

MINUTES

SCANDINAVIAN FX COMMITTEE

24 October 2022

Location: Danmarks Nationalbank, Langelinie Allé 47, 2100 København Ø



DANMARKS
NATIONALBANK

ATTENDEES:

| | |
|------------------------|-----------------------|
| Kim Winding Larsen | ACI FMA |
| Thomas Bengtsson | ATP |
| Michal Nielsen (chair) | Danmarks Nationalbank |
| Nicolaj Schou Andersen | Danmarks Nationalbank |
| Christian Törnqvist | Danske Bank |
| Morten Salvesen | DNB |
| Jørn Sodborg | Jyske Bank |
| Lars Henriksen | Nordea |
| Alexander Flatner | Norges Bank |
| Arne Osnes | Norges Bank |
| Svante Hedin | SEB |
| Andreas Åkerlund | Svenska Handelsbanken |
| Jens Vahlquist | Sveriges Riksbank |

Welcome to new members

Michal Nielsen welcomed all to the first physical meeting in more than 2 years.

Due to changes in responsibilities at both SEB and Danske Bank the chair welcomed two new members to the committee;

- Anna Andrén from SEB. Anna is Global Head of Foreign Exchange and has been at SEB since 2004
- Christian Törnqvist from Danske Bank. Christian is Global Head of Foreign Exchange and has been at Danske Bank since 2012.

Status on re-statement of Commitment

Following the GFXC meeting late June there has been progress in the process with re-statement of Commitment (SoC) within the members of the committee. All sell-side participants have already restated their SoC or are in a process of finalising the signature.

A few members expressed challenges with publishing the SoC via CLS and therefore they have chosen to publish via both CLS and CME.

The chair acknowledged the effort and there was a common understanding that the re-statement was an important signal underlining our strong support of the FX Global Code.

Members reported that there has been a positive development in the dealer-to-dealer market in which intermediaries are making it possible to split liquidity between adherent and non-adherent participants.

How to involve buy-side?

The chair informed that there is an ongoing work talking to large pension funds regarding the Code, and that the initial feedback is positive. There is still work to be done and we have yet to see the first new institution to sign the SoC.

Some organizations did not even know the existence of the Code – so there is still some work for the committee in heightening the awareness of the Code.

Jørn “Luffe” Sodborg has agreed to participate in the GFXC working group regarding “Buy-side involvement”. There are weekly meetings until late November and the work is divided in 5 workstreams;

- Awareness / Education
- Proof of value
- ESG with focus on governance
- Target intermediaries more to encourage adherence to the Code
- Co-operation with related organizations

There will be a presentation of the outcome at the next GFXC-meeting.

There was a general recognition that there is still some work to be done in explaining the principles of proportionality regarding the Global Code. The proportionality applies to all market participants and refers to how the Code may apply to the market participant depending on their underlying activities.

The central bank members will make further effort in regards of buy-side-involvement and will report at the next meeting.

“Trend in crypto and Decentralised Finance” presentation by Benjamin Forsmann Barner Christiansen, Danmarks Nationalbank

Following the presentation there was a discussion on how to monitor the activities and exposures deriving from Crypto assets. Most likely clients will focus the activities in more common derivatives to obtain exposure to Crypto assets – for instance NDFs. Derived exposure to Crypto assets is generally not considered in overall figures.

Further, the discussions also touch upon Stable-coins. To some degree Stable-coins can be compared to MMMFs, however with no regulation of them yet.

Future chairmanship

In respect of the Terms of Reference the chairmanship was changed from Danmarks Nationalbank to Norges Bank.

- Alexander Flatner was approved as chair of the SFXC.
- Morten Salvesen was appointed as the non-central bank representative in regards of the meetings in the Global Foreign Exchange Committee (GFXC).

Michal Nielsen expressed gratitude for the fruitful co-operation within the committee during the chairmanship and especially thanked Svante Hedin as non-central bank representative for the great effort with the update of the FX Global code and active participation in the meetings in both this committee and GFXC.

Other

The next GFXC meeting will be virtual at 5/6 December 2022