

# Education Tools for FX Global Code Adherence Presentation to Global FX Committee Sydney, Australia, 4/5 November 2019

Supporting ethical conduct in financial markets

MEMBERSHIP

ETHICAL CONDUCT

EDUCATION



# ACI

FINANCIAL MARKETS ASSOCIATION EST.1955

# Our Values Have Global Relevance

- ✓ **Membership** Over 8.000 individual market participants that represent 60 ACI National Associations globally
- ✓ **Education** Accredited, portable qualification and certification of professional and ethical standards to market participants worldwide<sup>1</sup>
- ✓ **Ethical Conduct** ACI members are expected to maintain the highest ethical conduct in adherence with global codes relevant to them

## **Mission Statement:**

***To be a leading, global association of wholesales financial market professionals, contributing to the market development through education, market practices, technical advice and networking events.***

1 - ACI Dealing Certificate, ACI Operations Certificate, ACI Diploma & ACI FX Global Code Exams

# ACI And The FX Global Code

- ✓ ACI was a member of the Market Participants Group and signed its Statement of Intent
- ✓ Since its publication, ACI fully supports the FX Global Code and recommends that all its members adhere to the good market practices advocated by the Code
  - ✓ ACI has retired its Model Code in May 2017
- ✓ ACI representatives are regular members of the following Working Groups
  - ✓ Buy Side Outreach
  - ✓ Cover and Deal
  - ✓ Disclosures
- ✓ ACI has provided feedback on its educational activities to the Working Group on Embedding the Code

# We Promote Awareness And Adherence To FX Global Code

## ✓ **Events held in:**

- ✓ 45 ACI National Associations (plus 3 already planned for Q1 2020)
- ✓ 4 countries with no ACI local presence

## ✓ **Webinars with Refinitiv:**

- ✓ Nov 2018 for global audience: 46 countries represented
- ✓ Jun 2019 for African markets
- ✓ More planned for 2020 (Africa, Americas and Asia)

## ✓ **Workshops (1 or 2 days) held in:**

- ✓ Egypt, Indonesia, Jamaica, Kenya, Netherlands, Panama, Portugal, South Africa, Sri Lanka and United Arab Emirates

## ✓ **Regular website/LinkedIn engagement with members and non-members**

# Learnings From Our Events, Webinars and Workshops

- ✓ Awareness to the Code is still considered low in emerging markets
  - ✓ Some central banks ask ACI to explain the Code and its objectives to them and to local Market Participants
  - ✓ Most of their Market Participants think the Code is only applicable in developed markets
  
- ✓ Perhaps unsurprisingly, most front-office personnel have struggled with the majority of principles included in:
  - ✓ Risk Management and Compliance
  - ✓ Confirmation and Settlement
  
- ✓ A number of Market Participants have expressed difficulty in the practical implementation of the Information Sharing's principles

# Learnings From Our Events, Webinars and Workshops

- ✓ Implementation of principles is frequently mentioned as a challenge for most of the Market Participants that we met, as doubts exist on:
  - ✓ How to start internal process?
  - ✓ Who should lead and be accountable?
  - ✓ What assistance (if any) the local regulator can or should provide?
  - ✓ What is the timing for adoption?
  - ✓ Can principles be embedded in a phased manner?
  - ✓ What area ensures ongoing adherence?
  - ✓ Can principles really be applied with proportionality?
  - ✓ When to sign the Statement of Commitment?
  - ✓ Etc

# Education Challenges

- ✓ **2018 Survey – Global FX Committee**
- ✓ **Question 15:** “What steps has your firm taken, or does it plan to take, to embed and monitor the Global Code in your practices? (Choose all that apply)”
- ✓ **303 respondents**

		Response percent	Response total
Staff training and education programme about the Global Code		<b>68.65%</b>	<b>208</b>
Incorporate the Global Code into internal policies/procedures/codes		<b>62.38%</b>	<b>189</b>
Link staff performance reviews with adherence to good practices identified in the Global Code		<b>21.78%</b>	<b>66</b>
Have regard to Global Code adherence in counterparty policies		<b>20.79%</b>	<b>63</b>
Performing a gap analysis to identify gaps between our internal practices and the principles of the Global Code		<b>47.86%</b>	<b>145</b>
Other		<b>6.93%</b>	<b>21</b>
None		<b>8.58%</b>	<b>26</b>

# Education Challenges

- ✓ **2018 Survey – Global FX Committee**
- ✓ Question **17**: “Which areas of your firm have been involved in your firm's implementation of the Global Code? (Choose all that apply)”
  - ✓ 303 respondents

