

2018 Survey Questions

Introductory note

The Global Foreign Exchange Committee (GFXC) is running a Survey (Survey) on the FX Global Code (Global Code). This Survey aims to measure the level of awareness and adoption of the Global Code by Market Participants. The information collected through the Survey will be an important input into the GFXC process to promote, maintain and update on a regular basis the Global Code and to consider good practices regarding effective mechanisms to support adherence.

Thank you for agreeing to take part in the Survey. We expect that it will take about 10-15 minutes to complete the survey. Analysis will be performed on the information received; however, this will be aggregated and will not identify you. This analysis may be published. We ask that you complete the Survey by no later than 19 October 2018.

We envisage that the Survey will typically be completed by the function or person responsible for the FX business, either on a global or regional basis.

Where capitalised terms are used in this survey, they refer to terms as defined by the Global Code.

Should you have any questions please contact the GFXC Secretariat (email@globalfxc.org).

How we use your information

Information we collect

In this survey, the Bank of England ('we' or the 'Bank') collects personal data, as defined by the EU General Data Protection Regulation and Data Protection Act 2018, about you.

This information includes your name and email address.

Why we need your personal data

We collect your personal data to understand who has responded to the FX Global Code Survey. We administer this survey in our capacity as a member of the Global Foreign Exchange Committee (GFXC) and in support of our functions as a Central Bank. We therefore process your data as necessary for the performance of a task carried out in the public interest or in the exercise of official authority vested in the Bank.

What we do with your personal data

We use a third party provider, WorldAPP Inc, based in the United States, to provide the online survey tool (KeySurvey). WorldAPP Inc participates in, and has certified its compliance with, a recognised EU-U.S. privacy framework. For more information about WorldAPP Inc's security practices and privacy policy visit <https://www.keysurvey.com/privacy-policy>

Responses to the survey will be analysed in order to measure the level of awareness and adoption of the FX Global Code by Market Participants. Survey results will be shared with other GFXC members and eventually the public, but not attributed to individuals.

Your personal data will be retained for a maximum of period of two years.

Your rights

You have a number of rights under data protection laws (for example, you have the right to ask us for a copy of the personal data the Bank holds about you. This is known as a 'Subject Access Request'). You can ask us to change how we process or

deal with your personal data, and you may also have the right in some circumstances to have your personal data amended or deleted.

To find out more about those rights, to make a complaint, or to contact our Data Protection Officer, please see our website at:
bankofengland.co.uk/legal/privacy

Please note:

Some questions are contingent on earlier answers provided by respondents and therefore, by design, the final number of questions respondents are asked to complete will be less than the total.

SAMPLE

Background questions:

1. [Q1] Please indicate whether you are:

(Choose one)

- a. An affirmation and/or settlement platform
- b. An asset manager
- c. A bank
- d. A broker or investment adviser
- e. A corporate treasury department
- f. An e-trading platform
- g. A government agency
- h. A hedge fund
- i. An infrastructure provider or technology provider
- j. An insurance company
- k. A non-bank liquidity provider
- l. A pension fund
- m. A quasi-sovereign or supranational institution
- n. A Sovereign Wealth fund
- o. Other

[Proceed to next question]

2. [Q2] Please indicate the region where your head office is located (Choose one)

- a. Africa
- b. Asia-Pacific
- c. Europe
- d. Middle East
- e. North America
- f. South America

[Proceed to next question]

3. [Q3] Please indicate the location of the trading desk that represents the majority of your FX business (Choose one)

- a. Australia
- b. Canada
- c. China
- d. Denmark
- e. France
- f. Germany
- g. Hong Kong SAR
- h. India
- i. Japan
- j. Korea
- k. Mexico
- l. Singapore
- m. Sweden
- n. Switzerland
- o. UK
- p. USA
- q. Other

[Proceed to next question]

4. [Q4] Please indicate an estimate of the daily turnover of your FX business globally (USD millions) (Choose one)

- a. <10
- b. >10 and <100
- c. >100 and <1000
- d. >1000 and <10,000
- e. >10,000 and <100,000
- f. >100,000 and <200,000
- g. >200,000

[Proceed to next question]

5. [Q5] Did you/your firm complete the 2017 Survey on the Global Code?

(Choose one)

- a. Yes
- b. No

[Proceed to next question]

6. [Q6] What is your firm's view on the Global Code in relation to your FX business in 2018 compared to your firm's view of the Global Code in 2017?

