The importance of continued access to third-country spot FX benchmarks

1. Summary

Since the adoption of the co-legislators' positions on the EU Benchmarks Regulation ("BMR") review, concern has been raised that the data which led to the decision to remove the exemption for spot foreign exchange ("FX") benchmarks from the scope of the Regulation was incomplete.

It has now been confirmed that the combined values of derivative contracts traded on trading venues, i.e. regulated markets, MTFs & OTFs, and via Systematic Internalisers referencing certain key spot FX benchmarks exceed the €50 billion significant benchmark threshold ("threshold").

Key spot FX benchmarks impacted are located in Korea, Taiwan, India and the Philippines. Currently, these benchmarks fall within the transitional provision for use of non-EU benchmarks. However, once this provision expires EU supervised entities will not be able to use these key FX benchmarks in derivative transactions.

The widespread use of non-deliverable forwards (NDFs) and non-deliverable swaps referencing these spot FX benchmarks by a diverse range of EU end-users, in particular corporates (both multinationals and small and medium-sized companies ("SMEs")) and investment institutions (e.g. asset managers and life insurers), underscores the critical importance of this instrument for the economic and financial stability of the EU.

The prohibition of EU supervised entities from entering into derivative contracts referencing these key spot FX benchmarks will have severe and far-reaching consequences for these end-users as it will disrupt their ability to effectively hedge currency exposures.

Without access to the NDF market, EU end-users will be at a significant competitive disadvantage to their non-EU competitors who do not have the same restrictions in managing their FX risks using NDFs. These end-users will be severely impacted as they will be required to use non-EU entities to provide these services, if possible due to licensing restrictions, which will most likely result in increased costs or being unable to participate in these markets at all.

Given the impact of incomplete data used to determine which benchmarks will not be designated as significant, there is a risk that, in the future, other benchmarks referenced by OTC contracts may exceed the threshold and require exemption. In addition, there may be other benchmarks that are critical to the hedging activity of EU market participants whose use is currently below the threshold but because of market growth may be designated significant at some point in the future.

To avoid this disruption, the Global Foreign Exchange Division ("GFXD"), the International Swaps and Derivatives Association ("ISDA"), European Association of Corporate Treasurers ("EACT"), the European Fund and Asset Management Association ("EFAMA"), the Emerging Markets Trade Association ("EMTA"), the European Venues and Intermediaries Association ("EVIA") and the Futures Industry Association ("FIA") (together the "trade associations") strongly recommend that the European Commission ("EC"), the European Parliament and Council take the following actions:

1. Implement a general exemption for all spot FX benchmarks; and
2. Provide the EC with the authority to designate individual benchmarks as out of scope upon request to address situations such as the one recently experienced with incomplete data used in the calculations to identify significant benchmarks.

2. Background

In the July 2020 Impact Assessment[1], the EC stated that "in case the BMR, as of 2022, prevents EU banks from offering forward contracts that calculate their pay-out by reference to the spot exchange rates of some of the main trading partners, EU exporters and investors can no longer hedge their currency exposures with forward contracts offered by EU banks. Legal restrictions in the country where these spot rates are published … prevent the emergence of replacement rates for these spot rates in the EU. In these circumstances, the risk is that EU exporters, investors and EU banks will no longer be able to efficiently hedge their currency exposures. The problem has two angles: (1) The foreign spot exchange rate is indispensable to calculate payments due under the hedging contract; and (2) due to their monetary policy function, foreign currency spot rates in non-convertible currencies are unlikely to be equivalent, recognised or endorsed for use as a calculation rate in the EU."

There are a number of third-country FX benchmarks referencing the spot FX rate that are of significant concern due to their current and future lack of compliance with the BMR; these include, but are not limited to[2], the restricted currency jurisdictions of Korea (KRW), Taiwan (TWD), India (INR)and the Philippines (PHP).

