

January 2020

GFXC 2019 Survey Results

The 2019 GFXC Survey aimed to measure the awareness, adoption, implementation and effects of the FX Global Code for market participants. Two new focus areas, Electronic Trading and Disclosures, were introduced to the Survey to support the on-going work conducted by the GFXC into these topics.

The survey was conducted between 19 September and 15 October 2019. It built upon the previous surveys in 2017 and 2018, and was completed by 354 respondents. The respondent group for 2019 included many who had not completed the survey in 2017 or 2018. For the first time, central banks were invited to engage with the Survey in 2019 to further diversify the set of views captured in the responses.

A section on the three-year review of the FX Global Code was added for 2019. This sought feedback from respondents ahead of the GFXC's review of the Code in 2020. The survey results, in combination with this 3-year review section, are being used by the GFXC as key inputs to this review of the Code. A summary of the three-year review section results can be found at: https://www.globalfxc.org/events/20191204_summary_3_year_review_feedback.pdf

The exact question set differed slightly to the 2017 and 2018 surveys to reflect respondents' growing familiarity with the Code. Nonetheless, the 2019 survey results further the opportunity to analyse changes over time. For comparison, the 2017 and 2018 results can be found below:

2017: https://www.globalfxc.org/docs/gfxc_survey_results_dec17.pdf

2018: https://www.globalfxc.org/docs/gfxc_survey_results_oct18.pdf

The points from the GFXC's analysis and subsequent discussions at the December 2019 GFXC meeting in Sydney are detailed in the following pages. The full survey results are presented in the data tables in the second half of this report.

Survey Population

1. The respondent count increased by 51 (17%) from 2018 to 2019, with 354 total respondents this year. 46% of respondents were categorised as 'Sell-Side' entities and 43% as 'Buy-Side' institutions, with the remainder classified as 'Other'.
2. The 2019 survey featured a broad respondent pool, with 181 respondents (51%) stating that they had never taken the survey before. 86 participants reported having completing the survey in 2017, 2018 and 2019. [See Q5.]

Awareness

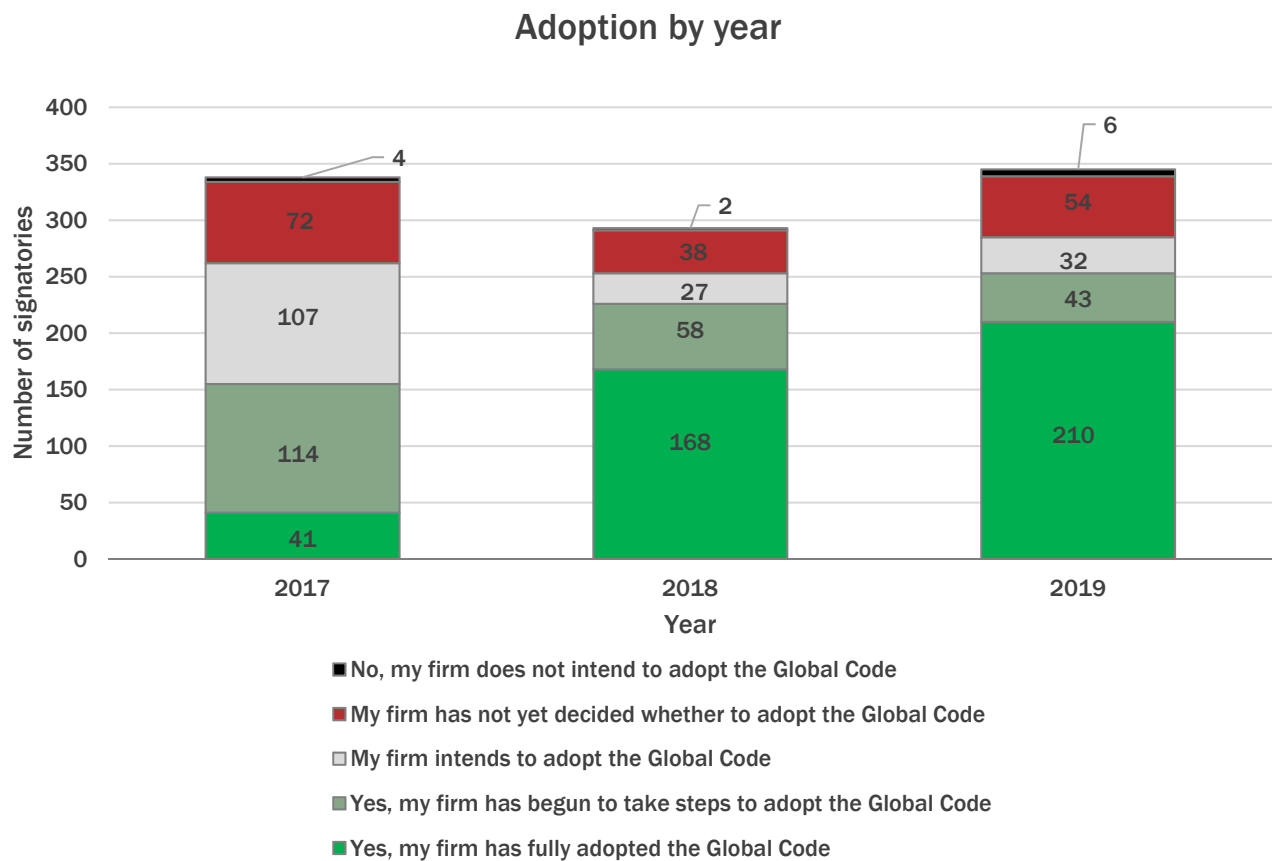
1. General awareness of the FX Global Code remained high, with 78.2% of respondents claiming to be either "familiar" or "very familiar" with the Code. [See Q6.]

Adoption

1. Code adoption continued to rise in 2019. 61% of respondents reported to have "fully adopted" the Code - an increase from 55% in 2018. [See Q7. and *Figure 1.*]
2. Generally, Sell-Side respondents were more positive than Buy-Side respondents in their perceptions of market adoption, with 39% of Sell-Side firms considering market adoption to be "very comprehensive" or "comprehensive" compared to 22% of the Buy-Side. [See Q12.]
3. The majority of respondents (93%) used a Statement of Commitment to demonstrate adherence to the Code, with 68% of these respondents posting it on a public register. [See Q7h.]
4. 8% of respondents required their counterparties to have signed a Statement of Commitment. 61% expected, but did not require a signed Statement of Commitment from their counterparties. [See Q8.]
5. Of the respondents that required or expected a Statement of Commitment, the majority would assess each situation on a case-by-case basis if this expectation was not met. [See Q8a.]

