FX Global Code

Instructions for completing the Liquidity Provider Disclosure Cover Sheet

This document sets out guidance for Market Participants on how to complete the Liquidity Provider Disclosure Cover Sheet. All terms used in this Cover Sheet are as defined in the FX Global Code (the "Code") unless otherwise stated (https://www.globalfxc.org/docs/fx_global.pdf).

A "Liquidity Provider" (LP) for the purposes of this Cover Sheet is an institution [or individual] that makes two-way markets in foreign exchange products. LPs completing this Cover Sheet should consider whether any additional disclosure is needed to explain differences between their legal entities that have signed Statements of Commitment to the Code and those that are the subject of this Cover Sheet.

SECTION B: SCOPE
This section provides descriptive information of the LP.

Heading/Term	Description	Type of answer
Liquidity Provider / Entity Name	Specify name of the Liquidity Provider (LP) and the legal entity (or legal entities) to which the Cover Sheet applies. This could be the overall group to which the LP is a part or the specific entity or entities (for example, specify whether it is a subsidiary/branch/group).	Free form *Example - for illustrative purposes only:* *LP name: ABCD; or* *ABCD (a subsidiary/branch of XYZ group)*
Entity / business area to which the Cover Sheet applies	This could, for instance, include information on whether the entity to which this Cover Sheet relates is the same entity that has signed a Statement of Commitment to the Code.	Free form

SECTION C: KEY DISCLOSURES
This section sets out information relating to the LP's key disclosure topics.

Question	Description	Type of answer
1. Capacity (Principle 8)		

I.   LP acts as
    a) Agent
    b) Principal
    c) Both
	Specify role of the LP in the transaction/relationship by selecting a), b) or c).
	
	Agent and Principal are defined in Principle 8 of the Code.
		Tick box - select from the three options.

II. If 'Both', briefly describe when LP acts in each capacity	Only complete if selected 'c' to part I. Provide commentary on circumstances where LP would act in an Agent capacity and in a Principal capacity.	Free Form

III. LP's disclosure regarding capacity is located here		Link and/or refer to specific section and page number in disclosures.
2. Pre-Hedging (Principle 11)		
I. LP ever pre-hedges.	Pre-Hedging is defined in Principle 11 of the Code.	Tick box – only tick 'no' if you never pre-hedge.
II. If yes, LP ever offers clients, upon request, the option of placing an individual order specifying no pre-hedging.	Only complete if selected 'yes' to part I. The question refers to clients' ability to request no pre-hedging on an individual order basis.	Tick box – only tick 'no' if you never offer this option.
III. LP's disclosure regarding pre-hedging is located here		Link and/or refer to specific section and page number in disclosures
3. Last Look (Principle 17)		
I. LP ever employs Last Look	Last Look is defined in Principle 17 of the Code. LPs should fill out this section in respect to its Last Look practices on all FX products.	Tick box – only tick 'no' if you never employ Last Look.
II. LP's use of Last Look: Symmetrical/ Asymmetrical	State how the Last Look price check is applied by LP. Principle 17 provides guidance that LPs should disclose how "… *changes to price in either direction may impact the decision to accept or reject the trade.*" LPs apply a price check symmetrically or asymmetrically. A symmetric check applies the same price tolerance level symmetrically around the current price. The LP will reject any trade request on a price that exceeds the defined tolerance level, regardless of whether it is in favour of the LP or the liquidity consumer (LC). In an asymmetric price check, the application of the tolerance level is asymmetric around the current price.	Tick box If Asymmetrical: Use free form box to explain what this means/circumstances in which it is applied. Can also provide a link to relevant disclosure document.
III. LP's Last Look window max and min length	Provide information on the maximum and minimum length of the Last Look window (in m/s) (outliers owing to technical issues do not need to be captured). As described in Figure 1 of the GFXC Last Look Report (2021), the Last Look window is the length of time from when	Free form

	the LP receives the trade request to when the LP submits acceptance or rejection of the request. This time span comprises the validity and price check only, and should not incorporate any delay that is additional to what is required to complete the price and validity check. Can provide further clarifying detail on why the length of the Last Look window may change. For example, as set out in the GFXC Last Look report, where an LP is providing a quote on an electronic Request-For-Quote (RFQ) basis, credit may be 'carved out' at the time of the quote request, which may lessen the requirement to check again at the time of a trade request.	
IV. LP ever trades during the Last Look window	Principle 17 prohibits the LP from conducting trading activity that utilises the information from the Client's trade request during the Last Look window, apart from where it is a Cover and Deal arrangement. As a result the only responses are "No" or "When sourcing liquidity under a Cover and Deal arrangement".	Tick box
V. LPs disclosure regarding Last Look		Link and/or refer to specific section and page number in disclosures
VI. LP may include free form text	Opportunity for LP to highlight any points referred to within the Cover Sheet and underlying disclosures documentation on Last Look if deemed relevant and helpful.	Free form

SECTION D: DISCLOSURES INDEX

This section sets out a comprehensive index of disclosures organised across broad themes, intended to make navigation of disclosure information easier and to allow LPs completing the Cover Sheet to cross-refer to their existing documentation by identifying the specific sections that are relevant to the Code.

When completing this section, LPs can use either free form text and/or links to direct Clients to the specific section and page number in the disclosures document where additional information is located. A description of each of the key terms used is set out below.

For further guidance, please refer to the relevant sections of the Code: https://www.globalfxc.org/docs/fx_global.pdf

Heading/Term	Description
Order Aggregation (Principle 9)	The LP can use this section to share details of their policy regarding Order Aggregation; Responses will vary depending on the role of the LP in the transaction (i.e. as described in Principle 8 above: Agent/Principal/both). Principle 9 of the Code requires that: *"Market Participants should handle orders fairly and with transparency in line with the capacities in which they act…"…"Market Participants should make Clients aware of such factors as: how orders are handled and transacted, including whether orders are aggregated or time prioritised;"*
Discretion (Principle 9)	The LP can set out here details of their policy on circumstances where use of discretion may exist or may be expected, and how it may be exercised.
Time-Stamping (Principle 9)	Details provided here can include information on what the LP's time-stamping policy is and whether it is applied both when the order is accepted and when it is triggered or executed (for further guidance - see also Principle 36 of the Code in Risk Management and Compliance).
Stop- Loss Orders (Principle 10)	LP can provide details of their policy on handling of Stop-Loss Orders, including making the Client aware of any specific considerations for execution of the order.
Partial Fills (Principle 10)	As noted above for Stop-Loss Orders, the LP can provide details here of how it handles a Client Order requiring a partial fill, including the steps taken to ensure it is fair and reasonable and disclosure of any other applicable factors to the Client(s).
Use of Reference Prices (Principle 13)	The LP can provide details of their policy on use of reference prices, so that Clients are aware of how references prices are established in relation to, and with, their transactions and/or orders.
Mark-Up/Fair Pricing Standards (Principle 14)	Details can be provided of the LP's policy on how and why any mark-up might be included.
Aggregation Services (Principle 18)	State if LP uses aggregation services; If yes, provide details of where disclosure information describing use is located. Details provided by the LP can include information on their policy regarding how aggregation operates.
Internal sharing of Confidential FX Trading Information (Principle 19)	Provide high-level disclosure of how Confidential Information, in the form of FX Trading Information, is shared internally. This can include disclosure regarding internal information sharing policies or a non-exhaustive description of the types of internal information barriers an LP may have in place.
Market Colour (Principles 20 and 22)	Provide details of where LP's disclosure regarding use of Market Colour is located.