Benchmarks are vital in pricing and settling cross-border transactions, thereby facilitating the effective and smooth functioning of the market in a wide variety of financial instruments and services. Derivatives, including NDFs and non-deliverable swaps are used by manufacturers, including small and medium enterprises, and investors to hedge their exposure to settlement obligations denominated in a foreign currency. Not being able to hedge such exposure, may undermine market confidence, cause losses and distort the real economy as manufacturers and investors may no longer be protected against FX risks.

The third-country administrators[3] of these FX benchmarks, which may be appointed by a central bank and in some cases wholly managed by the central bank[4], do not intend to make their benchmarks available for use in the EU in accordance with BMR, either via endorsement or

[1] https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:52020SC0142

[2] Other industry benchmarks at risk are listed in Appendix 2

[3] In the Philippines, the USDPHP spot fixing rate is owned and administered by the Bankers Association of the Philippines (BAP) whose directors are from domestic and international banks. As the benchmark administrator, the BAP has appointed Bloomberg Finance Singapore L.P (Bloomberg) as the spot FX trading platform, as the calculation agent and publication agent for the spot FX benchmark.
In Korea, there are only two authorised onshore spot FX trading brokers platforms which are jointly responsible for calculating and publishing the USDKRW Market Average Rate fixing. These two brokers are partly controlled by the central bank and a key minority shareholder is the Korea Resolution & Collection Corporation, previously a public organisation.
In Taiwan, Taipei Forex Inc is one of only two authorised brokers for trading spot FX and is responsible for the calculation and publication of the USDTWD spot fixing rate and benchmark. Approximately 70% of the domestic spot FX market is traded on Taipei Forex whose Board of Directors is controlled by state owned banks.
In India, Financial Benchmarks India Private Limited (FBIL) is authorised and regulated by Reserve Bank of India as the benchmark administrator of the USDINR spot fixing rate since March 2019.

[4] For example: Nigerian Naira - FMDQ OTC Securities Exchange and Kazakhstan Tenge - Kazakhstan Stock exchange

recognition, and in all jurisdictions, except India[5] and Korea[6], there is no benchmark regulation thus ruling out equivalence. The reasons for non-compliance have been cited as a combination of extraterritorial overreach and the costs of compliance for non-revenue generating administrators and the need to cede control over the administration of the benchmark which means it is not commercially viable for smaller third-country administrators.

As a result, regulation (EU) 2021/168[7] dated 10 February 2021 and amending Regulation (EU) 2016/1011 included an exemption ("2021 exemption") for spot FX benchmarks designated by the Commission where:

a. the spot FX benchmark references a spot exchange rate of a third-country currency that is not freely convertible; and
b. the spot FX benchmark is used on a frequent, systematic and regular basis to hedge against adverse foreign exchange rate movements.

However, the EC proposal to revise BMR removed the 2021 exemption on the basis of an analysis of EU trade repository data it commissioned ESMA to undertake which showed that spot FX benchmarks would be deemed non-significant benchmarks as the value of contracts referencing each spot FX benchmark would fall below the threshold.

The result of the proposed revisions would be the prohibition of EU supervised entities and, by extension, their clients from trading FX contracts referencing these spot FX benchmarks.

Subsequent conversations held with ESMA resulted in a recalculation of the combined value of derivative contracts traded on trading venues, i.e. regulated markets, MTFs & OTFs, and via Systematic Internalisers referencing the KRW, TWD, INR and PHP spot FX benchmarks.

ESMA has confirmed that the recalculation shows the value of these contracts do in fact exceed the threshold for all four currencies causing them to fall within the scope of the BMR.

3. Growth in Emerging Market ("EM") volumes

Since the mid-2000s, the growth in volume of EM currencies has greatly outpaced that of Advanced Economy currencies resulting in a near-tripling of their share of global trading[8]. This growth has been driven by the changing composition of foreign investment and the deepening of local financial markets.

