

Participants

Christoph Börlin (Baloise Asset Management), Vincent Georges (Banque J. Safra Sarasin), Frank Rust (Bucher Industries), Gaëlle Barlet (compenswiss), Francesco Schiavo (Credit Suisse), Luca Luisoni (EFG Bank), Walter Inauen (LGT Bank), André Siegrist (Publica), Cengiz Temel (Record Currency Management), Cédric Gumy (Suva), Benjamin Anderegg (SNB), Barbara Döbeli (SNB), Marcel Zimmermann (SNB), Ernst Lienhard (Swiss Re), Andreas Keller (UBS), Alex Maillard (UBS), Hjalmar Schröder (ZKB)

Zurich, 12 April 2021

Swiss FX Committee
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Excused

Eric Vauthey (Banque Cantonale Vaudoise)

Place and time

Conference call, 18 March 2021, 2 pm to 4 pm

Swiss FX Committee (Swiss FXC)

Minutes

Marcel Zimmermann (Public Sector Co-Chair of the Swiss FXC) welcomed the members and recalled the rules on confidentiality and competition law. The call took place outside the regular bi-annual meetings. It was convened due to the second round of feedback on the Code review documents. The focus was therefore on discussing members' feedback on these documents.

1. Swiss FX Committee

News and activities since the last meeting

Marcel Zimmermann mentioned that he had presented the deliverables of the Algorithmic Trading and Transaction Cost Analysis (TCA) working group at the meeting of UK's FX committee, the Foreign Exchange Joint Standing Committee. Cédric Gumy, member of the Buy-Side Outreach working group, informed on the paper 'For Effective Means of Outreach', which shows the results of the survey on the pros and cons of top-down and bottom-up approaches. Many members in the Swiss FXC from the buy-side had participated in this survey. They had no objections to publication in anonymised form.

Update regarding Statements of Commitment (SoCs)

One additional SoC from a market participant domiciled in Switzerland has been registered since the last meeting in November 2020. Overall, there are 23 SoCs from market participants domiciled in Switzerland and Liechtenstein among the 1,067 entries in the Global Index of Public Registers as at 5 March 2021.

Minutes

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

Agenda items of the forthcoming 29 March GFXC call: Code review

Most of the GFXC call will be devoted to the comments provided by the local committees in the second round of feedback to the Code review documents. In the run-up to the GFXC call, written feedback has been requested on the reports on disclosures, anonymous trading, algo and Transaction Cost Analysis (TCA), riskless principal, pre-hedging and last look. Almost all Swiss FXC members provided feedback. Marcel Zimmermann thanked them for this. Members present at the call then jointly reviewed the aggregate Swiss feedback collected and, in the process of this, clarified some ambiguities.

Buy-side outreach experiences

At the GFXC call, local committees' experiences in approaching buy-side firms to adopt the Code will also be discussed. The Swiss FXC members were informed about the associated background paper 'For Effective Means of Outreach'. In addition, the Swiss FXC's input to the overall discussion was presented. There were no further comments on this.

3. Miscellaneous

The GFXC intends to strengthen the wording of the Code on settlement risk due to the increase in FX volumes settled without payment-versus-payment (PvP) protection. In the context of the respective Code amendment, a discussion ensued about CLS's recent price increases and changes in its pricing methodology and possible detrimental effects on the use of PvP settlement. It was agreed to raise this point at the upcoming GFXC call and to investigate this topic further. In particular, it would be helpful to get an overview of developments that might lead to new offerings to manage and reduce settlement risks. The Swiss FXC Secretariat will explore this.

4. Next meeting

Planning of promotional activities for the Code should be resumed at the next meeting. In addition, Alex Maillard's presentation on anonymous trading will be on the agenda. The meeting is scheduled for autumn 2021, with physical presence if possible. Some dates will be proposed as soon as possible.