



AUSTRALIAN FOREIGN EXCHANGE COMMITTEE

MINUTES OF MAY 2016 MEETING

Thursday 19 May 2016
Reserve Bank of Australia
65 Martin Place

Attendees

Guy Debelle, RBA (Chair)
Matt Boge, RBA (Secretary)
Keith Sedergreen, ACI Australia
David Kennedy, AFMA
Simon Warner, AMP Capital
Luke Marriott, ANZ
Winnie Tan, Bank of China
Stewart Cox, BHP Billiton (via teleconference)
David Hatzidis, CBA
Rachael Hoey, CLS (via teleconference)
Itay Tuchman, Citibank
Lee Merchant, Deutsche Bank
Darryl Hooker, EBS
Stephen Gilmore, Future Fund (via teleconference)
David Nolan, Goldman Sachs
Andrew Mourd, JP Morgan
Will Richardson, Macquarie Bank
Mark Lawler, National Australia Bank
Gary Latner, Thomson Reuters
Hugh Killen, Westpac

Apologies

Tony Adams, Colonial First State

Secretariat

Vicki Newman, RBA

1. Minutes of Previous Meeting

The minutes of the previous meeting were accepted without modification.

2. Matters arising from the Minutes

None.

3. Update on single global code of conduct for the wholesale foreign exchange market (the “FX Global Code”)

The Chair updated the committee on the finalisation of the first phase of the “FX Global Code”. The Chair advised the committee that the BIS Governors had approved the draft circulated to AFXC members and the Governors had committed their central banks to adhering to the Code as well as an expectation their counterparties would to. The first phase of the Code would be published on 26 May 2016.

Discussion moved onto the development of the second phase of the work, which will see the complete Global Code published in May 2017. The Chair noted that the next phase would include principles relating to e-trading, platforms, prime brokerage, risk management, governance and options. Committee members were requested to contact the Chair within the next few weeks on any issues they felt should be addressed around those topics in the second phase of this work.

4. AFXC statement of support for the “FX Global Code”

The Committee agreed that Guy DeBelle, Matt Boge and Hugh Killen would be delegated to represent the AFXC at the 25 May 2016 meeting of global FX committees in New York. Members agreed that the delegates should support the publication of the proposed “Joint Statement on the Publication of the FX Global Code”, a draft of which had been earlier provided to AFXC members. This statement would be published by the eight FX committees (including the AFXC) at the same time the “FX Global Code” is released.

The Secretary advised that other areas of the AFXC website would also be updated to reflect the AFXC’s support for the “FX Global Code”.

5. Upcoming Global FX Committees meeting in NY

The Chair outlined other agenda items for the meeting of global FX committees, including whether to formalise the relationship between the global FX committees and how to facilitate participation from other jurisdictions. Also slated for discussion are e-trading, prime brokerage and market liquidity.

6. Membership of AFXC

The Secretary spoke about the need to align the structure of the AFXC with other FX committees globally and noted that this would likely mean more involvement from the “buy-side” on the AFXC. The committee had no objections with this proposal. Members had put forward some suggestions for potential members following the December 2015 AFXC meeting where broadening the range of market participants was initially discussed. Members were asked to provide any additional potential non-bank members to the Chair within the next 48 hours.

7. General Business

The Chair thanked Jack Richards (ACI Australia) for his work on the committee over many years. The Chair also advised members that Vicki Newman (Secretariat) was retiring and

thanked Vicki for her work over the years for the AFXC. Members joined the Chair in thanking Jack and Vicki.

8. Next Meeting

11 August 2016 at 4.30pm.

**Australian Foreign Exchange Committee
May 2016**