- The majority of respondents (65%) viewed the Statement of Commitment as an effective tool for promoting adherence. [See Q14.]

Figure 1

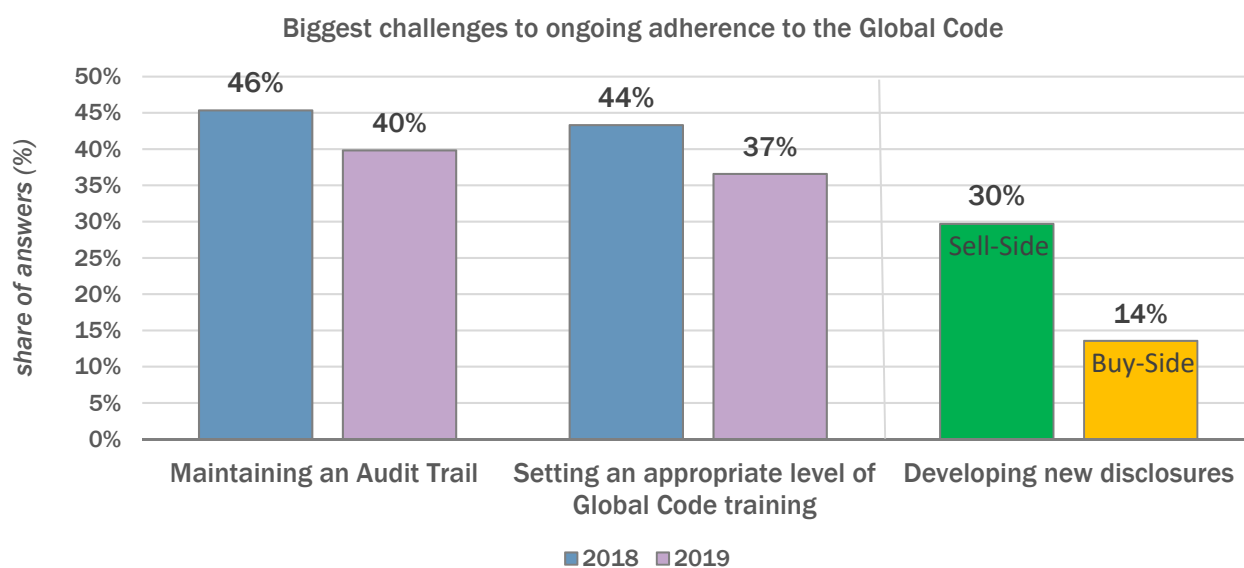


Implementation

- On average, respondents implemented the Global Code over a period of 8.68 months. [See Q7a.] The type of firm, and the size of its FX turnover, mattered; Sell-Side firms with larger FX operations generally needed more time to embed the Code. The most-commonly reported implementation time for a mid-sized Buy-Side firm was 6 months.
- Most respondents have taken a range of steps to implement the Code. The most common were staff training and incorporating the Code in internal documentation. [See Q7f.]
- 64% of firms have implemented some form of Global Code training. The most common training methods were ‘*internal classes*’ and ‘*seminars and e-learning modules*’. [See Q9.]

- Some respondents noted challenges to implementing the Code. These included maintaining audit trails, setting an appropriate level of training and adjusting internal procedures. An additional challenge cited, more commonly by Sell-Side respondents, was developing new disclosures. [See Figure 2., and Q7g.]

Figure 2



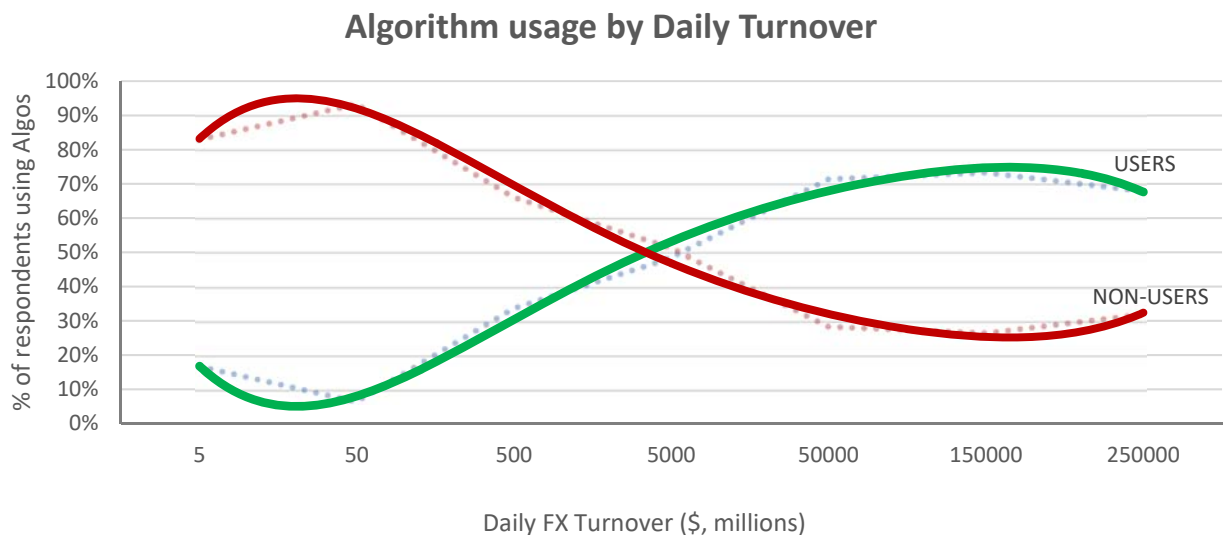
Effects of the Code

- 69% of respondents thought that the effect of the Global Code on overall market functioning was either “very positive” or “positive”. [See Q11.]
- Market experience of desirable behaviours in 2019 was little changed from the previous year. Pre-hedging, Last Look and mark-up policies were the three areas where respondents indicated a lower frequency of observing desirable behaviours. [See Q13.]

