

Participants

Christoph Börlin (Baloise Asset Management), Daniel Weilenmann (BNP Paribas (Suisse)), Frank Rust (Bucher Industries), Arnaud Bekenkamp (compenswiss), Francesco Schiavo (Credit Suisse), Christoph Kummlı (Julius Bär), Walter Inauen (LGT Bank), Alexandre Engerer (Pictet), André Siegrist (Publica), James Nisbet (Record Financial Group), Cédric Gumy (Suva), Stephan Hoeger (UBS) Benjamin Anderegg (SNB), Barbara Döbeli (SNB), Matthieu Fritschi (SNB), Christian Ritzmann (SNB), Andreas Keller (UBS), Hjalmar Schröder (ZKB)

Excused: Ernst Lienhard (Swiss Re)

Zurich, 15 December 2023

Swiss FX Committee
swissfxc@snb.ch

Place and time

BO 303, 10 November 2023, 2.00pm to 4.30pm

Swiss FX Committee (Swiss FXC, SFXC, Committee)

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Benjamin Anderegg (Public Sector Co-Chair of the SFXC) welcomed the attendees and excused Ernst Lienhard from Swiss Re, who was unable to attend due to illness. He then introduced Matthieu Fritschi from the SNB, who assists the Committee's secretariat. Finally, he recalled the rules on confidentiality and competition and thanked Andreas Keller for his participation in the meeting as the Committee's legal expert.

1. Swiss FX Committee

News and activities since the last meeting

On an ad-hoc call in August, CLS presented its FX settlement arrangement in a default scenario, as members had expressed interest in this issue at the [April SFXC meeting](#). B. Anderegg expressed his gratitude for the participation by Swiss market participants (SFXC members as well as non-SFXC members) in the survey on the Code conducted by the Global FX Committee (GFXC) from 20 September to 18 October. He then reported on the presentation he had given on the occasion of the invitation to the [U.S FXC September meeting](#). Finally, Hjalmar Schröder from ZKB informed the members that he will be stepping down from the Committee at year-end due to his appointment at Head of Risk at ZKB. B. Anderegg thanked him for his valuable contributions to the Committee first as a member and, since November 2022, also as private sector Co-Chair. B. Anderegg announced that H. Schröder as ZKB representative will be succeeded by André Kalblitz and that a new Co-Chair of the SFXC will be sought.

Update regarding Statements of Commitment (in Switzerland/Liechtenstein)

PostFinance AG and Trius Partners AG have signed the Statement of Commitment since the last SFXC meeting in April 2023.

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Code promotion activities

In September, BNP Paribas organised a series of seminars with Swiss treasurers, where the [benefits of adhering to the Code](#) and the new tool to facilitate the process ([Proportionality Self-Assessment Tool](#)) were presented by B. Anderegg (in Zurich and Basel) and by Daniel Weilemann from BNP Paribas (in Geneva). The seminars attracted around 200 participants, many of whom were unaware of the existence of the Code. Further reactions indicated the importance of making it clear that the commitment to the Code is a self-declaration and that the Code is not regulation.

A further presentation by B. Anderegg is planned at the next General Assembly of Swiss Association of Corporate Treasurers (SwissAct). Its president, Frank Rust, mentioned that a Code promotion session scheduled as part of a recent ZKB treasury event had to make way for a current topic. Furthermore, he highlighted the reference on the [SwissAct website](#) to the Code promotional document for the buy side.

To enhance corporate engagement, B. Anderegg revisited the idea of a letter to large companies in Switzerland. The manner of possible implementation will be further examined.

Cédric Gumy - a member in the GFXC Motivation for Adherence Working Group - informed that the [Committee's Code promotional document](#) will be shared on social media. This will be part of the Working Group's initiative to increase visibility. In addition, [Danmarks Nationalbank](#) published the promotional document on its website in connection with the September 2023 meeting of the Scandinavian FX Committee. He also mentioned an exchange with a representative of Bloomberg, during which it was said that Bloomberg could envisage hosting an event in Switzerland to promote the Proportionality Tool.

Christoph Börlin from Baloise reported on positive discussions with AZEK which could lead to a reference to the Code in the 2025 course programme for the Certified International Investment Analysts (CIIA). F. Rust will explore the possibility of including the Code in the reading material for the Swiss Certified Treasurer (SCT).

B. Anderegg thanked the members for their dedicated efforts and encouraged them to continue their valuable contributions.

2. Developments on the FX Global Code and the Global FX Committee (GFXC)

B. Anderegg gave an outlook on the agenda for the GFXC meeting on 31 November and 1 December 2023. In addition to some updates (from the Motivation for Adherence Working Group, on the Proportionality Self-Assessment Tool, on refining FX settlement data collection), there will be two external presentations: one on the recent developments in accelerated settlements and their impact on FX markets, the other on the London Bullion Market Association's Precious Metals Code. On the latter point, several members reported that their firms had signed it, while others pointed out that their firms had subscribed to the E-

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Learning, Attestation and Certification (ELAC) portal by ACI Financial Markets Association, which incorporates the Precious Metals Code.

Further items on the agenda will be the review of the GFXC's Terms of Reference as well as the farewell of Co-Vice Chair, Stefanie Holtze-Jen, as her term will come to an end. B. Anderegg will be a member of the GFXC Leadership Selection Committee which manages the process of nominating a new Co-Vice Chair.

SFXC members agreed on the topics for the 2024 Code Review by the Committee as well as its views on FX market conditions and outreach work. The respective documents will be sent to the GFXC Chair in advance of the GFXC meeting.

3. Update on a pricing standard in case of unscheduled holidays

B. Anderegg pointed out that the need for a possible standard raised by the SFXC led to a letter by the GFXC Chair to the CEO of the International Swaps and Derivatives Association (ISDA). Specifically, it has been asked for collaboration with the ISDA FX Operations Working Group to assess whether price adjustments need to be made to the standardized agreements and documents developed by ISDA. SFXC members will be kept informed of the response of ISDA. He concluded that the global discussion on a local initiative illustrates the collaborative approach between the GFXC and the local FXCs.

4. Exchange on the challenges arising from shortening the US Securities settlement process, Introductory presentation by André Siegrist, Publica

A. Siegrist started with an overview on advantages and challenges from shortening the settlement process for securities from T+2 to T+1, which comes into effect on 28 May 2024 in the United States. He then explained the equity ecosystem with a 24-hour cycle and its implications for Publica's North American investments. He concluded that managing these assets outside the US will be more challenging under the new rule.

Regarding the impact on FX transactions, A. Siegrist emphasized the short time window for the execution of related trades. He also addressed potential adjustments in various areas (market structure, liquidity, settlement within and outside CLS). As FX transactions are likely to be increasingly settled outside CLS, he pointed out that the rule change may not be in line with Code Principle 35 on reducing settlement risks.

SFXC members shared their perspectives on how their respective firms intend to proceed. On behalf of all present, B. Anderegg thanked A. Siegrist for the excellent and insightful presentation on this highly relevant topic.

5. Presentation on FX exposures of Swiss Re by Ernst Lienhard, Swiss Re

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The presentation by E. Lienhard had to be cancelled due to illness. The SFXC members look forward to the presentation at the next meeting.

6. Miscellaneous

SFXC members did not raise any other business.

7. Next meeting

Potential dates for the next SFXC meeting will be proposed once the date for the GFXC meeting has been announced. At the next SFXC meeting, E. Lienhard will present on FX exposures of Swiss Re.