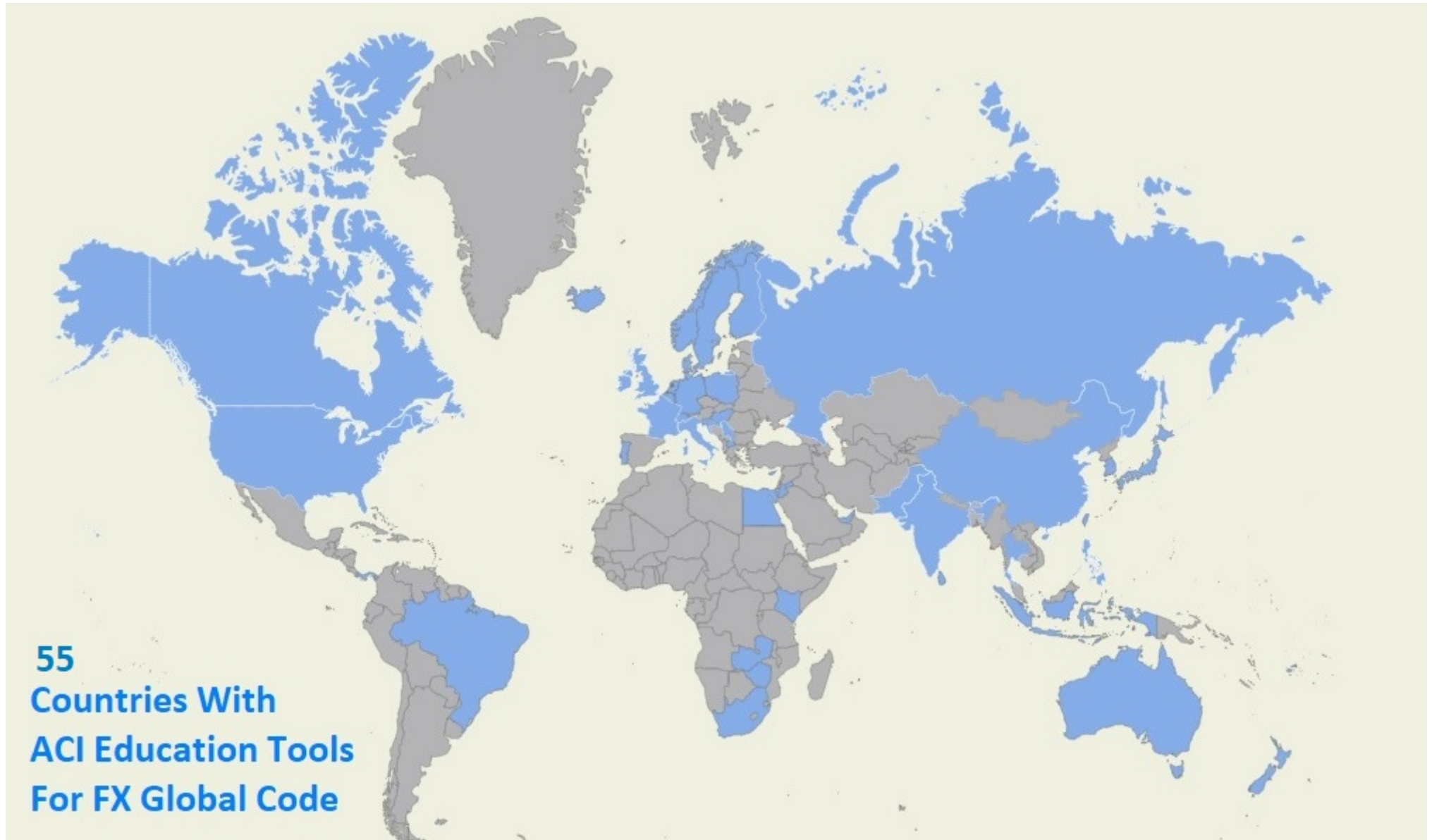
		Response percent	Response total
Trading functions		<b>81.52%</b>	<b>247</b>
Sales functions		<b>46.87%</b>	<b>142</b>
Legal functions		<b>48.52%</b>	<b>147</b>
Compliance functions		<b>68.32%</b>	<b>207</b>
Risk Management functions		<b>56.11%</b>	<b>170</b>
Internal Audit functions		<b>27.39%</b>	<b>83</b>
IT functions		<b>28.05%</b>	<b>85</b>
Human Resource functions		<b>17.49%</b>	<b>53</b>
Other		<b>14.85%</b>	<b>45</b>
None of the above		<b>7.26%</b>	<b>22</b>