Focus Area 1: Electronic trading

1. 40% of respondents used algorithms in their trading. [See Q16.] Many users cited improved execution outcomes and minimising the impact of large trades as their rationale for use. [See Q16a.]
2. Unsuitability to a firm’s trading style and/or lack of experience and understanding were common reasons why some respondents opted not to use algorithms at all. [See Q16b.]
3. Usage of algorithms appeared to increase steadily for market participants once their daily turnover exceeded \$100mn. [See *Figure 3*.]
4. Whilst the majority of Sell-Side algorithm users developed their algorithms in house, Buy-Side users tended to obtain them from the Sell-Side. 46% of Buy-Side algorithm users acquired their algorithms from the Sell-Side for a fee, and 21% acquired algorithms for no fee.
5. 100% of non-bank liquidity provider respondents used in-house algorithms for price making.

Figure 3

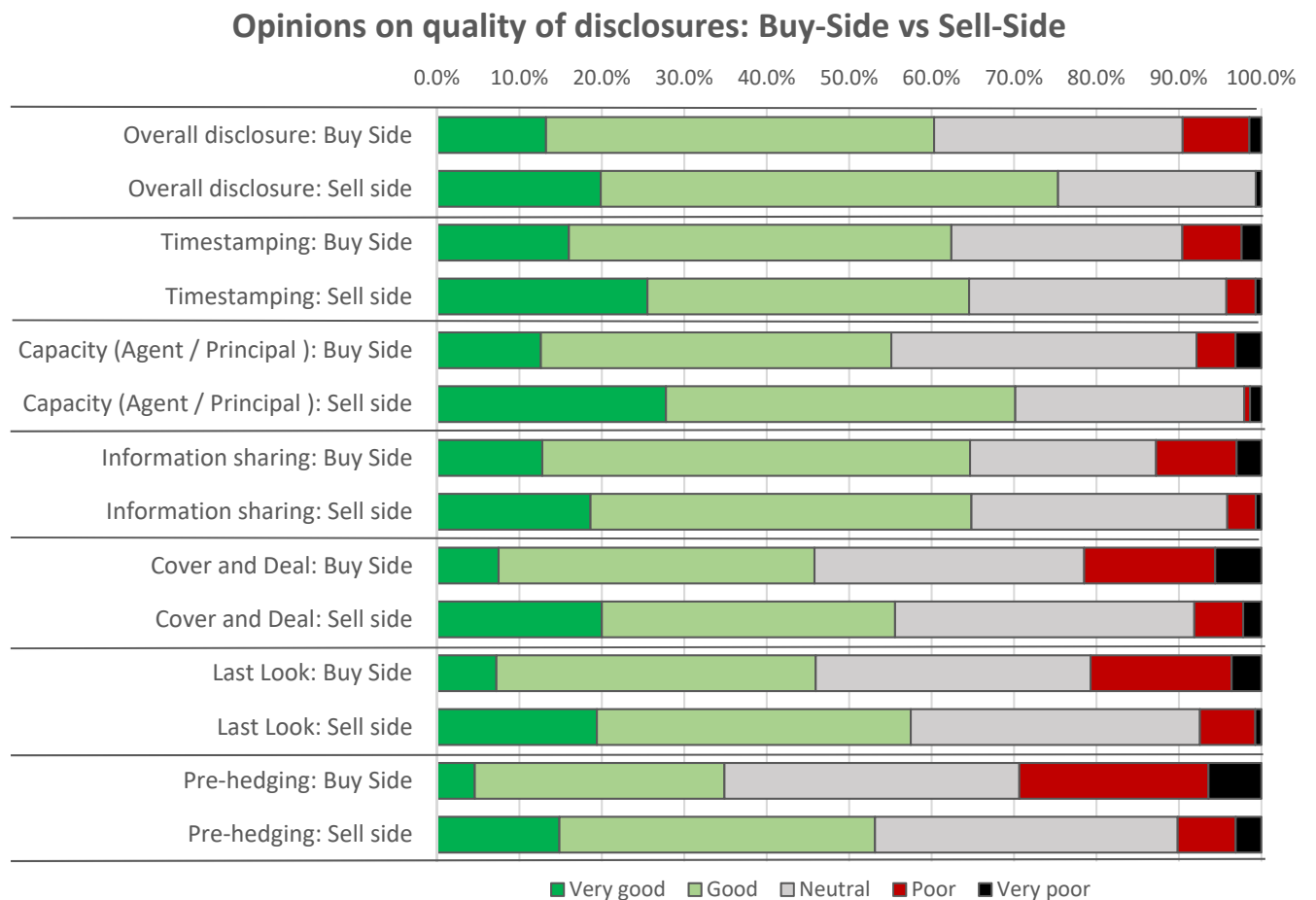


Curves approximated using turnover midpoints and responses to Q4 compared to responses received to Q16.

Focus Area 2: Disclosures

1. Respondents’ overall view of the quality of disclosures differed between respondents from the Sell-side and those from the Buy-side. Around 75% of Sell-side respondents reported ‘Overall disclosure’ to be ‘Very good’ or ‘Good’ compared to [60%] from the Buy-side.
2. Disclosures on Pre-hedging, Last Look and Cover & Deal were viewed more negatively than those for other practices, with fewer than 50% of Buy-side respondents reporting these as ‘Very good’ or ‘Good’.[See Q17 and Figure 4.]
3. 84% of firms provided general disclosures. 64% provided FX-specific disclosures. [See Q20. & Q20a.]
4. Of those that received disclosures on anonymous venues, over 20% either received no disclosures, or found that the disclosures to be “Very Poor”. [See Q19.]

Figure 4



GLOBAL FOREIGN EXCHANGE COMMITTEE

GFXC - FX Global Code Survey: 2019

[Continue to the Survey](#)

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Section A





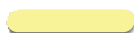

Background Information - This section seeks to gather information about the type of respondents.

