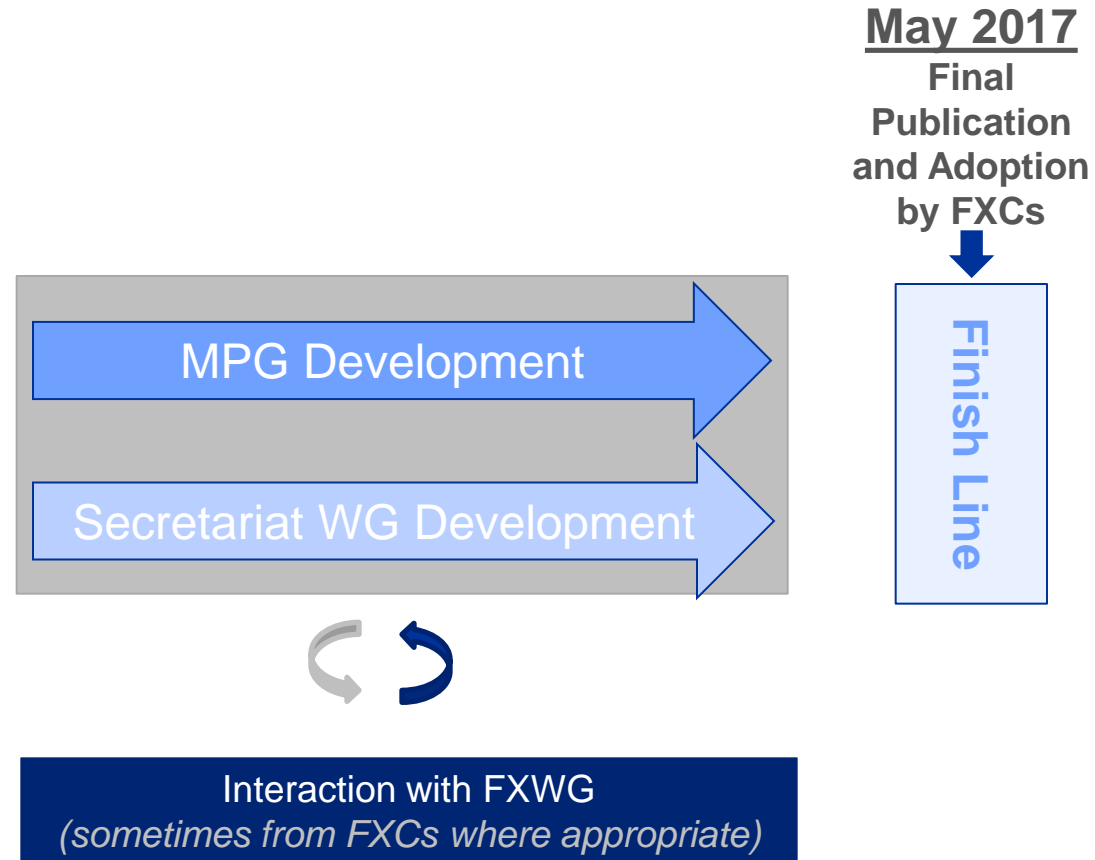
1-FX Working Group overview

FXWG and Work Stream 1 & 2



1-FX Working Group overview

Developing the Global FX Code and Adherence : A Road Map

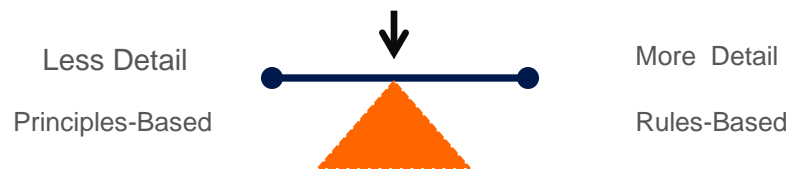


2- First review within FXWG (11-28 December)

- 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

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)



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