(Choose one)

- a. Far more important
- b. More important
- c. As important
- d. Less important
- e. Far less important

[Proceed to next question]

7. [Q7] Please rate how important you consider each of the following factors will be in influencing changes to your firm's FX business practices over the next 12 months. (Please rate all)

(Very important/important/neutral/unimportant/Very unimportant)

- a. FX Global Code
- b. Business changes (e.g. new clients, changes in prime brokers, partnering with new platforms, partnering with new counterparties, etc.)
- c. Market structure changes
- d. Regulation
- e. Technological changes, including the automation of workflows
- f. Developing Transaction Cost Analysis (TCA)
- g. Other

[Proceed to next question]

Awareness

8. [Q8] How familiar are you with the Global Code?

- a. I have read the whole Global Code
- b. I have read parts
- c. I have not read it, but I intend to
- d. I have not read it

[If answer A, skip next question, go to question on Code updates] [Q9]

[If answer B, C, D, proceed to next question on not reading/reading parts of the Code] [Q8b]

9. [Q8b] If you have not read the Global Code or have only read parts, is it because:

- a. You only read the parts which are relevant to your business line
- b. You read a summary of the Global Code
- c. You have received training on the content of the Global Code
- d. You intend to read the Global Code later
- e. You think the Global Code is not relevant for your business line

[Proceed to next question]

[This question shows to all respondents, regardless of which parts of the Code they've read]

10. [Q9] Were you aware the Global Code was updated in December 2017 and August 2018? The December 2017 update amended Principle 17 (Last Look) and added two accompanying examples; the August 2018 update added one new example on Principle 11 (Pre-hedging).

- a. Yes, and I have read the updated parts
- b. Yes, but I have not read the updated parts
- c. No, I was not aware the Global Code was updated

[Proceed to next question]

11. [Q10] How would you rate the Global Foreign Exchange Committee (GFXC)'s communication with market participants about the FX Global Code?

(Rate on a scale of Excellent/Good/Average/Poor/Very Poor)

[Proceed to next question]

12. [Q11] How could the GFXC improve its communication with market participants? (Choose all that apply)

- a. Website RSS feeds
- b. Email distribution lists
- c. More frequent updates on the activities of the GFXC
- d. More frequent public engagement from representatives of the GFXC
- e. Dial-in update sessions
- f. None of the above

---- Page Break on Key Survey ----

Adoption

13. [Q12] Has your firm adopted the Global Code?

- a. Yes, my firm has fully adopted the Global Code
- b. Yes, my firm has begun to take steps to adopt the Global Code
- c. My firm intends to adopt the Global Code
- d. My firm has not yet decided whether to adopt the Global Code
- e. No, my firm does not intend to adopt the Global Code
- f. Not relevant to my firm

[If answer A, B, C, proceed to next question on Statement of Commitment] [Q12b]

[If answer D, go to question on reasons to adopt/not adopt the Code] [Q13b]

[If answer E, F, go to question on reasons to NOT adopt the Code] [Q13c]

---- Page Break on Key Survey ----

{Only shows if respondent answers A, B, C to the question above}

14. [Q12b] What is your firm's approach to issuing a Statement of Commitment ("SoC") to demonstrate adherence to the Global Code? (Choose one)

- a. My firm has finalised its SoC
- b. My firm has not finalised its SoC yet but intends to do so soon
- c. My firm has not yet decided whether to use the SoC
- d. My firm is not intending to use the SoC
- e. Not relevant to my firm

[If answer A, B, proceed to question on how to use the Statement of Commitment [Q12c]

[If answer C, D, E, proceed to question on reasons to adopt the Code] [Q13a]

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{Only shows if respondent answers A, B, to the question above}

15. [Q12c] How is your firm using, or how does it intend to use, the Statement of Commitment? (Choose all that apply)

- a. Use internally only and not publish/communicate it
- b. Provide it to counterparties upon request
- c. Provide it to all counterparties and/or clients
- d. Publish it on the firm's website
- e. Publish on a public register

All respondents to proceed to [Q13a] from here (since those that see this question will have adopted, or planned to adopt, the Code)

---- Page Break on Key Survey ----

SAMPLE

Shows only for respondents that have said they have adopted, or plan to adopt the Code

16. [Q13a] Which of the following were key reasons that led to your firm's decision to adopt the Global Code?

(Choose all that apply)

- a. My firm believes it is an important step to support and promote market functioning and integrity
- b. My firm considers the Global Code to be valuable guidance to incorporate
- c. Where my firm operates, the Global Code is included in national regulations and/or supervisory expectations
- d. My firm's wholesale counterparties expect/require us to adhere to the Global Code
- e. My firm's clients expect/require us to adhere to the Global Code
- f. My firm believes that adopting the Global Code strengthens our business and the attractiveness of our services
- g. My firm was involved in the drafting of the Global Code
- h. My firm is required to adopt the Global Code as part of its membership of a Foreign Exchange Committee and/or association.
- i. The Global Code helps my firm understand what to expect from its counterparties.
- j. Other

---- Page Break on Key Survey ----

Show only for respondents who said their firm was still considering how to adopt the Code

17. [Q13b] If you are not sure whether your firm will adopt the Code, which of the following will be key factors in your decision?