1. Please indicate whether you are: (Choose one)

| | | Response percent | Response total |
|---|--|------------------|----------------|
| An affirmation and/or settlement platform | | 0.28% | 1 |
| An asset manager | | 18.64% | 66 |
| A bank | | 46.33% | 164 |
| A broker or investment adviser | | 2.54% | 9 |
| A central bank | | 6.22% | 22 |
| A corporate treasury department | | 7.91% | 28 |
| An e-trading platform | | 1.98% | 7 |
| A government agency | | 0% | 0 |
| A hedge fund | | 4.8% | 17 |
| An infrastructure provider or technology provider | | 0.85% | 3 |
| An insurance company | | 2.83% | 10 |
| A non-bank liquidity provider | | 1.7% | 6 |
| A pension fund | | 1.98% | 7 |
| A quasi-sovereign or supranational institution | | 0.57% | 2 |
| A sovereign wealth fund | | 0.28% | 1 |
| Other | | 3.11% | 11 |











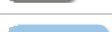









Statistics based on 354 respondents;

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

| | | Response percent | Response total |
|---------------|---|------------------|----------------|
| Africa |  | 0.85% | 3 |
| Asia-Pacific |  | 44.07% | 156 |
| Europe |  | 35.59% | 126 |
| Middle East |  | 1.7% | 6 |
| North America |  | 15.25% | 54 |
| South America |  | 2.54% | 9 |

Statistics based on 354 respondents;

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

| | | Response percent | Response total |
|---------------|---|------------------|----------------|
| Australia |  | 3.11% | 11 |
| Brazil |  | 2.26% | 8 |
| Canada |  | 3.11% | 11 |
| China |  | 3.39% | 12 |
| Denmark |  | 1.7% | 6 |
| France |  | 1.13% | 4 |
| Georgia |  | 0.57% | 2 |
| Germany |  | 4.24% | 15 |
| Hong Kong SAR |  | 3.11% | 11 |
| India |  | 8.48% | 30 |
| Japan |  | 12.15% | 43 |
| Korea |  | 0.85% | 3 |
| Mexico |  | 2.26% | 8 |
| Russia |  | 0.85% | 3 |
| Singapore |  | 13.84% | 49 |
| South Africa | | 0% | 0 |
| Sweden |  | 2.26% | 8 |
| Switzerland |  | 4.52% | 16 |
| UK |  | 12.15% | 43 |
| USA |  | 6.22% | 22 |
| Other |  | 13.84% | 49 |




Statistics based on 354 respondents;

4. Please indicate an estimate of the average daily turnover of your FX business globally (USD, millions - choose one):

| | | Response percent | Response total |
|-----------------------|---|------------------|----------------|
| <10 |  | 16.38% | 58 |
| >10 and <100 |  | 17.51% | 62 |
| >100 and <1,000 |  | 17.51% | 62 |
| >1,000 and <10,000 |  | 21.19% | 75 |
| >10,000 and <100,000 |  | 14.12% | 50 |
| >100,000 and <200,000 |  | 4.24% | 15 |
| >200,000 |  | 9.04% | 32 |

Statistics based on 354 respondents;

5. Did your firm complete the previous GFXC surveys on the Global Code? (Choose all that apply)






| | | Response percent | Response total |
|--------------------------------------|---|------------------|----------------|
| Yes - in 2018 |  | 46.05% | 163 |
| Yes - in 2017 |  | 27.12% | 96 |
| No, my firm completed neither survey |  | 51.13% | 181 |

Statistics based on 354 respondents;

Section B







Awareness and Adoption - This section seeks to measure respondents' awareness and adoption of the Global Code.

6. How familiar is your firm with the Global Code? (Choose one)

| | | Response percent | Response total |
|-------------------|---|------------------|----------------|
| Very familiar |  | 43.5% | 154 |
| Familiar |  | 34.75% | 123 |
| Somewhat familiar |  | 11.86% | 42 |
| Unfamiliar |  | 8.76% | 31 |
| Very unfamiliar |  | 1.13% | 4 |

Statistics based on 354 respondents;

7. Has your firm adopted the Global Code? (Choose one)

| | | Response percent | Response total |
|---|---|------------------|----------------|
| Yes, my firm has fully adopted the Global Code |  | 59.32% | 210 |
| Yes, my firm has begun to take steps to adopt the Global Code |  | 12.15% | 43 |
| My firm intends to adopt the Global Code |  | 9.04% | 32 |
| My firm has not yet decided whether to adopt the Global Code |  | 15.25% | 54 |
| No, my firm does not intend to adopt the Global Code |  | 1.7% | 6 |
| Not relevant for my firm |  | 2.54% | 9 |

Statistics based on 354 respondents;

7a. How long, from start to finish, did it take your firm to implement the Global Code? (Type number of months)

| Answer in months: | Mean | Response total |
|-------------------|-------------|----------------|
| | 8.68 | 210 |

Statistics based on 210 respondents;

7b. If your firm has not adopted the Global Code, is it because: (Choose all that apply)

| | | Response percent | Response total |
|---|--|------------------|----------------|
| My firm thinks the benefits of adopting the Global Code are limited and outweigh the costs | | 50% | 3 |
| My firm is not aware of any expectation from our counterparties to require adherence | | 33.33% | 2 |
| My firm is not aware of any expectation from our clients to require adherence | | 16.67% | 1 |
| Where my firm operates, the Global Code is not widely adopted in FX markets | | 16.67% | 1 |
| My firm's internal controls are largely in line with or stricter than the principles in the Global Code | | 16.67% | 1 |
| My firm has too many competing priorities | | 0% | 0 |
| My firm does not believe the Global Code applies to my firm | | 0% | 0 |
| My firm disagrees with specific principles within the Global Code | | 16.67% | 1 |
| FX is only a limited part of my firm's activities and the Global Code is too specialised | | 16.67% | 1 |
| Other | | 0% | 0 |

Statistics based on 6 respondents;

7c. What would cause your firm to choose to adopt the Global Code? (Choose all that apply)

| | | Response percent | Response total |
|--|--|------------------|----------------|
| Nothing will do that in the near future | | 33.33% | 2 |
| Increased demand for adherence from my clients | | 16.67% | 1 |
| Increased demand for adherence from my counterparties | | 33.33% | 2 |
| Greater guidance on proportionality | | 16.67% | 1 |
| Greater guidance on what adherence means in practical terms | | 33.33% | 2 |
| Clear reasons why adherence is beneficial to my firm | | 33.33% | 2 |
| Greater alignment between the Global Code and other market standards & rules | | 0% | 0 |
| Greater alignment between the Global Code and industry associations my firm is a member of | | 0% | 0 |
| Other | | 16.67% | 1 |