# Our Education Tools Support FX Global Code Adherence

- ✓ Since May 2017, ACI has extended its **training and certification tools** in order to support adherence and understanding of the FX Global Code
  - ✓ Available to all Market Participants (including non-members of ACI)
  - ✓ Already used by some members of the Global FX Committee
- ✓ **ELAC (E-Learning, Attestation and Certification) Portal**
  - ✓ Training with Continuous Professional Development
  - ✓ Self Assessment Questions and Market Practice Scenarios (“real life”)
  - ✓ MIS through Admin Dashboard
- ✓ **FX Global Code Certificate Exams**
  - ✓ Online (taken anywhere) and Test Centre Versions (75% pass mark)
- ✓ **Workshops**
  - ✓ Tailor-made, usually 1 or 2 days with practical exercises

# Global Usage Of ACI Education Tools For The FX Global Code



# What is ELAC?

ELAC

Forgot Login

Request Account

## Login to ELAC

No ELAC account? Click [here](#) to find out how to subscribe.

E-mail address

Password

Login

Online, configurable, proportional, interactive training and testing portal, **developed by market professionals to market professionals**, providing Market Participants a framework to demonstrate and communicate all staff are up-to-date with the latest Codes, global standards and best practice guidelines applicable to their industry and role.

With ELAC, you can  
**implement the FX Global Code effectively and efficiently.**

*ELAC- a true state-of-the-art continuous e-learning and certification portal that brings codes to life.*

# How Can The ACI And The GFXC Work Even Closer Together

- ✓ These suggestions could support wider awareness that continuous training and attestation are key for FX Global Code ongoing adoption by individual Market Participants
  - ✓ Public recognition of ACI education tools by members of the GFXC and local FXC members
  - ✓ Staff training and attestation on the FX Global Code could be mentioned in the Foreword as appropriate methodologies
- ✓ In addition:
  - ✓ ACI's inclusion in Working Group on Embedding The Code to offer its help on addressing challenges related to FX Global Code training
  - ✓ Validation by GFXC members of translations for ACI FX Global Code educational content (French started, Spanish and Portuguese to follow)
  - ✓ Free ELAC demo for all GFXC members attending Sydney meeting

# Q&A

- ✓ What can ACI do in order to promote more and better education on the FX Global Code?
- ✓ What other languages should ACI consider for translation of its FX Global Code educational content (sign off from GFXC as Banque de France is doing with the French translation)?
- ✓ How can ACI contribute to an even better functioning FX Market?
- ✓ How can ACI further support central banks on their efforts to promote adherence to the Code?
- ✓ Would it be relevant if ACI creates a Public Register for individuals that pass our exams and ELAC certification?

# Key Contacts In ACI

- ✓ Bruno Langfritz (Chairman)
  - ✓ [bruno.langfritz@acifma.com](mailto:bruno.langfritz@acifma.com)
  - ✓ +41 79 433 90 18
  
- ✓ Kim Winding Larsen (President Delegate)
  - ✓ [kwl@acifma.com](mailto:kwl@acifma.com)
  - ✓ +45 40 99 50 51
  
- ✓ Rui Correia (Director and Chair of Board of Education)
  - ✓ [rui.correia@acifma.com](mailto:rui.correia@acifma.com)
  - ✓ +351 91 535 6059



# ACI – Enhancing Knowledge and Ethical Culture



# Appendices

Supporting ethical conduct in financial markets

MEMBERSHIP

ETHICAL CONDUCT

EDUCATION



**ACI**

FINANCIAL MARKETS ASSOCIATION EST.1955





THE JAMAICA INSTITUTE OF FINANCIAL SERVICES  
IN COLLABORATION WITH ACI FINANCIAL MARKETS ASSOCIATION PRESENTS

# FX GLOBAL CODE

## CERTIFICATION PROGRAMME

September - December 2019



### What is the FX Global Code:

The FX Global Code is a set of principles or good practice in the foreign exchange market that will be instituted to help the development, as well as provide a common set of guidelines to promote the integrity, and effective functioning of the local Foreign Exchange Market (FX Market). The intent is to promote a robust, fair, liquid, efficient, open and transparent market. In doing this all market participants supported by robust infrastructure are able to confidently and effectively transact at competitive prices that reflect available market information and in a manner that conforms to acceptable standards of behavior.

