Paris, January 30th 2015

Bank of England
Fair and Effective Markets Review FEMR
Threadneedle Street
London,
EC2R 8AH
United Kingdom

FEMR Response

Dear Sirs

In reference to the Bank of England's Consultation Document dated October 2014 regarding Fair and Effective Markets Review (FEMR), we, ACI France AFTB - member of ACI – The Financial Markets Association, thank you to for giving us the opportunity to provide you with our views and our input on this topic.

Our below statement is made on behalf of ACI France – AFTB members, presently 595 individual members coming from all major French banks, Banque de France, LCH Clearnet, and French based Brokers, with operational and senior positions in front offices (Treasury, Foreign Exchange, Repos, Fixed Income, …) and support functions (Back Office, , legal, compliance, …).

ACI France – AFTB is fully endorsing the "Official Feedback to the Fair & Effective Markets Review Consultation Document" provided to you by ACI – The Financial Markets Association (ACI FMA), our "head" association. This statement reflects perfectly our views on the different subject raised and we fully support the answers provided.

In addition and in reference to the questions Q32 and Q33 on pages 41/42 of the FEMR, we would like to point out the following additional comments:

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Q32: What role can market codes of practice play in establishing, or reinforcing existing, standards of acceptable market conduct across international FICC markets?

Answer 32:

Market codes of practice shall play a key role in establishing standards of common, acceptable market conduct across markets, and especially FICC markets and shall be the most efficient tool to consolidate the enforcement the principles and rules established by the various regulators worldwide.

ACI FMA as an international recognized self-regulatory body created in 1954 has implemented its Model Code with success within ACI FMA members' community (more than 11 000 market operators). They regroup various and numerous OTC professional operators and their firms around the globe. With the ACI FMA model code, employers and individual market practitioners in the FICC wholesale financial markets have the opportunity to deal within an environment of high-quality accredited professional operators, helping the industry reclaim professional standards in a sustainable and continuous manner

Q33: How would any code tackle the design issues discussed in Section 5.4.3, ie: how to ensure it can be made sustainable given industry innovation over time? How to differentiate it from existing codes? How to give it teeth (in particular through endorsement by regulatory authorities or an international standard setting body)? How to communicate it to trading teams? Whether, and how, to customise it for individual asset classes?

Answer 33:

The ACI FMA Model Code has been designed to offer global coverage. Its use has been, so far, mainly been dedicated to Forex and Treasury operators. The rational for developing a global approach based on a single standard of market practice, easy to understand and to translate into real daily sales and trading life is obvious: market operators will not be able to comply with a set of rules coming from many different sources, with the risk of contradictions and inconsistencies raising from this variety unless they restrict dramatically their capacity to develop business and creativity for the service of the industry and the global economy.

ACl FMA deserves recognition for its historical and effective leadership on ethical conduct, best practice, education and testing, and should be supported in its various actions to establish fair, fruit full and healthy connections between industry players.

ACl FMA has invested considerable resources to establish efficient tools allowing market practitioners to remain up to date on demands concerning ethic and market conduct. Thanks to these tools developed throughout the years, members have the ability to test on a permanent basis their ethical conduct against market best practice under the form of an internet portal. Practitioners can validate on it annually their ACI Model Code knowledge. Their ACI Model Code certification can be re-evaluated every year.

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Theses tools are updated on a permanent basis. This concerns learning content, self-assessment questions, model code updates, exam questions, … sourced from ACI FMA, mainly but not restrictively.

We hope that our comments and statement of adherence to ACI-FMA answer will help your committee to successfully shape FICC industry standards thanks to this review and remain at your disposal for any precision you may need.

Yours sincerely,
ACI France – AFTB

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