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New global organisation formed to represent Foreign Exchange industry

The major players in the global Foreign Exchange (FX) industry are coming together to form a new representative body, formalising an approach that many have been taking for some years in working together to reduce systemic risk in the FX marketplace for its participants.

The new body is to be formed by the Association for Financial Markets in Europe (AFME), in co-operation with its partners, the Securities Industry and Financial Markets Association (SIFMA) and the Asian Securities Industry and Financial Markets Association (ASIFMA).

The AFME FX division will support efforts to promote an efficient global FX market, help develop market best practice, monitor developments in public policy and regulation that could affect the FX markets.

Through AFME, ASIFMA and SIFMA’s existing advocacy functions, the FX Division will provide a consolidated voice for the FX industry when working with regulators, stakeholders and other key market participants. It will also aim to co-operate with and complement other membership-based trade organisations in the FX arena on issues of mutual interest.

Membership will be open to all sell-side firms and other strategically significant institutions. Sixteen of the largest FX houses have already joined. AFME has begun recruiting a Managing Director to lead the division, as well as other key staff, and plans to be operational at the end of the summer.

Announcing the launch of the FX Division at AFME’s “Financial Markets and the Real Economy” conference in Brussels today, Mark Austen, acting CEO of AFME, said:

“Foreign Exchange is the world’s largest over-the-counter market. Management of currency risk is an essential tool for governments, companies and, in some cases, individuals.

“An efficiently-functioning FX market is one of the cornerstones of the global economy and needs to play its part in supporting economic recovery and sustainable growth. AFME is pleased to be providing the framework for the market’s participants to work together with this aim.”

The 16 firms that have so far joined are: Bank of America Merrill Lynch, Barclays Capital, BNP Paribas, BNY Mellon, Citi, Credit Suisse, Deutsche Bank, Goldman Sachs, HSBC, J.P. Morgan, Morgan Stanley, Nomura, Royal Bank of Scotland, Standard Chartered Bank, Société Générale, UBS and Westpac. They collectively represent more than 85% of the market according to the Euromoney FX survey.

Ends
Notes to Editors

1. AFME, the Association for Financial Markets in Europe, promotes fair, orderly, and efficient European wholesale capital markets and provides leadership in advancing the interests of all market participants. Its members comprise pan-EU and global banks, key regional banks, brokers, investors, law firms and other financial market participants.


3. ASIFMA is a broadly based professional advocacy organization that seeks to promote the growth and development of Asia's debt capital markets and their orderly integration into the global financial system.

4. AFME, SIFMA and ASIFMA make up the Global Financial Markets Association (GFMA).