

1. What is the FX Global Code of Conduct (FXGCC)?

- Provides a set of good practices for the foreign exchange (FX) market
- Developed through a joint effort between Central Banks and Market Participants from 16 jurisdictions around the globe
- Adherence by commercial banks is expected to become a regulatory obligation in Mauritius in 2020/2021

2. What does it constitute of?

It consists of 6 leading Principles as hereunder:

1. Ethics

Market Participants are expected to behave in an ethical and professional manner to promote the fairness and integrity of the FX market

2. Governance

Market Participants are expected to have an effective governance framework to provide for clear responsibility and comprehensive oversight of their FX market activity.

3. Execution

Market Participants are expected to exercise care when negotiating and executing transactions in order to promote robust, fair, open, liquid and appropriately transparent FX market.

4. Information Sharing

Market Participants are expected to be clear and accurate in their communications and to protect confidential information to promote effective communication that supports a robust, fair, open, liquid and appropriately transparent FX market.

5. Risk Management and Compliance

Market Participants are expected to promote and maintain a robust control and compliance environment to effectively identify, manage and report on the risks associated with their engagement in the FX market.

6. Confirmation & Settlement

Market Participants are expected to put in place robust, efficient, transparent and risk-mitigating post-trade processes to promote the predictable smooth and timely settlement of transactions in the FX market

3. What is the purpose of the FXGCC?

- Avoiding conflict between Principal and Agent role of a market participant
- Avoiding false/misleading impression of Market information
- Avoiding the 'last look' mechanism (i.e. ability of liquidity providers to reject the trade even after their price quotes are hit)
- Fostering transparency and fairness between a market participant and its customers

4. Where can more information be obtained as regards the FXGCC?

For more information, refer to: https://www.globalfx.org/fx_global_code.htm

Revision History

Date	Author	Description of Changes	Sections
29 September 2020	BPDS_SIC	New FAQ	New