

Deutsche Bank



GFXC Meeting

Sydney 4-5 December 2019

Steps to implementing the FX Global Code



- Drafting and development of the Code monitored at a senior level in Business, Risk and Legal;
- Conducted an internal review, assisted by external consultants, following finalisation of the Code to identify consistency of current business and risk management practices with the Code;
- Reviewed and updated existing policies and training to ensure the requirements of the Code were fully embedded and reflected in them;
- Expanded existing client disclosures to cover topics addressed by the Code (e.g., algorithmic trading);
- Where changes to the Code have been made (e.g., changes to Principle 17 on last look), identified and implemented changes to business practices and related disclosures.

Challenges of implementing the FX Global Code



- Identifying geographical, entity and business scope of Code adherence: often easier to apply across the board;
- Necessity of combining Code with firm policies (in exactly the same way as regulation or legislation) means that staff will be familiar with all concepts but may have less expertise with the principles of the Code directly;
- Questions raised about the interaction of the Code with law and regulation (*e.g.*, the guidance provided in Principle 11 of the Code following first instance decision in Johnson case);
- Can sometimes be a challenge to express disclosures of practices precisely and in plain English as Code becomes more complex (*e.g.*, changes to Principle 17 on last look);
- Developing buy side engagement with Code is key to embedding its best practice guidelines in the wider market (*e.g.*, guidance tailored for buy side).

Training & Awareness of the FX Global Code



- “Tone from the Top” from the Business Heads, including awareness of the Code and expectations of all Sales & Trading personnel;
- Code principles incorporated into business specific policies and guidelines such as FX Market Conduct, Communication, and Order Handling Policies;
- Specific Business guidelines and procedures designed to provide clarity on Code principles to Sales & Trading personnel;
- Business and Compliance face-to-face training designed to address the “grey” areas.
- Training is scenario-based and focused on the key risks and areas requiring varying degrees of judgement by employees;
- Group & individual New Joiner Training setting out the standards and expectations of employees with a strong focus on defining the culture at the firm.