

TERMS OF REFERENCE FOR THE UK MONEY MARKETS CODE SUB-COMMITTEE

Background

1. In 2016 the Bank of England convened a Joint Sub-Committee (the Codes Sub-Committee) of the Money Markets Committee (MMC) and Securities Lending Committee (SLC), to establish the UK Money Markets Code ('the Code').
2. The Code was developed to provide a common set of principles in order to promote the integrity and effective functioning of the UK Money Markets. It is intended to promote a fair, effective and transparent market in which a diverse set of UK Market Participants are able to confidently and effectively transact in a manner that is consistent with the highest standards of behaviour.
3. The Code applies to transactions in the UK Money Markets, specifically in the sterling and foreign currency wholesale unsecured deposit market, repo market and securities lending transactions as transacted in the United Kingdom.
4. Since the Code's launch in April 2017, the role of the Sub-Committee has evolved. The Sub-Committee work to promote the adoption of the Code, to keep it up to date, and to ensure that it continues to under-pin the high level of professionalism and ethical standards which market participants are expected by all to uphold.

Objectives

5. To ensure that the Code remains appropriate and continues to be effective in promoting the integrity and effective functioning of the UK money markets.
6. To regularly review the content of the Code and the Explanatory Notes.
7. To encourage awareness of, adoption of, and adherence to the Code across participants in the UK Money Markets. To discuss matters of adherence that are brought to the Committee's attention.
8. To align the Code with future changes that may be made to the Global FX Code and other relevant codes of practice to ensure consistency, where it is appropriate.
9. To address any specific issues pertinent to the content of the Code arising in relation to the integrity and effective functioning of the UK Money Markets, including with regard to evolving market structure. This could include the formation of working groups of the Sub-Committee, working with the MMC and SLC, and taking forward work proposed by the MMC.
 - a. Where appropriate, to propose responses to any issues identified.
 - b. Where appropriate, to present issues to the MMC for their views, input, feedback and direction.

Governance

10. The Sub-Committee will report progress to the MMC at each meeting.
11. Draft non-attributable minutes will be produced and circulated to all attendees for approval. Once agreed by the Sub-Committee these will be published on the Bank's website.

12. Decisions will usually be made by general consensus but the Chair may ask for a decision by majority vote if agreement cannot be otherwise reached.
13. The Sub-Committee will only be quorate if at least two-thirds of the membership is in attendance in addition to the Chair.

Deliverables

14. The Sub-Committee will deliver:
 - a. A full review of the Code every three years
 - b. An annual review of proposals for interim updates to the Code, taken to MMC for agreement
 - c. Continuous assessment of whether the Code remains up to date and relevant
 - d. Appropriate regular engagement with UK market participants to monitor adoption and adherence
 - e. Maintenance of a public register of those organisations that have signed Statements of Commitment or Support to the Code

Composition

15. The Sub-Committee will be chaired by a market participant from the deposit, repo or securities financing market. The Chair will be appointed by personal invitation from a senior official at the Bank of England.
16. The members will be representative of a wide cross section of market participants. Members are expected to represent themselves as senior market participants, their firms or the association they represent, the wider interest of their sector of the market, and represent the best interests of the functioning of the market as a whole. Individuals who fulfil these expectations may be invited to join by personal invitation from a senior official from the Bank of England.
17. Membership of the Committee will be reviewed on a regular basis. A range of factors are considered when reviewing membership with the aim of ensuring that the Committee is broadly representative of the UK money markets, while having regard to the need to advance equality of opportunity, and reflect an appropriate diversity of members and the firms they come from.
18. All members are expected to work for organisations that have signed the Statement of Commitment to the Code or, if appropriate, issued a statement of support for the Code.
19. The Bank of England will provide an ex-officio technical adviser and the secretariat.
20. Members should attend meetings themselves, sending alternates only by exception and by prior arrangement with the secretariat.

Confidentiality

21. Any information disclosed or opinions expressed during Sub-Committee meetings will be treated as confidential unless and until the Sub-Committee has authorised their public release. Sub-Committee members may be exposed to sensitive information and, potentially, to material non-public information in the course of their work. It is understood that Sub-Committee members' staff

may see some documents relating to the Sub-Committee. Unnecessary involvement of third parties in handling this material is strongly discouraged. In all cases where third parties see Sub-Committee documentation, individual members are expected to accept responsibility for ensuring that those third parties are aware of and respect the confidentiality and sensitivity which attaches to the Sub-Committee and the documents in question.

Competition Law

22. It is the responsibility of Sub-Committee members to ensure they understand their responsibilities under all applicable competition laws, including UK and EU competition law. To the extent any Sub-Committee member is unclear of these, they should consult the legal and/or compliance teams at their respective institution for further guidance. If, during a Sub-Committee meeting, a member has concerns about the discussion from a competition law compliance perspective, the members should make their concerns known and the discussion giving rise to such concerns should cease.