In many EM countries, central banks have imposed restrictions on the use of its currency to achieve a variety of monetary goals. In these countries, the use of forwards in the onshore market is limited and, consequently liquidity is thin. By comparison, the offshore 'non-

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[5] https://rbidocs.rbi.org.in/rdocs/notification/PDFs/NT221D5C22DEEDAE44D93AF7FD6394077898F.PDF The Reserve Bank of India (RBI) issued its Financial Benchmark Administrators (Reserve Bank) Directions in June 2019 regulating domestic 'significant' benchmarks including the USDINR spot fixing rate administered by FBIL. However, given the current approach adopted by the RBI toward the adoption of other jurisdictions' regulation, we have been advised that they will not seek equivalence.

[6] https://www.fsc.go.kr/eng/pr010101/22537 The Korean Financial Benchmark Act regulating critical domestic benchmarks became effective in November 2020. To date only the Certificate of Deposit Rate and Overnight Repo Rate have been designated as critical. The Korean authorities have been working with EU counterparts to get an approval for congruity for these two benchmarks.

[7] https://eur-lex.europa.eu/eli/reg/2021/168

[8] As reported in the BIS Triennial Survey, the average daily volume (adv) of KRW forwards traded against all currencies more than doubled between 2016 and 2022 to USD 71.2billion, for INR the adv grew by 150% to USD 59.7billion, for TWD the adv grew by 280% to USD 50.1billion, for BRL the adv grew by 70% to USD45.2billion, for CNY the adv grew by 130% to USD 65.2billion.

deliverable' market tends to be more active and liquid due to the diversity and number of market participants.

As a result, international market participants typically choose to trade FX forward contracts in the offshore non-deliverable market rather than participate in the onshore market.

4. FX Non-deliverable Forwards

In an NDF contract, two parties agree to buy and sell two currencies at a specified exchange rate on a future date. However, instead of physically settling the notional amount of both currencies the counterparties to these trades net settle in the contract's base currency. The net settlement amount is calculated from the difference between the exchange rate agreed at the time the trade is executed and the spot FX rate fixed at maturity, and so is not the full notional amount of the contract.

This spot FX rate, used to determine the net settlement amount, is a benchmark. It will be calculated on a daily basis by a benchmark administrator who will publish the fixing rate at which a currency is to be traded against USD or other currency, e.g. EUR.

NDFs for the currencies of the countries listed in Appendix 2 are either traded on Multilateral Trading Facilities or via a Systematic Internaliser.

Entities trading with or investing in these countries actively use NDFs to hedge their currency exposure. If these benchmarks are not authorised under the BMR, EU supervised entities will be prohibited from trading NDFs in the EU and will be prevented from offering these currency hedging services to their EU clients.

5. Primary users of NDFs

5.1 European Corporates – Multinationals and SMEs

- In Europe, the SME sector accounts for a significant portion of economic output and jobs and has considerable exposure to international markets[9,10]. The continued competitiveness of the SME sector is therefore critical to future job security and economic growth across Europe. SMEs use NDFs to hedge their currency risks when trading with jurisdictions operating restricted currencies.
- European manufacturing companies frequently use NDFs to hedge the currency risks associated with their global supply chains, overseas operations and factories and sales in diverse markets. For instance, in wind farm projects, European project owners utilise TWD NDFs to hedge their future income streams from selling electricity in Taiwan, as they cannot hedge these streams in the onshore market.
- European automakers rely heavily on NDFs to manage the foreign exchange exposures of their production facilities and vehicle sales in Asia and other regions.
- European energy companies employ NDFs to hedge the currency risks inherent in their oil and gas trading activities and international investments.

[9] In Germany, in 2021, SMEs exported goods worth almost EUR 228billion - https://www.research-in-germany.org/idw-news/en_US/2023/10/2023-10-27_Small_and_medium-sized_enterprises__SMEs__remain_an_important_economic_sector_in_Germany.html

[10] In 2022, 44% of French mid-caps had exposure to international activity. 78% of midcaps that have external growth ambitions are focused on North America, Africa and Asia - https://www.bpifrance.com/2022/10/20/2022-survey-what-do-french-intermediate-sized-companies-expect/

- European luxury brands use NDFs to manage the currency risk from their regional sales receipts and local investments.
- The EU end users participating in the NDF market span all industries, including but not limited to airlines, chemical, pharmaceutical, food production, telecommunications, and technology sectors.
- Without access to the NDF market, the hedging strategy for European corporates will be severely impacted as they will be required use non-EU entities to provide these services (where that's possible due to licensing restrictions), potentially resulting in increased costs or being unable to participate in these markets at all.

