26 April 2017

The UK Money Markets code

A new, voluntary UK Money Markets Code setting out the standards and best practice expected from participants in the deposit, repo and securities lending markets has been published today (26 April).

The Code is underpinned by the key principle that participants should always act in a manner to promote the integrity and effective functioning of these markets. It also outlines six high-level principles encompassing: ethics, governance, risk management, confidentiality, execution and settlement.

The Bank of England's Money Markets Committee (MMC) – comprised of market participants from a wide range of banks, other financial and non-financial institutions – has endorsed the Code. A sub-group of those experienced market practitioners was formed to draw up the Code and will remain in place as a permanent Sub-Committee of the MMC to ensure that it remains relevant and up to date as markets evolve.

It is expected that the Code should be embedded by the market by January 2018.

Chris Salmon, Executive Director for Markets and Chair of the Money Markets Committee, said: "The UK Money Markets Code sets out a clear, principles-based framework for how all participants are expected to promote the integrity of the deposit, repo and securities lending markets. It has been written by the market, for the market. Participants should therefore embrace the new Code and embed the high standards of behaviour it sets out."

The UK Money Markets Code supersedes and substantively updates existing guidance for participants in these markets provided by the NIPs Code, the Gilt Repo Code and the Securities Borrowing and Lending Code. It will align with the Global FX Code and Precious Metals Code, which will be published at the end of May.

ENDS

Notes to Editors
1. The UK Money Markets Code and the Explanatory Note are both available here.