



BANK OF ENGLAND

News release

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Statements of Commitment to Market Codes

Today the Bank of England has issued Statements of Commitment to the FX Global Code, the UK Money Markets Code and Global Precious Metals Code (the “Codes”).

By issuing these Statements of Commitment, the Bank is demonstrating that it is committed to adhering to the principles of these Codes when acting as a market participant in the relevant markets, and that its internal practices and processes are aligned with the principles of the Codes. The principles of these Codes are important in promoting the integrity and effective functioning of these respective markets.

These Statements of Commitment also cover the Bank’s activities in these markets when acting as agent for HM Treasury to manage the UK official reserves (the [EEA](#)). HM Treasury has also issued a press notice.

This work follows the Fair and Effective Markets Review (FEMR) which was launched by the Chancellor of the Exchequer and the Governor of the Bank of England in June 2014 to reinforce confidence in the wholesale Fixed Income, Currency and Commodities (FICC) markets in the wake of the serious misconduct seen in recent years; and to influence the international debate on trading practices. The [FEMR final report](#) published in June 2015 by HM Treasury, the Bank of England and the Financial Conduct Authority included a recommendation to launch international action to raise standards in global FICC markets by agreeing a new single global FX code.

To ultimately achieve the objective of the Codes, the Bank strongly encourages all market participants to adhere to these Codes, and has extended this expectation to its regular trading counterparties and participants in the Sterling Monetary Framework.

Six other central banks in the European System of Central Banks (ESCB) have simultaneously issued Statements of Commitment to the FX Global Code. All the ESCB central banks are strongly committed to supporting and promoting adherence to the FX Global Code.

Dave Ramsden, Deputy Governor for Markets and Banking, said:

“The Bank is strongly committed to supporting and promoting adherence to these codes. We are leading by example in publishing our Statements of Commitment today and will also expect regular counterparties to commit to embedding these principles of good practice in their market activities. Fair, transparent and robust markets, underpinned by high standards, benefit all participants.”

Notes to editors

1. Development of the [FX Global Code](#) was sponsored by the BIS Governors ([BIS statement on FX market best practices](#)). The FX Global Code was published in May 2017 outlining principles of good practice for all FX market participants in order to promote the integrity and effective functioning of the wholesale FX market. The Bank has made membership of the [London Foreign Exchange Joint Standing Committee \(FXJSC\)](#) and its Sub-Committees contingent on adherence to the FX Global Code¹.
2. In the UK, the FX Global Code supersedes and substantively updates existing guidance for participants in FX markets previously provided by the Non-investment Products (NIPs) Code. Guidance on other markets covered by the NIPs Code has been superseded by the [UK Money Markets Code](#) and the [Global Precious Metals Code](#).
3. The UK Money Markets Code was published in April 2017 and sets out the standards and best practice expected from participants in the deposit, repo and securities lending markets. It has been endorsed by the Bank’s [Money Markets Committee \(MMC\)](#) and membership of this committee is contingent on adherence to the UK Money Markets Code².
4. The Precious Metals Code was published in May 2017 by the London Bullion Market Association and sets out a common set of principles to promote the integrity and effective functioning of the wholesale precious metals market. LBMA members are required to attest to this Code.
5. Central banks have stated their intention to adhere to the FX Global Code ([BIS central bank Governors press release](#)). The following ESCB central banks are issuing Statements of Commitment to the FX Global Code today: Czech National Bank, Bank of Spain, Central Bank of Cyprus, National Bank of Austria, National Bank of Poland, National Bank of Romania, and the Bank of England. In November 2017, 15 of the ESCB central banks issued Statements of Commitment to the FX Global Code. The remaining ESCB central banks will do so by May 2018.
6. The ESCB comprises the ECB and the national central banks (NCBs) of all EU Member States whether they have adopted the euro or not.

¹ Applicable for committee members who are Market Participants as defined by the FX Global Code.

² Applicable for committee members who are UK Market Participants as defined by the UK Money Markets Code.

Statement of Commitment to the FX Global Code

The Bank of England ('Institution') has reviewed the content of the FX Global Code ('the Code') and acknowledges that the Code represents a set of principles generally recognised as good market practice in the wholesale foreign exchange market ('FX Market'). The Institution confirms that it acts as a Market Participant as defined by the Code, and has committed to conducting its FX Market activities ('Activities') in a manner consistent with the principles of the Code. To this end, the Institution has taken appropriate steps, based on size and complexity of its Activities, and the nature of its engagement in the FX Market, to align its Activities with the principles of the Code.



Dave Ramsden
Deputy Governor, Markets & Banking

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Bank of England

Statement of Commitment to the UK Money Markets Code

The Bank of England ('Institution') hereby acknowledges that the UK Money Markets Code ('the Code') represents a set of principles generally recognised as good market practice in the UK Money Markets. The Institution confirms that it is a UK Money Market Participant as defined by the Code, and has committed to conducting its UK Money Market activities in adherence with the principles of the Code.

Specifically, in a manner that is commensurate with the size and nature of its UK Money Market activities, the Institution has established and implemented policies and procedures that accord with the Code (in so far as the content does not conflict with applicable law). Appropriately senior management will review these regularly to ensure their continued relevance and effectiveness.



Dave Ramsden
Deputy Governor, Markets & Banking

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Statement of Commitment to the Global Precious Metals Code

The Bank of England ('Institution') has reviewed the content of the Global Precious Metals Code ('the Code') and acknowledges that the Code represents a set of principles generally recognised as good market practice in the wholesale Precious Metals Market ('Market'). The Institution confirms that it acts as a Market Participant as defined by the Code, and is committed to conducting its Market activities ('Activities') in a manner consistent with the principles of the Code. To this end, the Institution has taken appropriate steps, based on size and complexity of its Activities, and the nature of its engagement in the Market, to align its Activities with the principles of the Code.



Dave Ramsden
Deputy Governor, Markets & Banking

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