GFXC Request for Feedback – October 2024

Amendments to the FX Global Code and Disclosure Cover Sheets

General information

I. GFXC Request for Feedback on Amendments to the FX Global Code and Disclosure Cover Sheets

The FX Global Code (the "Code") is a set of principles of good practice in the foreign exchange market, developed to provide a common set of guidelines to promote the integrity and effective functioning of the wholesale foreign exchange market. The current version of the Code dates from July 2021.[1]

The Code is maintained and updated by the Global Foreign Exchange Committee (GFXC or the "Committee"), a forum of central banks and private sector market participants.[2] At least every three years, the Committee will discuss the case to, and when judged appropriate, undertake a comprehensive review of the Code, which can be agreed to target some principles.[3] On this occasion, the GFXC agreed that a targeted review was adequate since the Code is still considered to be fit for purpose.

The proposed changes focus on key areas identified by the GFXC based on the invaluable input received from the BIS Markets Committee including its letter to the GFXC, the survey to market participants on Code effectiveness, and the survey to local FX committees (LFXCs) on the Code Review. The amendments are designed to enhance guidance on FX Settlement Risk mitigation practices, encourage appropriate reporting requirements and promote greater transparency on the utilisation of FX data.

Two Working Groups, the FX Settlement Risk Working Group and the FX Data Working Group, were formed to support these focus areas and to develop recommendations for the GFXC to consider. These Groups are comprised of central banks and a wide range of private sector market participants.

The GFXC is now seeking feedback on the proposals resulting from their work. The proposals include recommendations for changes to five of the Code's fifty-five principles (P9, P10, P35, P50 and P51) and amendments to the Disclosure Cover Sheets for both Liquidity Providers and Platforms.

The proposed amendments to the Code and the Disclosure Cover Sheets, including their motivation/purpose, are detailed in the annexes being published by the GFXC. Each annex includes questions for which the GFXC is requesting feedback from a wide variety of market participants.

- Annex A: GFXC Proposed changes to the FX Global Code (2024)

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[1] The current (July 2021) version of the Code is available at FX Global Code - Global Foreign Exchange Committee (globalfxc.org).

[2] Members of the GFXC include central bank-sponsored Foreign Exchange Committees (and similar structures) in various regions. As of October 2024, there were sixteen full members and three associate members; see Membership - Global Foreign Exchange Committee (globalfxc.org).

[3] In accordance with the Terms of Reference available at Terms of Reference - Global Foreign Exchange Committee (globalfxc.org).

- Annex B: GFXC Proposed changes to the Liquidity Provider Disclosure Cover Sheet (2024)
- Annex C: GFXC Proposed changes to the Platform Disclosure Cover Sheet (2024)

Responding to the GFXC's Request for Feedback

The GFXC extends an invitation to a broad range of market participants to respond to this request. The GFXC intends to publish all responses in their original form, including the respondent's name, unless the respondent requests otherwise or it would be inappropriate to do so. Respondents should thus be mindful not to include any proprietary, competitively sensitive, or other non-public information in their responses. If a respondent believes that such information would be of use to the GFXC, we kindly ask the respondent to contact the GFXC Secretariat.

We kindly request feedback on the proposed amendments to the Code and the Disclosure Cover Sheets by 25 October 2024. Responses and any questions should be sent to the GFXC Secretariat by email using the following address: codefeedback@globalfxc.org.