(Choose all that apply)

- a. The extent to which the Global Code is adopted in the local FX market
- b. The expectations/requirements of your counterparties
- c. The expectations/requirements of your clients
- d. The size of my firm's FX business
- e. The state of my firm's existing internal controls
- f. The expectations of public bodies that my firm adopt the Global Code
- k. The cost/resource requirement
- l. The content of specific principles within the Global Code
- m. Supporting and promoting market functioning and integrity
- n. Your firm's involvement in the development and/or maintenance of the Global Code
- o. Your firm's membership on a Foreign Exchange Committee
- p. Other

---- Page Break on Key Survey ----

This question shows if the respondent who indicated they plan to not adopt the Code

18. [Q13c] Which of the following were key reasons that led to your firm's decision to NOT adopt the Global Code?

(Choose all that apply)

- a. My firm thinks that the cost of adherence might outweigh the benefits
- b. My firm thinks that peers are not interested in it
- c. My firm is not aware of any expectations from our counterparties to require adherence
- d. My firm is not aware of any expectations from our clients to require adherence
- e. Where my firm operates, the Global Code is not widely adopted in FX markets
- f. My firm's internal controls are largely in line with or stricter than the principles in the Global Code
- g. My firm has too many competing priorities
- h. My firm does not believe that the Code applies to my firm, or that our business is big enough for adherence to be relevant.
- i. My firm disagrees with specific principles within the Global Code
- j. Other

19. [Q13d] What would cause you to change your decision to NOT adopt the Code?

(Choose all that apply)

- a. Nothing will do that in the foreseeable future
- b. Increased demand for adherence from my clients
- c. Increased demand for adherence from my counterparties
- d. Greater guidance on proportionality
- e. Greater guidance on what adherence means in practical terms
- f. Clear reasons why adherence is beneficial to my firm
- g. Other

---- Page Break on Key Survey ----

This question shows to all respondents

20. [Q14] Whilst the Global Code is voluntary, some market participants have expressed expectations that their counterparties adhere to it. Do you have any expectations of your counterparties in relation to the Global Code? (Choose one)

- a. My firm has no expectations of its counterparties in relation to the Global Code or the Statement of Commitment
- b. My firm expects its counterparties to adhere to the Global Code but has no expectations regarding the Statement of Commitment.
- c. My firm expects its counterparties to adhere to the Global Code and to complete the Statement of Commitment.
- d. My firm requires its counterparties to adhere to the Global Code but has no expectations regarding the Statement of Commitment.
- e. My firm requires its counterparties to adhere to the Global Code and to complete the Statement of Commitment.

[If answer c, e, go to Q14b]

[If answer a, b, d got to Q15]

Only displays if respondent answers say they expect / require their counterparties to have adhered to the Code

21. [Q14b] If you require or expect your counterparties to use the Statement of Commitment, what would your response be if this requirement or expectation is not met? (Choose one)

- a. No impact to the counterparty relationship
- b. Reduce the amount of FX trading with that particular counterparty until the Statement of Commitment is completed
- c. Cease trading with the counterparty until the Statement of Commitment is completed
- d. Assess each situation on a case by case basis
- e. Other

[proceed to next question]

Implementation

22. [Q15] What steps has your firm taken, or does it plan to take, to embed and monitor the Global Code in your practices?

(Choose all that apply)

- a. Staff training and education programme about the Global Code
- b. Incorporate the Global Code into internal policies/procedures/codes
- c. Link staff performance reviews with adherence to good practices identified in the Global Code
- d. Have regard to Global Code adherence in counterparty policies
- e. Performing gap analysis to identify the gaps between our internal practices and the principles of the Global Code
- f. Other
- g. None

[proceed to next question]

23. [Q16] In your firm, who has primary responsibility for implementing the Global Code? (Choose one)

- a. The Board
- b. Chief Executive Officer
- c. Chief Operating Officer
- d. Chief Risk Officer
- e. Chief Financial Officer
- f. Global Head of Markets (incl. either Global Head of Sales and/or Trading)
- g. Regional Head of Markets (incl. either Global Head of Sales and/or Trading)
- h. Global Head of FX
- i. Regional Head of FX
- j. Global Head of Compliance
- k. Regional Head of Compliance
- l. Head of Corporate Treasury
- m. Other
- n. No one

[proceed to next question]

24. [Q17] Which areas of your firm have been involved in your firm's implementation of the Global Code? (Choose all that apply)

- a. Trading functions
- b. Sales functions
- c. Legal functions
- d. Compliance functions
- e. Risk Management functions
- f. Internal Audit functions
- g. IT functions
- h. Human Resource functions
- i. Other
- j. None of the above

25. [Q18] Which of the following activities does your firm participate in?

