



# AUSTRALIAN FOREIGN EXCHANGE COMMITTEE

## MINUTES OF DECEMBER 2016 MEETING

Friday 16 December 2016

Reserve Bank of Australia

65 Martin Place

### Attendees

Guy Debelle, RBA (Chair)

Matt Boge, RBA (Secretary)

Chris Howlett, ACI Australia

Simon Warner, AMP Capital (via conference call)

Luke Marriott, ANZ (via conference call)

Mark Ferguson, Australian Super

Winnie Tan, Bank of China

David Hatzidis, CBA

Itay Tuchman, Citigroup

Stewart Cox, BHP Billiton (via conference call)

Jeff Ward, EBS (via conference call)

Stephen Gilmore, Future Fund (via conference call)

David Nolan, Goldman Sachs

Andrew Mourd, JP Morgan

Mark Lawler, National Australia Bank

Peter Fogarty, Macquarie Bank

Stuart Simmons, QIC (via conference call)

Gary Latner, Thomson Reuters

Chris Knight, XTX Markets

Hugh Killen, Westpac

### Apologies

Murray Regan, AFMA

Rachael Hoey, CLS

Lee Merchant, Deutsche Bank

Mike Coghlan, Reserve Bank of New Zealand

### Secretariat

Jason Griffin, RBA

**1. Minutes of previous meeting**

The minutes of the previous meeting were accepted without modification.

**2. Matters arising from the Minutes**

Having consulted with market participants, ACI Australia noted the Australian FX market would be officially open on Monday 26 December, but be closed on Monday 2 January 2017. However, it is up to each bank to decide on the hours they staff their offices.

**3. Feedback on the draft FX Global Code**

The Chair discussed the timetable for publishing the Code in May 2017. The latest draft of the Code was distributed to committee members in mid-December. Feedback on that draft would be discussed at the BIS working group meeting in the first week of January. A 'fatal flaw' draft would then be distributed in February. The Code will be finalised and endorsed by global central banks and foreign exchange committees in March ahead of its launch at the Global Foreign Exchange Committee meeting in London at the end of May.

Discussion by the AFXC on the draft Code covered several areas, with some members seeing pre-hedging and 'last look' as requiring further clarification. The committee also discussed the draft 'statement of commitment' that had been distributed with the Code. To reinforce adherence to the Code, members of the AFXC (and members of foreign exchange committees globally) will be expected to sign the statement.

**4. Update on GBP trading on 7 October**

The Chair informed members that the BIS Markets Committee had finalised their report on the volatility in GBP on 7 October. The report will be presented to central bank governors at their meeting in early January, and may be subsequently published.

**5. General Business**

None.

**6. Next Meeting**

The next meeting is scheduled for late March 2017 to coincide with the distribution of the 'fatal flaw' draft of the FX Global Code. The exact timing will be advised closer to the date.