

Deutsches Aktieninstitut e.V. Senckenberganlage 28 60325 Frankfurt am Main

European Commission - DG FISMA
C.3 Securities Markets

Dr. Gerrit Fey
Chief Economist

4 July 2025

Targeted consultation on the need to exempt spot FX benchmarks under
Article 18a of Regulation (EU) 2016/1011

Dear Madam or Sir,

Deutsches Aktieninstitut has followed the review of the EU Benchmark Regulation (BMR) closely from the perspective of non-financial companies using derivatives that reference to benchmarks for the purposes of hedging against foreign exchange rate risks, interest rate risks and commodity price risks.

We welcome Art. 18a of the amended BMR according to which certain third-country spot FX Benchmarks can be exempted from the scope of the BMR by a Delegated Act.

In the context of the current evaluation which benchmarks should be exempted by the EU Commission, we support the analysis of the International Swaps and Derivatives Association (ISDA) and the Global Financial Markets Association (GFMA) which has been shared with us. This analysis shows that the Delegated Act should exempt at least the third-country spot FX benchmarks on the Taiwanese Dollar, the South Korean Won, the Indian Rupee, and the Philippine Peso.

This is necessary to ensure that non-deliverable forward (NDF) contracts referencing to the respective spot FX benchmarks remain available for European companies. NDFs are frequently used by non-financial companies to effectively hedge currency exposures in case the respective currency is not fully convertible. Keeping the respective third-country benchmarks and the NDFs referencing to them available in the European market is thus highly relevant for the export and import business of European companies with significant partner countries. It will also avoid competitive disadvantages vis-à-vis non-European peers.

We also would like to encourage the EU Commission to continuously evaluate whether additional exemptions for other potentially relevant currencies and countries (such as Argentina, Nigeria, Kazakhstan) will become necessary because of rising contract volumes making reference to them in future.

Please do not hesitate to contact us for further questions.

Yours faithfully

Dr. Gerrit Fey
Chief Economist