5.2 European Financial Institutions

- European life insurers frequently utilise NDFs to manage the foreign exchange risks associated with their global investment portfolios and international operations. These insurers have significant balance sheets and premium receivable from local markets in Asia.
- European securities firms and the securities divisions of banks also participate in NDF trading. They use these instruments to hedge the currency risk associated with their local securities holdings and to manage the FX exposure of their securities products.
- Leading European asset managers incorporate NDFs into their currency risk management strategies to mitigate or gain exposure to emerging market currencies.
- European hedge funds and systematic trading firms maintain substantial positions in NDFs within their trading portfolios, leveraging these instruments for speculation and risk management.
- European FX trading venues play a critical role in arranging NDF transactions between various market participants, ensuring liquidity and seamless execution of trades.
- Without access to the NDF market, the hedging strategy for European financial institutions will be severely impacted as they will be required use non-EU entities to provide these services (where that's possible due to licensing restrictions), potentially resulting in increased costs or being unable to participate in these markets at all.

5.3 Central Banks and Supranational Entities

- While the specific involvement of European central banks including the ECB in the Asian currency NDF markets is unclear, these institutions have acknowledged using NDFs as part of their FX operations, liquidity management, and monetary policy implementation.
- Other central banks, such as the Bank of Korea and Reserve Bank of India, as well as supranational institutions like the Bank for International Settlements, are also known to utilise NDFs to manage their foreign exchange operations and hedge reserve investments.
- The removal of official NDF fixings could have significant implications. It could lead EU banks to scale back their NDF business with central banks, which could in turn affect the leading position of EU banks in the global market. Moreover, this move could raise substantial concerns from central banks, which the EU regulatory authorities would need to carefully consider.

5.4 European Banks

- Major European banks, e.g. Deutsche Bank, BNP Paribas, Credit Agricole, Société Générale, ING Bank, Santander, BBVA and Commerzbank, are heavily involved in the NDF market. They serve as both market makers and real users.
- These banks rely on NDFs not only as part of their core FX services providing liquidity to customers, but also to hedge banks' own foreign exchange exposures arising from their local branch operations, cross-border lending activities, and proprietary investment portfolios. Without an effective NDF market, banks' hedging strategy would be severely impacted.

The widespread and systemic use of NDFs by this diverse range of EU market participants underscores the critical importance of this instrument for the region's economic and financial stability. The prohibition of EU supervised entities from trading contracts referencing these spot FX benchmarks will have severe and far-reaching consequences as it would disrupt EU market participants' ability to effectively hedge currency exposures.

6. Alternative rate sources

For some currencies where there are restrictions imposed, the local central bank may take action to discourage the use of alternative rates to price NDFs out of concern for market fragmentation and the potential vulnerability of onshore price discovery to offshore influences that impact domestic monetary policy, eg. exchange rate stability.

While it may be possible to transition to an offshore benchmark rate over time, the relevant central bank may not be supportive and, as we saw in Malaysia in 2016[11,12], some jurisdictions may take steps to prohibit the use of the NDF market for international market participants with an onshore presence. In addition, migration to an alternative rate for EU supervised entities could result in a bifurcated market, exposure to basis risk and an increase in transaction costs.

7. Recommendation

The trade associations strongly recommend that the EC, the European Parliament and Council take the following actions:

1. Implement a general exemption for all spot FX benchmarks; and
2. Provide the EC with the authority to designate individual benchmarks as out of scope upon request to address situations such as the one recently experienced with incomplete data used in the calculations to identify significant benchmarks.

