



BANK OF ENGLAND

News release

Press Office

Threadneedle Street

London EC2R 8AH

T 020 7601 4411

F 020 7601 5460

press@bankofengland.co.uk

www.bankofengland.co.uk

30 November 2000

London Code of Conduct for Non-Investment Products: A Consultation Paper

Following the implementation of the Financial Services and Markets Act 2000 and its associated secondary legislation, which is scheduled for next year (N2), the current London Code of Conduct (LCC) for investment and 'non-investment products' produced by the Financial Services Authority (FSA) will be succeeded by a new Inter-Professionals Code (IPC) covering investment products.

The IPC will cover only 'investment products' as defined, and will not cover 'non-investment products', that is wholesale sterling, foreign exchange and bullion deposits and the spot and forward foreign exchange and bullion transactions. However, there was strong market support for keeping a Code, drafted along the lines of the London Code, for trading in 'non-investment products' to provide continued guidance on good practice in order to underpin the professionalism and high standards that exist in the markets for 'non-investment products'. This would be a market Code with no statutory underpinning except where it refers to existing legal requirements.

A draft Code for 'non-investment products' has now been drawn up by the Foreign Exchange Joint Standing Committee, Wholesale Sterling Deposits Working Group (a sub-group of the Money Market Liaison Group), and the London Bullion Market Association, which together represent a wide cross-section of market practitioners in the relevant markets. This draft is being issued today as a consultation document.

The consultation document is available on the Bank of England's website www.bankofengland.co.uk/markets/nips.htm paper copies of the Code may be requested from:

The Secretary,
Foreign Exchange Joint Standing Committee
Foreign Exchange Division
Bank of England
Threadneedle Street
London
EC2R 8AH.

Comments are welcome both in electronic format, e-mailed to nipscode@bankofengland.co.uk, or may be sent to the Secretary of the Foreign Exchange Joint Standing Committee at the above address. Comments on the Code are requested by 22nd December 2000.