



AUSTRALIAN FOREIGN EXCHANGE COMMITTEE

afxc-secretariat@rba.gov.au
65 Martin Place
GPO Box 3947
Sydney, NSW 2001

+61 2 9551 9720

Australian Annex to ACI ‘The Model Code’

Introduction

The wholesale Australian foreign exchange market (FX) is part of the wholesale global FX market and, as such, it is governed by certain market codes and conventions. In Australia, ACI’s ‘The Model Code’ (ACI Code) is the minimum accepted standard of conduct. The Australian Annex is prepared by the Australian Foreign Exchange Committee (AFXC) and operates in conjunction with the ACI Code. The AFXC has also released a joint statement with eight other FX committees supporting and endorsing the FX “Global Code” as published by the BIS on 26 May 2016.

In addition, FX participants in Australia should ensure they comply with legal and local regulations, policies and regulations imposed by their respective organisation, and other local rules and regulations that may apply.

Australian Annex

Non-Current Rates (also known to as Historic Rate Rollovers)

The AFXC strongly discourages the use of ‘non-current exchange rates’ for transactional purposes. However, the committee recognises that there may be certain instances where the use of ‘non-current exchange rates’ may be required (e.g.: for corporate clients to align payments with actual product delivery). In such circumstances, the appropriate practice is for the senior management of both organisations to endorse the transaction prior to execution.

In addition to endorsement by senior management, the AFXC strongly recommends that organisations, engaging in the practice of using non-current rates, have appropriate legal documentation in place that sets out the terms and obligations of each party.

Appendix

The ACI Model Code is available from ACI – The Financial Markets Association

www.acifma.com

Information on the Australian Foreign Exchange Committee is available at: [AFXC](#)

The FX “[Global Code](#)” as published by the BIS on 26 May 2016