[11] https://bondsloans.com/news/malaysian-ndf-ban-reinforcement-puts-investors-on-back-foot
[12] https://www.bnm.gov.my/-/prohibiting-facilitation-of-ndf-related-transactions

Appendices

Appendix 1

The importance of trade with Asian Emerging Market Economies

Philippines

The EU and the Philippines already have well-established trade relations, with clear potential for an even closer relationship.

The EU government has revived negotiations for a free trade agreement (FTA) with the Philippines, aiming to attract more EU investments into the country's economic zones. The Philippine Economic Zone Authority (PEZA)[13] reported that EU investments have already resulted in PHP300 billion in projects, generating USD12 billion in exports and over 50,000 jobs.

Given this deepening economic relationship, any ban on PHP NDF fixing could undermine these positive developments and harm the policy direction aimed at strengthening bilateral trade and investment ties.

- Trade in goods was worth over €18.4 billion in 2022, while trade in services was worth €4.7 billion in 2021[14];
- The EU is Philippines's 4th largest trade partner;
- The Philippines, the 5th largest economy in the ASEAN region, is the EU's 7th most important trading partner in the region (and 41st worldwide);
- The EU is one of the largest investors in the Philippines, with the EU's foreign direct investment stock in the Philippines reaching €13.7 billion in 2021.

Korea

The EU remains the biggest source of foreign direct investment (FDI) in the Republic of Korea, representing 37% of the country's total FDI stock[15].

The EU's investment in the Republic of Korea grew by 39% since 2010, reaching €44 billion in 2019. In turn, investments from the Republic of Korea in the EU grew an impressive 151% over the same period and reached €29 billion in 2019.

The Netherlands was the largest investor in the Republic of Korea, accounting for 33% of the EU's total FDI stock, followed by Germany (23%), France (9%) and Hungary (8%). Equally, the Netherlands was the top destination for the Republic of Korea's FDI in the EU (23% of total stock), ahead of Germany (21%), Hungary (10%), Czech Republic (10%), and Slovakia (10%).

Executive Vice-President and Trade Commissioner, Valdis Dombrovskis, said: "We have a lot to celebrate on the 10th anniversary of the EU-Republic of Korea trade deal, which has led a big boost in our bilateral trade - in fact, trade has doubled. This shows that trade deals are very much worth negotiating and implementing and they are vital to our recovery: every €1 billion of exports supports 13,000 jobs in the EU. The deal also shows that the EU is walking the talk on

[13] https://www.pna.gov.ph/articles/1221510
[14] https://ec.europa.eu/commission/presscorner/detail/en/ip_23_4024
[15] https://ec.europa.eu/commission/presscorner/detail/en/ip_21_3261

workers' rights, as the agreement has successfully contributed to the Republic of Korea's ratification of key international labour conventions."

Taiwan

Trade between the EU and Taiwan has increased more than eightfold over the past two decades[16]

In recent years the EU has been the major source of foreign direct investment in Taiwan.

To meet the global demand for AI and technology and to stay competitive in the global tech race, the European Chips Act came into effect in September 2023[17]. This ambitious legislative package aims to double the EU's global semiconductor market share to 20% by 2030, with various initiatives under the Act mobilizing EUR 43 billion in public and private investments to achieve this goal. A key objective of the Act is to attract significant investments from chipmakers like TSMC, offering a fast-track permitting process for new European fabs and allowing EU states to subsidize these projects.

Despite concerns about whether TSMC would invest in Germany due to subsidy issues, there was excellent news in May 2024 when TSMC confirmed the construction of its first European chip plant, set to begin in Q4 2024[18]. Given that EUR/TWD NDF is a primary FX hedging tool for overseas capital expenditures bilaterally between EU corporates and some Taiwanese corporations, any ban on TWD NDF fixing could jeopardize these positive developments and the strategic tech ties they support.

India

India has signed a landmark $100 billion free trade deal with the European Free Trade Association (EFTA), comprising four prominent European nations[19],[20]. This significant agreement further strengthens India's strategic economic ties with the EFTA bloc.