Statistics based on 6 respondents;

7d. In your firm, who has primary responsibility for implementing the Global Code? (Choose one)

| | | Response percent | Response total |
|---|--|------------------|----------------|
| The Board | | 9.88% | 25 |
| Chief Executive Officer | | 10.67% | 27 |
| Chief Operating Officer | | 3.56% | 9 |
| Chief Risk Officer | | 1.58% | 4 |
| Chief Financial Officer | | 1.98% | 5 |
| Global Head of Markets (incl. either Global Head of Sales and/or Trading) | | 26.09% | 66 |
| Regional Head of Markets (incl. either Regional Head of Sales and/or Trading) | | 3.16% | 8 |
| Global Head of FX | | 18.58% | 47 |
| Regional Head of FX | | 0.79% | 2 |
| Global Head of Compliance | | 6.32% | 16 |
| Regional Head of Compliance | | 1.98% | 5 |
| Head of Corporate Treasury | | 5.93% | 15 |
| Head of Investments | | 2.37% | 6 |
| Other | | 7.12% | 18 |
| No one | | 0% | 0 |





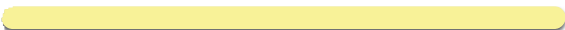

Statistics based on 253 respondents;

7e. Which areas of your firm have been involved in your firm's implementation of the Global Code? (Choose all that apply)

| | | Response percent | Response total |
|---------------------------|--|------------------|----------------|
| Trading functions | | 94.86% | 240 |
| Sales functions | | 57.71% | 146 |
| Legal functions | | 62.06% | 157 |
| Compliance functions | | 82.21% | 208 |
| Risk Management functions | | 71.54% | 181 |
| Internal Audit functions | | 43.87% | 111 |
| IT functions | | 37.95% | 96 |
| Human Resource functions | | 22.53% | 57 |
| Other | | 20.55% | 52 |
| None of the above | | 0% | 0 |








Statistics based on 253 respondents;

7f. What steps has your firm taken, or does it plan to take, to embed the Global Code in your practices? (Choose all that apply)

| | | Response percent | Response total |
|---|--|------------------|----------------|
| Staff training and education programme about the Global Code |  | 77.47% | 196 |
| Incorporate the Global Code into internal policies/procedures/codes |  | 83% | 210 |
| Link staff performance reviews with adherence to the Global Code |  | 19.76% | 50 |
| Have regard to Global Code adherence in counterparty policies |  | 33.6% | 85 |
| Performing a gap analysis to identify gaps between our internal practices and the principles of the Global Code |  | 67.19% | 170 |
| Other |  | 7.12% | 18 |
| None | | 0% | 0 |





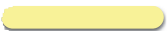



Statistics based on 253 respondents;

7g. What do you see as the biggest challenges to ongoing adherence to the Global Code for your firm? (Choose all that apply)

| | | Response percent | Response total |
|--|---|------------------|----------------|
| Maintaining an audit trail within my firm to prove adherence to the Global Code |  | 33.99% | 86 |
| Setting an appropriate level of Global Code training within my firm |  | 31.23% | 79 |
| Divergence in the views of various divisions within my firm regarding how to implement the Global Code |  | 13.04% | 33 |
| Developing new disclosures to counterparties that reflect the principles of the Global Code |  | 22.13% | 56 |
| Adjusting internal procedures on specific issues to ensure they adhere with the Global Code |  | 33.99% | 86 |
| Other |  | 10.67% | 27 |
| Not relevant to my firm |  | 14.63% | 37 |





Statistics based on 253 respondents;

7h. What is your firm's approach to issuing a Statement of Commitment to demonstrate adherence to the Global Code? (Choose all that apply)

| | | Response percent | Response total |
|---|---|------------------|----------------|
| Do not use Statement of Commitment - do not see clear benefit from doing so |  | 1.98% | 5 |
| Do not use Statement of Commitment - see legal and compliance risks from doing so |  | 1.19% | 3 |
| Do not use Statement of Commitment - other |  | 3.16% | 8 |
| Use Statement of Commitment internally only and not publish / communicate it |  | 14.23% | 36 |
| Provide it to counterparties |  | 19.37% | 49 |
| Publish it on firm's website |  | 40.71% | 103 |
| Publish on a public register |  | 60.08% | 152 |
| Not relevant for my firm |  | 4.35% | 11 |






Statistics based on 253 respondents;

8. What is your approach to your counterparties having a Statement of Commitment? (Choose one)

| | | Response percent | Response total |
|--|---|------------------|----------------|
| My firm requires counterparties to have signed a Statement of Commitment |  | 7.35% | 26 |
| My firm expects counterparties to have signed a Statement of Commitment, but does not require it |  | 53.96% | 191 |
| My firm does not have an expectation that counterparties have signed a Statement of Commitment |  | 27.68% | 98 |
| Not applicable to my firm |  | 11.02% | 39 |





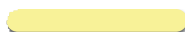

Statistics based on 354 respondents;

8a. If you require or expect your counterparties to use the Statement of Commitment, what would be your response be if this requirement or expectation is not met? (Choose one)

| | | Response percent | Response total |
|--|---|------------------|----------------|
| No impact to the counterparty relationship |  | 21.66% | 47 |
| Reduce the amount of FX trading with that particular counterparty until the Statement of Commitment is completed |  | 12.9% | 28 |
| Cease trading with the counterparty until the Statement of Commitment is completed |  | 7.83% | 17 |
| Assess each situation on a case-by-case basis |  | 54.84% | 119 |
| Other |  | 2.77% | 6 |






Statistics based on 217 respondents;

9. What forms of training on the Global Code has your firm adopted? (Choose all that apply)

| | | Response percent | Response total |
|---|---|------------------|----------------|
| E-learning |  | 30.79% | 109 |
| Classes and seminars run by your firm |  | 32.77% | 116 |
| Classes and seminars run by third party providers tailored to your firm |  | 5.09% | 18 |
| Classes and seminars run by third party providers open to several firms |  | 12.15% | 43 |
| Other |  | 21.47% | 76 |
| None |  | 25.99% | 92 |





