



AUSTRALIAN FOREIGN EXCHANGE COMMITTEE

MINUTES OF June 2018 MEETING

Thursday 21 June 2018
Reserve Bank of Australia
65 Martin Place

Attendees

Christopher Kent, RBA (Chair)
Keith Sedergreen, ACI Australia
Mark McCarthy, AFMA
Joe Kassel, AMP Capital
Luke Marriott, ANZ
Mark Ferguson, Australian Super (via conference call)
Winnie Tan, Bank of China
David Hatzidis, CBA
John Nihill, Citigroup
Rachael Hoey, CLS (via conference call)
Lee Merchant, Deutsche Bank
David Kendrick, HSBC (via conference call)
Simon Watkin, NEX
Andrew Mourd, JP Morgan
Will Richardson, Macquarie Bank
Mark Lawler, National Australia Bank (via conference call)
Stuart Simmons, QIC
Simon Sukhaseume, SSGA
Gary Latner, Thomson Reuters
Graeme Edie, Westpac
Chris Knight, XTX Markets (via conference call)

Apologies

Stewart Cox, BHP Billiton

Guests

Mark Perry, RBNZ (via conference call)
Greg Yanco, ASIC
Katharine Goulstone, ASIC

Secretariat

Matthew Boge, RBA (Secretary)
Jason Griffin, RBA

1. Retail FX

Representatives from ASIC provided a summary of their findings from recent surveillance of the Australian licenced retail OTC derivatives market. The summary covered the size of the market, the products traded and the types of inappropriate activities observed. It was noted the majority of clients of retail margin FX providers lose money. Also discussed was ASIC's intervention powers in this area.

2. Minutes of previous meeting

The minutes of the previous meeting were accepted without modification.

Graeme Edie provided an update on the GFMA's work on re-considering Monday's opening time for FX markets. Having liaised with New Zealand representatives recently and considered the implications for existing contractual arrangements, the GFMA is likely to wait until its Board meeting in September before considering whether to pursue this matter further.

3. GFXC Meeting in South Africa on 27 June

a. Pre-hedging examples

A GFXC working group had recently developed a set of negative 'pre-hedging' examples for possible inclusion in the FX Global Code. Members discussed the merits of these proposed examples, with the consensus being that none of the examples were acceptable in their current form. Suggestions for how to improve them would be communicated to the GFXC Secretariat ahead of the GFXC meeting in South Africa.

b. Other GFXC Working Groups

The Secretary provided an update on the other GFXC working groups ('cover and deal' trading models; disclosures and transparency).

Members also discussed the general adoption and awareness of the Code one year since its launch. AFXC members were invited to consider ways to broaden the commitment of buy-side participants to the Code.

4. Update on public registers for Statements of Commitments

The member from AFMA provided an update on the AFMA/ACI public register. Their recent liaison with the administrators of other public registers in the region indicated that collaboration would not be productive as many of these are being designed to accommodate local characteristics (including languages other than English).

5. General business

Keith Sedergreen advised that the ACI Australian Dealing Simulation course would be run in the week of 29 October.

6. Next meeting

The next meeting is scheduled for late September but the exact date will be advised following next week's GFXC meeting.

Australian Foreign Exchange Committee

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