### Programme Introduction

This Programme is designed to provide awareness and practical application of good market practices included in the FX Global Code, a common set of guidelines released in May 2017 to promote the integrity and effective functioning of the wholesale foreign exchange market (FX Market).

### Overall Objective

For attendees to have a thorough knowledge of the Principles of the FX Global Code, with emphasis on application of high standards of integrity, conduct and professionalism as well as the monitoring and control mechanisms to be introduced to protect individuals and their institutions from undue risks and resultant losses.

### Specific Objectives

At the end of the Programme, individual attendees should be able to:

- Understand what the FX Global Code is, its development, application and scope
- Recognize and evaluate the significance of **ethical and professional behavior**
- Know the appropriate **governance structures** that promote and support good market practices
- Comprehend the requirements for negotiating and **executing transactions** in a fair and transparent manner
- Assimilate what is acceptable conduct when using and **sharing information**
- Perceive the appropriate frameworks of **risk management and compliance** for prevention of risks
- Get acquainted with **confirmation and settlement** tasks supporting the efficient settlement of transactions
- Realize why **adherence** of Market Participants to the FX Global Code is important
- Learn how **continuous training** can ensure proof of adherence to the FX Global Code
- Assess their knowledge of the FX Global Code via a **certification process**





## Components of the Programme

September - December 2019

- September 10: Pre-Reading Material
- September 24: Initial Webinar "The FX Global Code... What Is It?"
- November 5: Workshop "FX Global Code - Good Market Practices" (Kingston, Jamaica)
- November 26: Pre-Exam Webinar "Questions and Answers"
- December 3: Exam/Certification

### Pre-Reading Material

FX Global Code (August 2018 Version)  
ACI FX Global Code Certificate Syllabus  
ACI FX Global Code Certificate Sample Questions  
Information from the Global Foreign Exchange Committee on <https://www.globalfxc.org/index.htm>

### Initial Webinar

#### "The FX Global Code... What Is It?"

Duration 1 hour

Brief History on Good Market Practices  
The Conception of the FX Global Code

### Workshop

#### "FX Global Code – Good Market Practices"

Duration 7 hours

Functions and Extent of the FX Global Code  
Ethics and Standard of Conduct – With Case Studies/Exercises  
Governance Models  
Best, Fair and Transparent Execution  
Communicating Properly – With Case Studies/Exercises  
Identify, Control, Manage and Report Risks  
Post Trade Processes  
Is Your Voluntary Adherence Mandatory?  
Embedding the FX Global Code in Your Practices  
Questions and Scenarios on the FX Global Code

### Pre-Exam Webinar

#### "Questions and Answers"

Duration 1 hour

General Overview  
Clarification of Doubts



Register by August 9, 2019

Cost: **US\$700+GCT** per person  
(Includes: Pre-Reading Material, Webinars, 1-Day Workshop and the Certification Exam)

REGISTER NOW >

### About JIFS

The Jamaica Institute of Financial Services (JIFS) was established as The Jamaica Institute of Bankers (JIOB) in 1977 by the Bank of Jamaica and the Commercial Banks. In 1999 the Jamaica Bankers Association (JBA) assumed full responsibility for its operations. The name change took effect in May 2010 and reflect its mandate to support the financial services industry through training (Financial Services Training Institute), research (Research Club) and social exchange (Finance Club).

Its Executive Committee comprises senior heads of human resources of the financial services sector who provide guidance regarding its activities.

In its effort to prepare professionals for the global market place it has forged a number of strategic partnerships both locally and overseas. It now offers the Chartered Banker MBA programme from the internationally renowned Business School for Banking (Bangor University) in partnership with the world's oldest professional Institute of Bankers (The Chartered Banker Institute – Scotland). It also offers certification through the International Compliance Training UK and is a service member of the Caribbean Association of Banks (CAB).

### About ACI

ACI – The Financial Markets Association is a global association representing wholesale financial markets professionals. Since 1955, ACI Financial Markets Association (ACI) has represented the interests of individuals in professional trading, broking, operations, regulatory and compliance activities in global financial markets. Focused on three core principles of Membership, Education and Ethical Conduct, ACI is committed to supporting market participants to operate to the highest standards of ethical conduct and best market practice.

For further information contact:

**Jamaica Institute of Financial Services**

53 Knutsford Boulevard, Kingston 5

Tel 876-754-5051-2

Email: [info@jifsjm.org](mailto:info@jifsjm.org)

website: [www.jifsjm.org](http://www.jifsjm.org)

