

# ECB Foreign Exchange Contact Group (FXCG): Terms of Reference

## 1. Purpose

The ECB's Foreign Exchange Contact Group (FXCG) is a forum for interaction between the ECB and industry-wide market professionals involved in the wholesale foreign exchange (FX) market. The objective of the FXCG is to discuss developments in FX markets, namely their functioning and practices, structural and regulatory trends, and the impact of the ECB's market operations. The FXCG therefore contributes to the Eurosystem's market intelligence and analysis of FX markets.

As a member of the [Global Foreign Exchange Committee](#), the FXCG will provide guidance and leadership to the FX market, through the development, implementation and maintenance of the [FX Global Code](#), and will endorse and facilitate adherence to the FX Global Code.

It will also liaise, where appropriate, with similar market bodies and trade organisations covering the FX and other financial markets, both in the euro area and in other financial centres.

## 2. Governance and membership

The FXCG membership is composed of three ECB representatives and approximately 20 senior market professionals with a broad knowledge of wholesale FX markets and a thorough understanding of the decision-making regarding the FX activity in their respective institutions. These market professionals are chosen by the ECB with respect to the institution that they represent, their responsibilities within that institution, their ongoing role in the market and their interest in joining the contact group. The selection criteria are aimed at ensuring participation by a wide range of institutions that represent all relevant types of participants in FX markets. Occasionally, non-member experts are invited to discuss or present specific issues. Representatives from the euro area national central banks, which have observer status, may follow the discussions of the group remotely.

Members are invited to represent not only the perspective of their individual institutions, but also that of the market as a whole. They should be able to use their knowledge and expertise to actively contribute to discussions. Any change in a member's position within or outside his or her institution will result in a review of his or her membership. The seat can only be passed on to a replacement within the institution until the end of the calendar year, after which a new

application is required. Applicants should submit the FXCG's application form that can be found on the FXCG webpage and relevant documentation to the [FXCG Secretariat](#) at the latest by end October. To further enhance the diversity of the contact group, the ECB particularly encourages applications from female candidates.

Applicants seeking to join the FXCG are required to confirm their institutions' commitment to the FX Global Code by endorsing the [Statement of Commitment](#) (SoC).

The ECB selects group membership on the basis of the submitted applications. To ensure equal treatment and broad representativeness, membership is subject to an annual review. It is based on merit, for example regular attendance, contributions to the group, meeting presentations, active participation in the discussions as well as the continued role of the represented institution and the member in the market segment. Membership of non-ECB members has a duration of five years and is renewable, following a successful reapplication process. This can be done by notifying the FXCG Secretariat via email of their desire to continue their membership and explaining the reasons. The ECB can suspend membership.

The FXCG is chaired by the ECB's Deputy Director General Market Operations or his or her alternate. The ECB provides the Secretariat, proposes the agenda, and participates in the discussion.

Members are expected to attend all regularly scheduled meetings and to do so in person for those that are held at the ECB's premises. They should contact the Secretary if they are unable to attend. Each institution nominates an alternate who can participate in meetings in the exceptional case of an absence of the member, subject to ECB's approval.

### **3. Procedures**

The FXCG generally meets four times per year. Meetings can be held remotely or at the ECB's premises. Meetings typically last for approximately three hours.

The meetings follow an agenda which is circulated to the members prior to the meetings. The agenda is established by the Chair in consultation with the members and the Secretary and draws on the annual work programme. Members are encouraged to propose topics for inclusion in the agenda and in the work programme.

In addition to the pre-arranged meetings, ad hoc teleconferences may be requested at any time by the ECB or members.

Confidential and/or commercially sensitive information, including information relating to member institutions or the ECB, is not discussed in the meetings or teleconferences. The FXCG is committed to conduct its discussions in strict compliance with competition laws and no discussion should have as its purpose to encourage uniform action or reduce competition.

Agendas, a list of the participants, summaries of the FXCG's discussions and the presentations are published on the ECB's website. The summaries are circulated to participants and any comments received are addressed prior to publication. Unless otherwise agreed, meeting summaries will not attribute expressed views to any specific member. Beyond the published summary, no external communication on the meeting proceedings should take place by FXCG members.