Statistics based on 354 respondents;

10. What is your view on the adequacy and sufficiency of the material provided by the GFXC on its website to promote the Global Code? (Choose one)

| | | Response percent | Response total |
|--------------------|---|------------------|----------------|
| Very comprehensive |  | 13.56% | 48 |
| Comprehensive |  | 32.49% | 115 |
| Adequate |  | 47.46% | 168 |
| Lacking |  | 5.93% | 21 |
| Very lacking |  | 0.57% | 2 |

Statistics based on 354 respondents;

11. Since the launch of the Global Code in 2017, in your view what has been the effect of the Global Code on overall market functioning? (Choose one)

| | | Response percent | Response total |
|-----------------------|---|------------------|----------------|
| Very positive |  | 9.32% | 33 |
| Positive |  | 60.45% | 214 |
| No discernible effect |  | 29.66% | 105 |
| Negative |  | 0.57% | 2 |
| Very negative | | 0% | 0 |

Statistics based on 354 respondents;

12. What is your perception of the general market adoption of the Global Code? (Choose one)

| | | Response percent | Response total |
|--------------------|---|------------------|----------------|
| Very comprehensive |  | 5.09% | 18 |
| Comprehensive |  | 25.71% | 91 |
| Adequate |  | 55.37% | 196 |
| Lacking |  | 11.3% | 40 |
| Very lacking |  | 2.54% | 9 |

Statistics based on 354 respondents;

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

| | Always ■ | Often ■ | Occasionally ■ | Rarely ■ | Never ■ | Does not apply ■ | | Response total |
|--|-----------------|-----------------|-------------------|---------------|---------------|---------------------|--|----------------|
| Personnel working for your counterparties with the appropriate training and who have the necessary experience to discharge the highest ethical and professional standards (Principles 1 and 2) | 34.46% (122) | 48.87% (173) | 8.76% (31) | 1.7% (6) | 0.28% (1) | 5.93% (21) | | 354 |
| Transparent and fair order handling from your counterparties (Principle 9) | 35.59% (126) | 42.09% (149) | 9.32% (33) | 1.41% (5) | 0% (0) | 11.58% (41) | | 354 |
| Transparency around Pre-Hedging practices from your counterparties (Principle 11) | 18.08% (64) | 28.53% (101) | 13.56% (48) | 9.32% (33) | 2.83% (10) | 27.68% (98) | | 354 |
| Prevention against manipulative behaviour from your counterparties (Principle 12) | 29.1% (103) | 35.03% (124) | 12.71% (45) | 4.52% (16) | 2.26% (8) | 16.38% (58) | | 354 |
| Transparency around how reference prices, including highs and lows, are established by your counterparties (Principle 13) | 28.25% (100) | 32.2% (114) | 13.84% (49) | 5.65% (20) | 3.39% (12) | 16.67% (59) | | 354 |
| Transparency around Mark Up practices from your counterparties (Principle 14) | 18.08% (64) | 27.97% (99) | 17.23% (61) | 7.91% (28) | 4.24% (15) | 24.58% (87) | | 354 |
| Transparency around Last Look practices from your counterparties (Principle 17) | 16.38% (58) | 27.4% (97) | 20.34% (72) | 7.63% (27) | 3.39% (12) | 24.86% (88) | | 354 |
| Appropriate handling of confidential information from your counterparties (Principles 19 and 20) | 43.22% (153) | 39.55% (140) | 7.91% (28) | 0.57% (2) | 0.28% (1) | 8.48% (30) | | 354 |
| Appropriate treatment of confidential information when sharing Market Colour (Principle 22) | 39.83% (141) | 38.14% (135) | 8.76% (31) | 1.41% (5) | 0% (0) | 11.86% (42) | | 354 |

Statistics based on 354 respondents;

14. Based on your activity in the FX market, how would you describe the effectiveness of the Statement of Commitment in promoting adherence to the Global Code? (Choose one)

| | | Response percent | Response total |
|------------------|--|------------------|----------------|
| Very effective | | 10.73% | 38 |
| Effective | | 54.24% | 192 |
| Neutral | | 33.33% | 118 |
| Ineffective | | 1.41% | 5 |
| Very ineffective | | 0.28% | 1 |



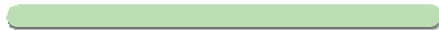






Statistics based on 354 respondents;

Section C

Electronic Trading - This section seeks respondents' view on the topic of electronic trading to inform the work of the GFXC.




15. Which of the following methods does your firm use to trade FX? (Select all that apply)

Full definitions can be found [here \(page 23\)](#)

| | | Response percent | Response total |
|---|--|------------------|----------------|
| Voice - direct |  | 72.03% | 255 |
| Voice - indirect |  | 21.75% | 77 |
| Electronic - direct: Single-bank proprietary trading systems |  | 51.7% | 183 |
| Electronic - direct: Multi-dealer platforms |  | 74.86% | 265 |
| Electronic - Indirect: Anonymous venues |  | 22.6% | 80 |
| Electronic - Indirect: Disclosed venues |  | 22.32% | 79 |
| Electronic - Desktop-based systems (eg: GUIs, click-to-trade) |  | 31.07% | 110 |
| Electronic - Server-based systems (eg: API, machine-to-machine trading) |  | 24.86% | 88 |
| Other |  | 8.48% | 30 |










Statistics based on 354 respondents;

16. Do you use algorithms in your FX trading? (Choose one)

| | | Response percent | Response total |
|---------------------------|--|------------------|----------------|
| Yes |  | 37.57% | 133 |
| No |  | 56.5% | 200 |
| My firm does not trade FX |  | 5.93% | 21 |







Statistics based on 354 respondents;

16a. If your firm does use algorithms in FX trading, why? (Choose all that apply)

| | | Response percent | Response total |
|---|--|------------------|----------------|
| They improve our execution outcomes |  | 78.95% | 105 |
| They help to minimise the market impact / information leakage in connection with large trades |  | 72.18% | 96 |
| To enable us to trade more effectively at particular times (e.g. during fixing windows) |  | 49.62% | 66 |
| For better auditability and / or the ability to perform better TCA |  | 39.85% | 53 |
| They enable us to execute trading strategies out of hours |  | 14.29% | 19 |
| It would not be possible for our business to operate effectively without them |  | 26.32% | 35 |
| We are currently using algorithms to explore how they might enhance our FX trading |  | 38.35% | 51 |
| Better timestamping of trades |  | 21.81% | 29 |
| Other |  | 10.53% | 14 |





