

Foreign Exchange Joint Standing Committee: Terms of Reference

Date adopted: February 2019

The purpose of the Foreign Exchange Joint Standing Committee (the “Committee”) is to provide a senior-level forum for market participants and infrastructure providers active in the UK and the relevant UK public authorities to meet regularly to discuss conjunctural and structural issues concerning the wholesale foreign exchange market (the “FX Market”) and the associated supporting infrastructure.

The Committee will:

- Meet regularly to discuss important market or structural developments that may have a direct or indirect impact on the FX Market and, where appropriate, propose potential responses to them.
- As a member, support the objectives of the Global Foreign Exchange Committee (GFXC)¹ including through promoting and maintaining the FX Global Code (“the Code”) and associated adherence mechanisms in the UK, promoting collaboration and communication amongst global FX centres, and by contributing to the exchange of views on trends and developments in global FX markets including on the structure and functioning of those markets.
- Serve as a channel of communication between market participants and the relevant UK public authorities. Liaise, where appropriate, with market bodies and trade organisations covering the wholesale FX market and other financial markets, both in London and in other financial centres.
- Identify and address any high-level issues concerning contingency planning in the wholesale foreign exchange market in the UK, having regard to international developments.
- In the event of a crisis/market instability, play a co-ordinating role in relation to market participants in the FX Market and related infrastructure providers, including through holding telephone conference calls. This role may extend to contingency planning and coordination with relevant UK public authorities.

The Secretariat of the Committee will:

- Produce minutes of the Committee’s meetings. These will be reviewed and confirmed by Committee members at the next meeting and will be published on the Bank of England website² shortly thereafter.

¹ <http://www.globalfx.org/>

² <https://www.bankofengland.co.uk/markets/london-foreign-exchange-joint-standing-committee>

Membership and Procedures

- The Committee and any sub-committees it forms shall comprise senior practitioners from financial and non-financial institutions active in the FX Market, from the broking community, from infrastructure providers and representatives from industry associations and the relevant UK public authorities.
- Members are invited to contribute with a view to furthering the interests of the FX Market, rather than representing the interests of their individual institutions. Membership is dependent on individuals having relevant expertise to be able to contribute to discussions, committing their own time, and providing adequate resources to support the objectives of the Committee. Non-members may, on occasion, be invited to attend Committee meetings to discuss or present on specific issues.
- Generally membership is on an individual rather than on an institutional basis. Therefore, a member who steps down cannot automatically pass on their seat to a replacement within their institution. Membership of the Committee will be reviewed on a regular basis. A range of factors are considered when reviewing membership with the aim to ensure the Committee's composition is broadly representative of the wholesale FX market in the UK, and includes having regard to the diversity of members and the institutions they come from.
- Where relevant, members are expected to come from institutions that conduct their FX Market activities in a manner consistent with the principles of the Code, and demonstrate their commitment by using the Statement of Commitment provided in Annex 3 of the Code. At the FXJSC Chair's discretion, transitional arrangements may be offered to institutions with firm plans to demonstrate their commitment to the Code.
- Members of the Committee should be mindful of the competition law guidelines provided to all members³.
- The Committee is chaired and administered by the Bank of England. It aims to meet at least quarterly.
- Members should aim to attend Committee meetings on a regular basis. They should contact the Committee's Secretariat if they are unable to attend a meeting and the Chair if absences are frequent.
- Each member should nominate an alternate who can participate in contingency arrangements if needed. However, alternates should not normally attend meetings, unless by prior arrangement with the Chair.

³ <https://www.bankofengland.co.uk/-/media/boe/files/markets/foreign-exchange-joint-standing-committee/fxjsc-competition-guidelines-2018.pdf>