

Participants

Christoph Börlin (Baloise Asset Management), Daniel Weilenmann (BNP Paribas (Suisse)), Frank Rust (Bucher Industries), Arnaud Bekenkamp (compenswiss), Christoph Kummli (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), Ernst Lienhard (Swiss Re), Andreas Keller (UBS), André Kalbitz (ZKB)
Excused: Francesco Schiavo (UBS)

Zurich, 11 July 2024

Swiss FX Committee
swissfxc@snb.ch

Place and time

Forum, 21 June, 9.30am to 12.00pm

Swiss FX Committee (Swiss FXC, SFXC, Committee) Minutes

Benjamin Anderegg (Public Sector Co-Chair of the SFXC) welcomed the attendees, in particular the new member from ZKB, André Kalbitz. He excused Francesco Schiavo from UBS, who was unable to attend. He then recalled the confidentiality and competition law guidelines and thanked Andreas Keller for his presence as the Committee's legal expert.

1. Swiss FX Committee

News and activities since the last meeting

Christoph Kummli from Julius Baer was introduced as the new Private Sector Co-Chair of the SFXC. He replaces Hjalmar Schröder from ZKB who stepped down from the Committee at the end of 2023. C. Kummli expressed his hope to add value from the buy side and his excitement to support the Committee. All members thanked him with a quick applause.

Referring to the activities since the last meeting, B. Anderegg mentioned that in January 2024 the SFXC had provided feedback on the Code review by the GFXC. In March, the GFXC's FX Data Working Group had been established, with various members from the SFXC represented; further details would follow later under agenda item 2.

Update regarding Statements of Commitment (in Switzerland/Liechtenstein)

Liechtensteinische Landesbank signed the Statement of Commitment (SoC), there are currently 2 SoCs from Liechtenstein and 28 SoCs from Switzerland.

Code promotion activities

B. Anderegg presented the FX Global Code at the General Assembly of the Association of Corporate Treasurers in German-speaking Switzerland (SwissACT). He emphasized the good reasons for making a commitment and the streamlined process using the [Proportionality Self-](#)

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[Assessment Tool](#). SwissACT President, Frank Rust, also called on the members to adopt the Code. As a direct result of the event, one participant later reported that his company is in the final stages of committing to the Code.

In 2019, the Code was presented at the General Assembly of the Association of Corporate Treasures - Suisse Romande (ACTSR). Arnaud Bekenkamp will approach the association in connection with a possible new presentation to refresh the process for adopting the Code with a focus on the tool that streamlines this process.

B. Anderegg informed about the next steps in sending a letter to large companies in Switzerland.

Cédric Gumy discussed the idea of a webinar on the Code for buy-side professionals and Chartered Financial Analyst (CFA) charterholders in Switzerland with the Swiss CFA Society. Such a potential webinar would build on a webinar planned by the Hong Kong CFA Society.

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

B. Anderegg gave an outlook on the GFXC meeting on 1 – 2 July in Frankfurt, at which the new GFXC Co-Vice Chair, Stuart Simmons from QIC, will formally be endorsed.

He then provided an update on the GFXC's ongoing work to review the Code. He began with the potential updates on the FX Settlement Risk Sections in the Code proposed by the working group led by the Bank of England and GFXC Co-Vice Chair, Simon Manwaring from NatWest Markets. Based on the comments of the SFXC members, an initial SFXC position was formulated for the upcoming GFXC meeting, where the debate will be launched, followed by further iterations.

An initial SFXC position on the proposals of the FX Data Working Group was also outlined. This working group, he explained, has been split into stream 1 on FX data/FX transactions under delegated execution (led by Stuart Simmons) and stream 2 on FX data derived from client interactions on electronic venues (led by him). Christian Ritzmann is a member of stream 1 and Stephan Hoeger is part of stream 2.

Cédric Gumy, member of the Working Group on Adherence, informed the SFXC members about the activities and findings of this group.

B. Anderegg then provided information on the session on pre-hedging practices at the GFXC meeting, where representatives of the Financial Markets Standards Board (FMSB) will comment on its findings. In addition, GFXC members will decide whether and how the topic should be further addressed in the Code (with a possible link to the guidance paper) and in the Liquidity Providers and Platforms Disclosure Cover Sheet. The views of the SFXC have been formed on these issues.

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Finally, B. Anderegg mentioned further panels to be held at the GFXC meeting on the topics of accelerated securities settlement as well as technological innovations shaping the FX market. In view of the exchanges of market conditions and the Code outreach activities by the local committees at the meeting, the draft prepared by the SNB was discussed by the SFXC members.

3. Discussion on the current market structure for CLS/PvP Settlement in the Swiss market

The takeover of Credit Suisse by UBS led to a reduction in direct members from Switzerland in the Payment versus Payment (PvP) system for settlement of foreign exchange (Continuous Linked Settlement, CLS). In this context, the capacity of the remaining CLS direct members to pay-in Swiss francs in this system was discussed. Indirect members were asked whether the availability of Swiss franc settlement in CLS was still sufficient. According to both sides, the system continues to function smoothly for Swiss francs.

4. Lessons learnt from shortening the securities settlement process to T+1 in US with regard to the same in Europe

The SFXC members shared their experiences with shortening the securities settlement process in the US on 28 May. The conclusion was that the changeover was without any major problems and with limited impact on FX markets. Shortening the process in Europe would likely follow, it would only be a matter of time. SFXC members noted that it is not yet clear to them which body in Switzerland will be responsible for coordinating the work.

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

Ernst Lienhard provided insights into Swiss Re's currency risk framework. He then explained Swiss Re's approach to manage its FX exposures.

The SFXC members expressed their gratitude for the insights gained from the presentation, including the realization of the complexity of risks in the insurance business.

6. Miscellaneous

SFXC members did not raise any other business.

7. Next meeting

Potential dates for the next SFXC meeting followed by an apéro will be proposed once the date for the GFXC meeting has been announced. One topic will certainly be the fatal flaw

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comments on the Code revisions, other possible topics could be Instant Payment in Euro or the regulation on the Markets in Crypto-Assets (MiCA).