Given the role of the EUR/INR NDF as a key FX hedging tool for European corporate investment into India, any potential ban on INR NDF fixing could have adverse implications over the hedging strategies employed by EU businesses. This would introduce considerable uncertainty and risks for European companies with exposure to the Indian market.

In 2021 the EU was India's third largest trading partner, accounting for €88 billion worth of trade in goods or 10.8% of total Indian trade[21].

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16 https://policy.trade.ec.europa.eu/eu-trade-relationships-country-and-region/countries-and-regions/taiwan_en
17 https://commission.europa.eu/strategy-and-policy/priorities-2019-2024/europe-fit-digital-age/european-chips-act_en
18 https://www.trendforce.com/news/2024/05/16/news-tsmc-confirms-construction-for-its-first-european-chip-plant-to-commence-in-q4-as-scheduled/
19 https://www.reuters.com/world/india-says-europe-trade-group-commits-100-bln-15-year-deal-2024-03-10/
20 https://www.bbc.com/news/world-asia-68531241
21 https://policy.trade.ec.europa.eu/eu-trade-relationships-country-and-region/countries-and-regions/india/eu-india-agreement_en

Appendix 2

Spot FX Fixing rates referenced by NDFs

Currency	Fixing reference	Administrator	Type
Angolan Kwanza	AOA Official AOA1	Banco Nacional de Angola	Central Bank
Argentine Peso	ARS MAE ARS05	The MAE	Industry
Brazilian Peso	BRL PTAX BRL09	Banco Central do Brasil	Central Bank
Chilean Peso	CLP DOLAR OBS CLP10	Banco Central de Chile	Central Bank
Chinese RMB	CNY SAEC CNY01	PBOC (People's Bank of China)	Central Bank
Colombian Peso	COP TRM COP02	Colombian Financial Superintend.	Central Bank
Egyptian Pound	EGPFEMF EGP01	Central Bank of Egypt	Central Bank
Ghanaian Cedi	GHS WMR GHS04	Refinitiv Benchmark Services	Industry
Indian Rupee	INR FBIL INR01	Financial Benchmarks India, Pvt.	Industry
Indonesian. Rupiah	IDR JISDOR IDR04	Bank Indonesia	Central Bank
Kazakhstan Tenge	KZT KASE KZT01	Kazakhstan Stock Exchange	Industry
Kenyan Shilling	KES WMR KES03	Refinitiv Benchmark Services	Industry
Korean Won	KRW KFTC10 KRW	Seoul Money Brokerage Ser.	Industry
Malaysian Ringgit	MYR KL REF MYR04	Bank Negara Malaysia	Central Bank
Nigerian Naira	NGN NAFEX NGN03	FMDQ OTC Securities Exchange	Industry
Peruvian Sol	PEN INTER. AVE PEN05	Banco Central de Reserva del Peru	Central Bank
Philippine Peso	PHP BAPPESO PHP06	Bankers Association of the Phil	Industry
Russian Ruble	WM/REFIN MID WMR03	Refinitiv Benchmark Services	Industry
Taiwanese Dollar	TWDTAIFX1 TWD03	Taipei Forex	Industry
Ugandan Shilling	UGX MID UGX01	Bank of Uganda	Central Bank
Ukrainian Hryvnia	UAH NBU UAH04	National Bank Ukraine	Central Bank
Uruguayan Peso	UYU Official UYU01	Banco Central del Uruguay	Central Bank
Zambian Kwacha	ZMW WMR ZMW02	Refinitiv Benchmark Services	Industry

Other Rates

Currency	Fixing reference	Administrator	Type
Chinese RMB	CNY CNHHK CNY03	Treasury Markets Hong Kong	Industry
Thai Baht	THBVWP THB01	ABS Benchmarks Admin	Industry
Vietnamese Dong	VND FX 02	Refinitiv Limited	Industry

About GFMA

Global Foreign Exchange Division (GFXD) of the Global Financial Markets Association (GFMA) was formed in co-operation with the Association for Financial Markets in Europe (AFME), the Securities Industry and Financial Markets Association (SIFMA) and the Asia Securities Industry and Financial Markets Association (ASIFMA). Its members comprise 24 global foreign exchange (FX) market participants, collectively representing the majority of the FX inter-dealer market[22]. Both the GFXD and its members are committed to ensuring a robust, open and fair marketplace and welcome the opportunity for continued dialogue with global regulators.