Statistics based on 133 respondents;

16b. If your firm does not use algorithms in FX trading, why not? (Choose all that apply)

| | | Response percent | Response total |
|--|---|------------------|----------------|
| The costs outweigh the benefits |  | 13% | 26 |
| They are not suited to our trading style |  | 54% | 108 |
| Internal restrictions within my firm (e.g. risk controls) |  | 17.5% | 35 |
| Lack of expertise / understanding |  | 21.5% | 43 |
| We are currently considering using algorithms but have not yet started |  | 22% | 44 |
| Other |  | 9% | 18 |





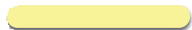


Statistics based on **200** respondents;

16c. If you use algorithms, do you use algorithms to... (Choose all that apply)

| | | Response percent | Response total |
|---|---|------------------|----------------|
| Execute orders using third party algos |  | 52.63% | 70 |
| Deploy smart order routing (SOR) for your own account for execution / risk management |  | 42.11% | 56 |
| Deploy market-making algos on a proprietary basis |  | 24.06% | 32 |
| Other |  | 18.05% | 24 |

Statistics based on **133** respondents;

16d. How did you acquire the algorithms you use? (Choose all that apply)







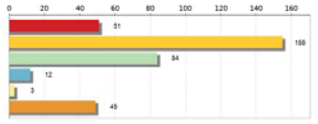
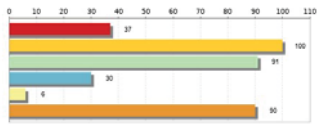
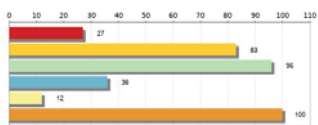
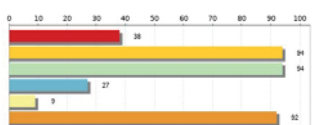
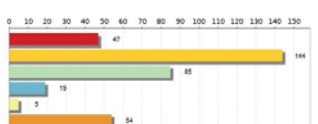
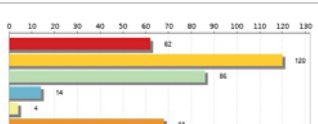

| | | Response percent | Response total |
|--|---|------------------|----------------|
| Developed in house |  | 40.6% | 54 |
| Purchased from a third-party provider |  | 16.54% | 22 |
| Developed bespoke by a third-party provider |  | 9.02% | 12 |
| Provided by sell-side counterparty for a fee |  | 38.35% | 51 |
| Provided by sell-side counterparty with no fee |  | 21.81% | 29 |
| Developed bespoke by sell-side counterparty |  | 5.26% | 7 |
| Other |  | 9.77% | 13 |

Statistics based on **133** respondents;

Section D

Disclosures - This section seeks respondents' views on the topic of disclosures to inform the work of the GFXC.

17. How would you describe the quality of the disclosures you receive from counterparties on the following: (Please rate all)

| | Very good  | Good  | Neutral  | Poor  | Very poor  | Not applicable  | | Response total |
|-------------------------------|--|---|--|---|--|---|--|----------------|
| Overall disclosure | 14.41% (51) | 43.79% (155) | 23.73% (84) | 3.39% (12) | 0.85% (3) | 13.84% (49) |  | 354 |
| Last Look | 10.45% (37) | 28.25% (100) | 25.71% (91) | 8.48% (30) | 1.7% (6) | 25.42% (90) |  | 354 |
| Pre-hedging | 7.63% (27) | 23.45% (83) | 27.12% (96) | 10.17% (36) | 3.39% (12) | 28.25% (100) |  | 354 |
| Cover and Deal | 10.73% (38) | 26.55% (94) | 26.55% (94) | 7.63% (27) | 2.54% (9) | 25.99% (92) |  | 354 |
| Information sharing | 13.28% (47) | 40.68% (144) | 24.01% (85) | 5.37% (19) | 1.41% (5) | 15.25% (54) |  | 354 |
| Timestamping | 17.51% (62) | 33.9% (120) | 24.29% (86) | 3.96% (14) | 1.13% (4) | 19.21% (68) |  | 354 |
| Capacity (Agent / Principal) | 17.8% (63) | 33.62% (119) | 26.27% (93) | 2.83% (10) | 1.7% (6) | 17.8% (63) |  | 354 |

Statistics based on 354 respondents;

18. If you use algorithmic trading, how would you describe the quality of disclosures you receive on algorithmic trading? (Choose one)

| | | Response percent | Response total |
|---|---|------------------|----------------|
| Very good |  | 4.24% | 15 |
| Good |  | 17.51% | 62 |
| Acceptable |  | 8.76% | 31 |
| Poor |  | 1.7% | 6 |
| Very Poor |  | 0.28% | 1 |
| My firm does not receive any disclosures on algorithmic trading |  | 3.39% | 12 |
| Not applicable |  | 64.12% | 227 |

Statistics based on 354 respondents;

19. If you use anonymous venues, how would you describe the disclosures you receive regarding your trading on these anonymous venues? (Choose one)

| | | Response percent | Response total |
|---|--|------------------|----------------|
| Very Good | | 2.54% | 9 |
| Good | | 9.04% | 32 |
| Acceptable | | 9.32% | 33 |
| Poor | | 2.83% | 10 |
| Very Poor | | 2.26% | 8 |
| My firm does not receive any disclosures on trading on anonymous venues | | 4.8% | 17 |
| Not applicable | | 69.21% | 245 |

Statistics based on 354 respondents;

20. Does your firm provide disclosures to its counterparties/clients? (Choose one)

| | | Response percent | Response total |
|---|--|------------------|----------------|
| Yes, my firm makes its disclosures public on its website | | 24.01% | 85 |
| Yes, my firm provides disclosures bilaterally to all its counterparties/clients | | 14.97% | 53 |
| Yes, my firm provides disclosures to its counterparties/clients upon request | | 15.82% | 56 |
| No, my firm does not provide disclosures to its counterparties/clients | | 10.17% | 36 |
| Not applicable to my firm | | 35.03% | 124 |

Statistics based on 354 respondents;

20a. Does your firm provide FX-specific disclosures? (Choose one)

| | | Response percent | Response total |
|-----|--|------------------|----------------|
| Yes | | 63.92% | 124 |
| No | | 36.08% | 70 |

Statistics based on 194 respondents;

20b. If your firm provides disclosures, how many months ago were they last updated? (Type number of months)

| Months | Mean | Response total |
|--------|------|----------------|
| | 7.49 | 194 |

Statistics based on 194 respondents;

Section E




3-year review of the Code - This section seeks respondents' views on how the GFXC should approach its planned review of the Global Code in 2020.

