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ACI Council and Member UPDATE

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The Executive Board informs:

- **Netherlands: Traders need to become registered by the DSI**

ACI Netherlands informed the following: As per local decision (initiative by local Treasurer's which started last year) **traders need to become registered by the Dutch Security Institute (DSI)** as per immediate effect. The DSI aims to reinforce the consumer's trust in financial markets by facilitating the personal registration of experts within the world of financial services. These experts **must meet particular requirements** in terms of **expertise, integrity and work experience**. They are then entered into a public charter on www.dsi.nl. The registered experts are primarily **active in the trade, mediation, consultancy and management** of financial services and products. The DSI was created in 1999 on the initiative of the NYSE Euronext Amsterdam.

Financial enterprises in the Netherlands are covered by the supervision conducted by the **Netherlands Authority for the Financial Markets (AFM)**. This supervision focuses on orderly and transparent financial market processes, integrity of relations between market players and due care in the provision of services to clients.

So, banks have their staff registered by DSI to prove that they meet the regulations of the AFM (Authority Financial Markets) with respect to their expertise and integrity. *If a financial organization has its staff registered with one of the DSI charters, the AFM considers this a proof that this institution complies with the regulations.*

As of April 2012 the DSI has created two new charters:

- **Treasury Trader**
- **Treasury Salesman**

Amongst others, one of the requirements to be listed in the charter of **Treasury Traders is to have passed the ACI Diploma exam** and for the **Treasury Salesman to have passed the ACI Dealing Certificate exam**. As of yet, there are no alternative courses acknowledged by the DSI.

- **FX Best Practices in Operations: Available now for download**

As already reported 84 new/revised chapters in FX Best Practices in Operations became launched at the ACI Dubai Congress March this year. A team lead by Andreas Gaus, Credit Suisse, member of the ACI Board of Education and Chairman of the European Central Bank Operations Management Group (OMG), reviewed the Bank of England Non-Investment Products (NIPS) Code, the Federal Reserve Bank's 60 Best Practices and the ECB's OMG documents, among other documents, which were then formulated and updated to create a new benchmark.

The baskets covered in the new/revised chapters are

1. Best Practice for Confirmations
2. Best Practice for Settlement targeting being Prompt and Accurate
3. Best Practice with regard to Reconciliations
4. Best Practice for the General Setup of Controls
5. Best Practice with regards to Electronic Trading

The CFP (Committee for Professionalism) of ACI is now incorporating these new FX Practices in Operations into the existing ACI – The Model Code until end of August.

To view the *New FX Best Practices Operations* go to:

http://www.aciforex.org/docs/misc/20120324_Update_FX_Best_Practices_Operations_New_Chapter.pdf

To view the existing The Model Code go to:

http://www.aciforex.org/docs/misc/20090407_MOC_version.pdf

- **Code Comparison: Federal Reserve Bank NY led an initiative to compare global codes**

The Federal Reserve Bank of New York led an initiative to compare the global codes of best market practice to help identify similarities/differences and determine whether one single global code of conduct was a viable objective. There are currently five separate committee codes in London, New York, Singapore, Tokyo and Hong Kong in addition to the ACI The Model Code (TMOC) which has been adopted by Australia, Europe and Canada (amongst others).

The Bank of Canada wants the local Financial Markets Association of Canada (FMAC) to review the Model Code and determine if it is the most relevant guideline available for them. ACI's last review of TMOC was done in 2002 where the ACI Model Code was re-adopted – minor changes were provided in 2009. The recent launch of the new/revised 84 Chapters of FX Best Practices in Operations will help updating to latest standards.

By mid of May the FMAC/CCFP is asked to do another review and present their recommendation at the CFEC meeting.

The Code Comparison Exercise was proposed at the last Global Meeting in April, Ottawa.

People heading the Comparison:

- At Bank of Canada: Rob Ogrodnick
- At Federal Reserve Bank of New York: Jamie Pfeifer

ACI's CFP team is supporting the initiative.

- **eFOREX link: Free access to the April edition of the quarterly publication**

eFOREX is one of ACI's partners in the industry and media world. The magazine is published quarterly and focuses on all aspects of FX e-commerce and electronic currency trading activities. ACI's President is regular contributing with a foreword to each edition.

e-Forex April 2012 PDF http://www.e-forex.net/Files/PDFissues/eFX_Apr_2012.pdf

e-Forex April 2012 Flash

<http://content.yudu.com/Library/A1w2bn/eFOREXApril2012/resources/index.htm?referrerUrl=http%3A%2F%2Ffree.yudu.com%2Fitem%2Fdetails%2F493974%2Fe-FOREX-April-2012>

- **Abu Dhabi's NABD initiative: Applying for ACI's Operations Certificate**

National Bank of Abu Dhabi ordered 70 vouchers from ACI for leading five groups of their in-house people to the ACI Operations Certificate. The inquiry reached ACI in April, just one month after its presence in the United Arab Emirates/Dubai holding its 51st ACI World Congress. At this occasion ACI's President handed over an ACI Honorary Diploma to His Excellency Sultan Bin Nasser Al Suweidi, Governor of the UAE.