(Choose all that apply)

- a. My firm participates in a local Foreign Exchange Committee (FXC)
- b. My firm participates in the Global Foreign Exchange Committee (GFXC)
- c. My firm regularly engages with activities and communications issued by our local FXC and/or the GFXC
- d. My firm has discussed the Global Code and current FX issues with our local FXC
- e. My firm has received communications regarding, and/or discussed the Global Code with industry associations
- f. My firm has discussed the Global Code with local financial regulators and other public financial bodies
- g. None of the above

[proceed to next question]

26. [Q19] What are the biggest challenges to ongoing adherence to the Code for your firm? (Choose all that apply)

- a. Maintaining an audit trail within the firm to support adherence to the Global Code
- b. Setting an appropriate level of Global Code training within my firm
- c. Divergence in the views of various divisions within my firm regarding how to implement the Global Code.
- d. Developing new disclosures to counterparties that reflect the principles of the Global Code
- e. Other
- f. Not relevant to my firm

Effects

27. [Q20] How would you describe the effect of the Global Code on the following behaviours and practices within your firm?

(Rate all on a scale of very positive/somewhat positive/neutral/ somewhat negative/very negative & N/A)

- a. Personnel working for my firm with the appropriate training and who have the necessary experience to discharge the highest ethical and professional standards (Principle 1 and 2)
- b. Transparent and fair order handling within my firm (Principle 9)
- c. Transparency around Pre-Hedging practices within my firm (Principle 11)
- d. Prevention against manipulative behavior within my firm (Principle 12)
- e. Transparency around how reference prices, including highs and lows, are established within my firm (Principle 13)
- f. Transparency around Mark Up practices within my firm (Principle 14)
- g. Transparency around Last Look practices from within my firm (Principle 17)
- h. Appropriate handling of confidential information within my firm (Principle 19 and 20)
- i. Appropriate treatment of confidential information when sharing Market Colour (Principle 22)
- j. Overall quality of my firm's disclosures
- k. Overall effectiveness of my firm's FX business

28. [Q21] How would you describe the effect of the Global Code on the following behaviours and market practices in the market broadly?

(Rate all on a scale of very positive/somewhat positive/neutral/ somewhat negative/very negative & N/A)

- a. Personnel with the appropriate training and who have the necessary experience to discharge the highest ethical and professional standards (Principle 1 and 2)
- b. Transparent and fair order handling (Principle 9)
- c. Transparency around Pre-Hedging practices (Principle 11)
- d. Prevention against manipulative behavior (Principle 12)
- e. Transparency around how reference prices, including highs and lows, are established (Principle 13)
- f. Transparency around Mark Up practices (Principle 14)
- g. Transparency around Last Look practices (Principle 17)
- h. Appropriate handling of confidential information (Principle 19 and 20)
- i. Appropriate treatment of confidential information when sharing Market Colour (Principle 22)
- j. Overall effectiveness of the FX market
- k. Overall quality of FX disclosures
- l. Relationship between Sell-Side and Buy-Side
- m. Relationship between infrastructure providers and other market participants
- n. Number of market participants in the FX markets you are active in.

29. [Q22] Based on your activity in the FX market, how often do you experience the following behaviours and market practices? (Please rate all options)

Scale: Always, Often, Occasionally, Rarely, Never, Does not apply

- a. Personnel working for your counterparties with the appropriate training and who have the necessary experience to discharge the highest ethical and professional standards (Principle 1 and 2)
- b. Transparent and fair order handling from your counterparties (Principle 9)
- c. Transparency around Pre-Hedging practices from your counterparties (Principle 11)
- d. Prevention against manipulative behavior from your counterparties (Principle 12)
- e. Transparency around how reference prices, including highs and lows, are established from your counterparties (Principle 13)
- f. Transparency around Mark Up practices from your counterparties (Principle 14)
- g. Transparency around Last Look practices from your counterparties (Principle 17)
- h. Appropriate handling of confidential information from your counterparties (Principle 19 and 20)
- i. Appropriate treatment of confidential information when sharing Market Colour (Principle 22)