21. Do you think the content of the Global Code should be amended or added to next year? (Choose one)

| | | Response percent | Response total |
|-----|--|------------------|----------------|
| Yes | | 31.64% | 112 |
| No | | 68.36% | 242 |

Statistics based on 354 respondents;

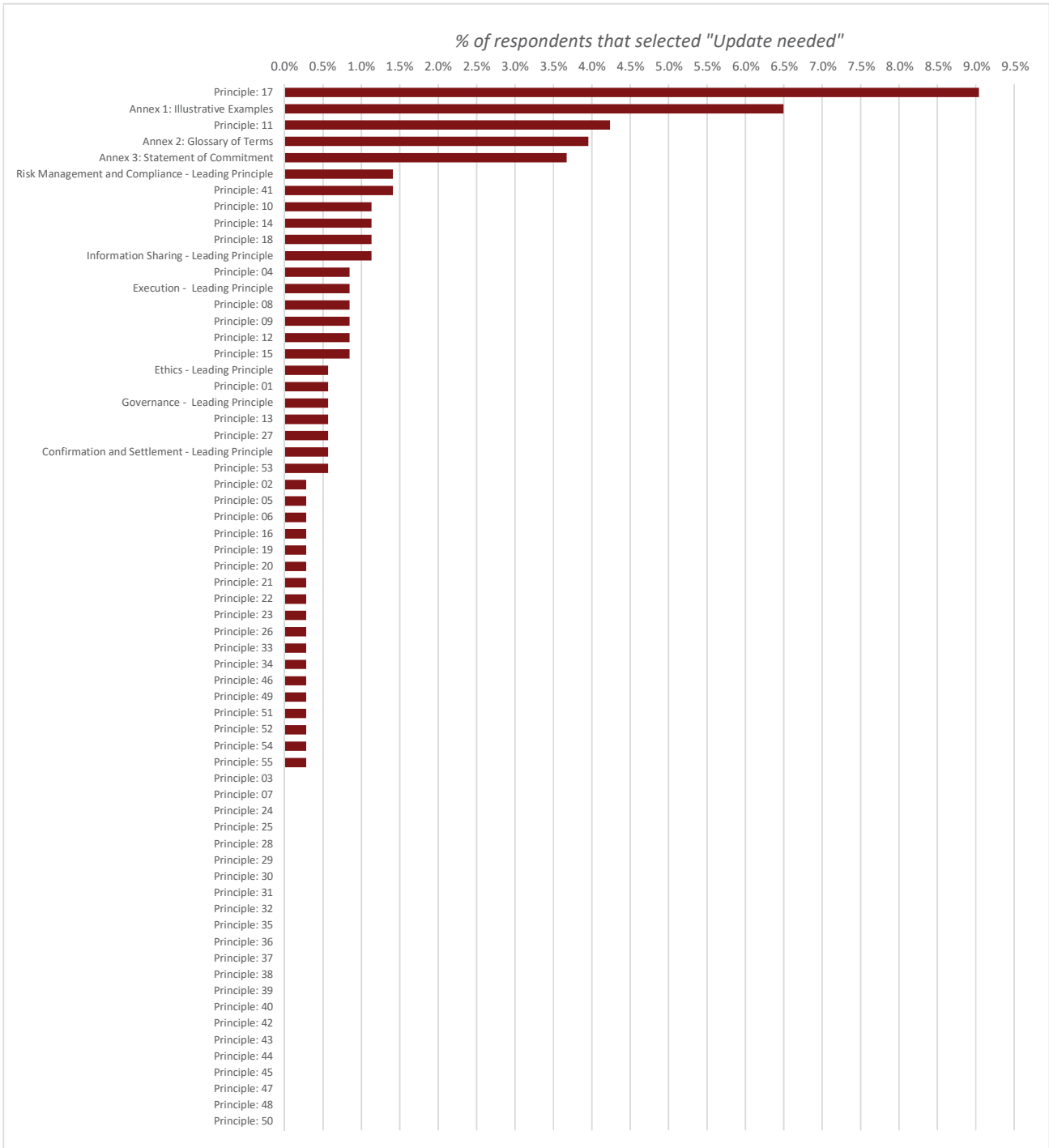
21a. Why do you think the content of the Global Code should be amended or added to next year? (Choose all that apply)

| | | Response percent | Response total |
|--|--|------------------|----------------|
| There are areas of the Global Code where the guidance provided should change |  | 29.46% | 33 |
| There are key issues that are not currently addressed in the Global Code |  | 28.57% | 32 |
| The Global Code needs to regularly evolve to keep pace with the market |  | 81.25% | 91 |
| Other |  | 16.07% | 18 |

Statistics based on **112** respondents;

NB- This is an aggregate table of Q21b survey responses. Statistics based on 354 respondents.

21b. Please indicate, and provide relevant detail on, which Principles/areas of the Global Code you think should be amended next year? (Give details for all that apply)



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21c. If you believe that there are important issues or market practices that are not currently included in the Global Code, or that are insufficiently covered in the Global Code, please provide details below:

| | Response total |
|--|----------------|
| | 112 |

Statistics based on 112 respondents;

21d. Why do you think the content of the Global Code should not be amended or added to next year? (Choose all that apply)

| | Response percent | Response total |
|--|--|----------------|
| The guidance currently provided by the Global Code is still fit for purpose (no changes necessary) |  68.88% | 166 |
| It is too early to be making changes to the Global Code |  43.15% | 104 |
| Other |  6.22% | 15 |

Statistics based on 241 respondents;