Saif Hadeif Al Shamsi, Assistant Governor Monetary Policy, Manfred Wiebogen, ACI President
H.E. Sultan Bin Nasser Al Suweidi, Governor of the UAE Central Bank, Nabil Jaffar Al Rahma VP Investment Banking Al Hilal Bank – Abu Dhabi 21 March 2012

- **ACI at LinkedIn: ACI's Group now counts 1,930 members at LinkedIn**



ACI's Managing Director **Jean-Pierre Ravisé** initiated ACI's presence through an ACI Group at LinkedIn. LinkedIn, launched in May 2003, is mainly used for professional networking. ACI recently decided to use the LinkedIn platform for promoting ACI but also broadening the network of its members. It is recommending to all its national/regional/international members to get linked via this medium. One of the big advantages is seen in staying up-to-date on movements (changes of contacts) of friends and business partners. Within a very short time, ACI counts 1,930 registered group members at the platform. Additional, group discussions may be started as well as the community will be within easy 'personal' reach.

- **Austria: New launch of a Corporate Sales Certificate in June**



ACI Austria initiated a specific corporate certification following the need from the banking industry request. **Franz Gruber**, President ACI Austria: *‘It was during the past year that one of the major banks was asking for a specific corporate sales certification. Reason was the increasing number of legal accusations by customers towards banks in Austria but also the neighboring countries. Because of the strong consumer protection but also encouraged by MiFID (Markets in Financial Directives) regulation in Europe even corporates (the bank’s partners) started now more frequently to complain bad or mis-advice by the banks, trying to seek their advantage. Together with the*

education partner Finance Trainer we developed a special corporate sales certification, based on ACI’s fundament of the ACI Dealing Certificate, incorporating local singularities. The purpose simply is to testify to our sales trader, they are fit according to international and national standards.’

ACI Germany and the Board of Education showed their interest in the new certification program. We shall report on further developments.

- **Next Council Meeting: 9 November 2012 / Istanbul**

At their last meeting in Dubai the Council confirmed to hold the next meeting (autumn) in Istanbul. The reason is to get in closer contact to the strong rising market of emerging Turkey. Prior to the Council it will be intended to invite local Treasury representatives of the Turkish banking community for an ACI reception, talking about the values of our association.

Date	Program
Thu, 8 th November	EB, BOE, CFP Meeting
Thu, 8 th November	Evening ACI reception for local banks
Fri, 9 th November	Council Meeting

- **Trading Book: Basel Committee on Banking Supervision - review**

The Basel Committee on Banking Supervision issued a consultative document on the fundamental review of trading book capital requirements. These proposals will strengthen capital standards for market risk.

Key elements of the proposals include:

- A more objective boundary between the trading book and the banking book that materially reduces the scope for regulatory arbitrage – feedback is sought on two alternative approaches;
- Moving from value-at-risk to expected shortfall, a risk measure that better captures “tail risk”;
- Calibrating the revised framework in both the standardized and internal models based approaches to a period of significant stress, consistent with the stressed value-at-risk approach adopted in Basel 2.5;
- Comprehensively incorporating the risk of market illiquidity, again consistent with the direction taken in Basel 2.5;
- Measures to reduce model risk in the internal models-based approach, including a more granular models approval process and constraints on diversification; and
- A revised standardized approach that is intended to be more risk-sensitive and act as a credible fallback to internal models.

Comments on these consultative documents should be submitted by **Friday 7 September 2012**.

ACI will organize a review of the topic.

Here is the link to the document: <http://www.bis.org/publ/bcbs219.pdf>

- **Financial Transaction Tax: Hungary on the way to be first to introduce the FTT**
István Gondí, Raiffeisen Budapest, President ACI Hungary informed about serious talks in Hungary about this topic. May 9th the government approved a measure to raise an annual HUF 130 billion from a new financial transaction tax, which will have to be paid by banks performing the transactions.

Hungarian banks find the new financial transaction tax unacceptable in its present form which is violating an earlier agreement with the government. (www.portfolio.hu).

ACI is following the development and will report on occasion.

- **News from National Associations: Congresses and General Assemblies etc.**

ACI Luxembourg – change in Presidency

Marc Rollmann, Fortis Banque Luxembourg, finishes his term as the President ACI Luxembourg. **Luc van Laarhoven**, Postbank will succeed him. We thank Marc for his tremendous engagement and wishing Luc all the success.

ACI Germany – Munich 28 April 2012, local congress

Some 800 local delegates and invited foreign guests met in Munich for two days at the 'ordentliche Mitgliederversammlung 2012'. Saturday morning, Dr. Joachim Nagel, board member Deutsche Bundesbank, presented his view of the 'facettes of the financial crisis', followed by a discussion of 'successful management of a soccer club' - Bayern München (Ulli Hoeneß) and Schalke 04 (Clemens Tönnies). ACI Germany is one of the largest ACI associations.

ACI Macedonia – Strumica 5 May 2012, XVII Annual General Assembly

The members of ACI Macedonia met in Strumica for their Annual Assembly. Amongst the guests and speakers were Maja Kadievaska Vojnovik, Vice Governor of the National Bank of the Republic of Macedonia and Manfred Wiebogen, President ACI discussing together with Emil Jakimov, President ACI Macedonia further market developments. The implementation of Repo Business, cross currency trading but also the implementation of margin trading is at the current agenda

ACI Slovakia – Bratislava, 11 May 2012 – General Assembly

Members of ACI Slovakia meet Thursday evening in Bratislava at The Mole. Juraj Jánosik, National Bank of Slovakia and Secretary ACI Slovakia led through the program. M. Wiebogen President ACI gave an update of international developments, whilst representative from Reuters explained their trends.

ACI Croatia – Rovinj 12 May 2012 – General Assembly

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