About ISDA

Since 1985, ISDA has worked to make the global derivatives markets safer and more efficient. Today, ISDA has over 1,000 member institutions from 77 countries. These members comprise a broad range of derivatives market participants, including corporations, investment managers, government and supranational entities, insurance companies, energy and commodities firms, and international and regional banks. In addition to market participants, members also include key components of the derivatives market infrastructure, such as exchanges, intermediaries, clearing houses and repositories, as well as law firms, accounting firms and other service providers. Information about ISDA and its activities is available on the Association's website: www.isda.org. Follow us on Twitter, LinkedIn, Facebook and YouTube.

About EACT

Representing the European real economy, the EACT brings together 14 000 corporate treasury professionals active in 22 countries and working for around 6 500 individual non-financial companies as end-users of financial services. Corporate treasurers are the finance professionals of the real economy.

About EFAMA

EFAMA, the European Fund and Asset Management Association, is the voice of the EUR 28.5tn European investment management industry. As a trade association, our role is to promote the interests of our members and raise awareness of the importance of the services and solutions they provide. Our pan-European membership as well as our governance ensure that we represent the rich diversity of the European investment management industry, and not merely a subset thereof. This makes us the natural interlocutor of the EU institutions for all issues relevant to our sector. Our remit goes beyond the EUR 31tn however. We support open and well-functioning global capital markets and engage with international standard setters and relevant third country authorities on a wide range of issues. Since its establishment, EFAMA has been fully supportive of the EU project and working hard towards helping the EU achieve its objectives, whether in terms of single market, consumer protection or more recently CMU and sustainable finance.

[22] Bank of America, Bank of New York, Barclays, BNP Paribas, Citi, Credit Agricole, Deutsche Bank, Goldman Sachs, HSBC, ING, JP Morgan, Lloyds, Mizuho, Morgan Stanley, MUFG Bank, NatWest Markets, Nomura, Northern Trust, RBC, Standard Chartered Bank, State Street, UBS, US Bank and Wells Fargo

About EMTA

EMTA, formed in 1990, is the principal trade group for the Emerging Markets trading and investment community and is dedicated to promoting the orderly development of fair, efficient and transparent trading for Emerging Markets instruments and to helping integrate the Emerging Markets into the global capital markets.

About EVIA

EVIA's core strength is the ability to consolidate views, data and to act as a common voice for trading venues, intermediaries and wholesale brokers operating in a complex and closely regulated environment, by acting as a central point for the industry and providing clear communication with central banks, governments, policy makers, and regulators. The Association provides specific standards and maintains a clear focus and direction for the participants and stakeholders across the market ecosystem, building upon a credible reputation from over 50 years of experience. EVIA was previously known as the Wholesale Markets Brokers' Association (WMBA) whose name reflected the Interdealer Broker industry and its origins began with the Foreign Exchange and Deposit Brokers' Association (FEDBA) established over 50 years ago. Its members cover global markets and facilitate the overwhelming majority of transaction volumes in the Over-The-Counter (OTC) markets

About FIA

FIA is the leading global trade organization for the futures, options and centrally cleared derivatives markets, with offices in Brussels, London, Singapore and Washington, D.C. FIA's membership includes clearing firms, exchanges, clearinghouses, trading firms and commodities specialists from about 50 countries as well as technology vendors, law firms and other professional service providers. FIA's mission is to:

- support open, transparent and competitive markets,
- protect and enhance the integrity of the financial system, and
- promote high standards of professional conduct.