



AUSTRALIAN FOREIGN EXCHANGE COMMITTEE

November 2025 Meeting

Thursday 20 November 2025

Attendees

Christopher Kent, RBA (Chair)
Chris Howlett, ACI Australia
Damian Jeffree, AFMA
Luke Marriott, ANZ
Winnie Tan, Bank of China
Anthony Kritikides, CBA
Aaron Ng, Citigroup
Simon Watkin, CME Group
Darren Boulos, Deutsche
Scott Sloman, Goldman Sachs
Will Richardson, Macquarie Bank
Heath Moody, National Australia Bank
Stuart Simmons, QIC
Daniel Guille, Refinitiv/LSEG
Jeremy Carr, Suncorp
Gareth Taylor, Westpac

Apologies

Andrew Fielding, Australian Super
Deirdre Williams, BHP Billiton

Guests

James Andronis, ASIC
Phillip Blackwell, ASIC
Stefanie Holtze-Jen, GFXC
Jin Gu, ISDA
Monica Chiu, ISDA

Secretariat

Matthew Boge, RBA (Secretary)
Jason Griffin, RBA

1. Welcome and Competition Guidelines

The Chair reminded attendees that the meeting would be conducted in line with the RBA's [Competition Law Guidance](#).

2. IOSCO Final Report on Pre-hedging

Following public consultation, IOSCO recently published their [final report](#) on pre-hedging. A representative from ASIC – who had led the work – briefed members on the development of the report and its outcomes, which provide recommendations to enhance transparency and consistency around dealers' use of pre-hedging. The report also contains a list of considerations for clients and how pre-hedging may affect them. ASIC noted it would be aiming to align with the IOSCO principles, including reviewing their February 2024 [letter](#) to market intermediaries. Members noted consistency between the IOSCO report and pre-hedging guidance from the Global Foreign Exchange Committee (GFXC), both the [FX Global Code](#) and the GFXC's 2021 [report](#).

3. ISDA Update to FX Definitions

A representative from ISDA briefed members on their work to update the '1998 FX and Currency Option Definitions' and related documentation. They aim to have completed the redraft by the end of 2025, targeting implementation by the end of 2027. Included will be updates to calculation agent roles, a re-write of disruption event fallbacks, and a merging of the previous definitions and its supplements into a single main book.

4. Liquidity Management and FX Hedging

The member from CBA noted that Australian superannuation firms were allocating more than half of new investments to international assets, with a portion hedged by borrowing foreign currencies in the FX swap market. Most superannuation firms' FX swaps and forwards have no variation margin attached. (Under [CPS 226](#), FX forwards and swaps physically settled are exempt from the margining requirements.) In contrast, dealer banks had margining requirements on these instruments with other counterparties. The member from CBA noted that in a scenario where there was a material decline in the Australian dollar, this may put pressure on how a dealer bank manages its liquidity (with super funds initially shielded from liquidity effects due to the absence of variation margining). There was a brief discussion on the topic with some members noting that super funds have been considering a range of alternative liquidity management arrangements such as maintaining dynamic liquidity buffers and considering other funding sources such as repo.

5. Recent Trading Conditions in Foreign Exchange markets

The member from Goldman Sachs led off the discussion on market conditions over recent months. It was noted that volumes had grown modestly this year. Activity in the Australian dollar had increased over recent months but was down from levels observed in April during 'Liberation Day' volatility. Top-of-book bid-offer spreads had narrowed over recent months and were now at their lowest levels of the year.

Market functioning in the AUD forwards market had continued to be very stable with well-functioning funding markets noted. The usual flow from super funds (lending AUD and borrowing USD) was consistently well absorbed.

6. FX Turnover Survey

Members were briefed on the results of the 2025 BIS Triennial Survey conducted during April's heightened market volatility, which showed global FX turnover about 30 per cent higher than the previous triennial survey in 2022. Swap turnover rose only modestly, with the increase mainly driven by spot and forwards trading. Broader market volatility at the time of this year's survey was likely to have increased forwards turnover as FX hedges were being adjusted, but it was also noted that there had been a tilt from swaps to forwards trading more broadly over the last few years. Also noted was RMB's share of global turnover climbing to 8.5 per cent, though trading was still concentrated in Asian centres.

Members noted increased tenors for FX swaps from Australian super funds may lead to a decline in the proportion of swaps relative to forwards. One member opined that there was also some evidence Japanese investors were holding less US assets over the past year or so, which would reduce their use of FX swaps.

7. FX Statements of Commitment to the FX Global Code

Members were reminded that their renewed Statements of Commitments should be signed by end-January 2026.

8. GFXC Work Agenda

Stuart Simmons (QIC, co-Vice Chair of GFXC), who co-leads the GFXC's FX Data Working Group, provided a brief update on the group's work, noting they were looking at whether Disclosure Cover Sheets had been updated by market participants (particularly in light of adjustments to Principle 9 of the Code).

As lead of the GFXC's 'Motivations for Code Adherence' working group, Stefanie Holtze-Jen briefed the Committee on the three streams of work to promote the Code: education, industry and visibility.

9. General Business

None.

**Australian Foreign Exchange Committee
November 2025**