

ACI
THE FINANCIAL
MARKETS
ASSOCIATION



SINCE 1955

The ACI FMA Today
Ethical Behaviour in the Financial Markets
Moving From Industry to Profession

ACI

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SINCE 1955

Partnering with the ACI will enable you to **demonstrate the concrete steps** you are taking to **ensure all of your staff have been trained** to your expectations of the **highest ethical standards of conduct**, and that they understand their **individual obligations**.

ACI – THE FINANCIAL MARKETS ASSOCIATION

We are the Association of Choice for
Wholesale Financial Markets Participants



Ethical Conduct

Gain institutional or career value from the ACI Model Code

The ACI Model Code encapsulates the best possible practice of Code of Conduct in the financial markets industry -- including the latest market developments, best practice and technical advice for practitioners



Education

Learn more about our Education Services and Certification

ACI qualifications act as a licence to deal in many countries, providing evidence to interested parties of importance placed on highest standards of practice and ethical conduct.



ACI Members

Join a worldwide professional and multi-faceted expert team

ACI members are proud to represent individual responsibility and to connect with people from around the world who also want to be informed and follow the best possible practice in our industry.

NEW IN THE MODEL CODE JANUARY 2015

- Insider Dealing
- Market manipulation
- Aggregation (entirely new)
- Dealing at non-current rates
- Rate Setting
- Prime Brokerage (re-write)
- Compliance & Complaints
- e-trading (substantial changes in some sections)
- HFT (entirely new)
- Costs & Charges
- FX Dark Pools (entirely new)

WHAT INSTITUTIONS NEED

- **Visibility** to clients and shareholders that they are embedding behavioural improvements
- A Code recognised and **endorsed by regulators and central banks** around the world
- **To demonstrate support, leadership and proactive approach** to public domain and regulators
- **Public Relations benefits** with shareholders and clients
- Significant measurable, achievable and timely significant **increase in market participants' awareness**
- A global code that **can sit alongside and reinforce any code of conduct**
- A solution to mitigate operational risk under Basle III

FSB LETTER 20 MARCH 2015

- Netting and execution
- Pricing for fixing transactions (risk reward)
- Establish and enforce internal guidelines for separate fixing processes
- Controls on sharing info amongst market-makers
- Controls on privacy of info, including around the fix
- Establish and enforcement of controls on conflicts of interest from client flows
- Steps taken to adopt codes of conduct that describe best practices for trading foreign exchange, including detailing more precisely and explicitly the extent to which information sharing between market-makers is or is not allowed, and, where appropriate, that incorporate specific provisions on the execution of foreign exchange transactions including fixing orders; and
- Steps taken by market participants to more strongly demonstrate compliance with the codes of the various foreign exchange committees, as well as participants' internal codes of conduct

Seeks answers to
recommendations
6 to 13 from FSB
September 2014
Report

Welcome to ELAC

The ACI Financial Markets Association's eLearning and Certification Portal

[Sign In](#)

ELAC will launch May 2015 with 60 best practices



City of London 'black book' is called for to track 'bad apple' traders | Fair & Effective Markets Review Consultation Paper ACI | Industry Supports FSB's Proposals for Fixing the Fix... | Financial Stability Board guidance is positive

Ethical Behaviour in the Financial Markets Industry - Moving "From Industry to Profession"

ELAC- a true state of the art continuous learning portal that helps market professionals to stay up-to-date with the latest ethical behaviours



All cases 12



The Front office
Manipulating or controlling
fixes
0 / 50 points

The Middle office
50 / 50 points

The Front office

The Middle office



> SHOW ALL CASES

Manipulating or controlling fixes

ELAC is continuously updated with new best practice cases presented to the ELAC subscribers

Status
Started

Last update
16 April 2015

Industry sector
Exchange / CC

Rating
☆☆☆☆☆
[PLACE REVIEW](#)

3
POINTS

MARKET PRACTICE • 1 POINT

Manipulating or controlling fixes

At 1pm Michael a Trader at Eurobank accepts a large order from a client to buy GBP at the 1:15pm fix price. Michael accumulates directionally similar orders from other market participants. This is done in order to build Michael's position and increase Michael's ability to influence the 1:15pm fix price.

Michael uses the accumulated a position to trade during the 1:15pm fix window in a manner designed to influence the price fixed.

+ Code quick ref.

A brand new case is now available

[Learn more](#)

Code news

[Maintain your Personal Accreditation Rating](#)

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MARKET CODES • 1 POINT

Is Michael acting in compliance with the ACI FMA Model Code?



Is Michael acting in compliance with the ACI FMA Model Code?



It might be hard to give a clear cut answer. Based on this directly clear if he is acting in compliance with the model

In [article 27.2](#) Treatment of FX Benchmark Orders and [article 42.2](#) Artificial market and market manipulation best practice

Continue

27.2 Treatment of FX Benchmark orders

- Dealers should not, whether by collusion or otherwise inappropriate sharing of information, influence the exchange rate.
- Dealers should not intentionally influence benchmark 'fixings' in an attempt to benefit from the fixing, whether directly or in respect of any Customer related flows at the underlying fixing.
- Dealers and sales persons should inform Customers in advance about external factors that could affect the benchmark rate, for example, macro data, illiquid market conditions and any other relevant event.

Next

30 | Market Manipulation



All cases 12



The Front office 25

Manipulating or controlling
fixes

25 / 50 points

The Middle office ✓

50 / 50 points

The Front office 50

The Middle

> SHOW ALL CASES

My PAR

SCORE

2.248

STATUS



GOLD

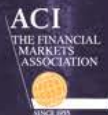
75%

TIME SPEND

00:02:45

Earn Professional Accreditation Rating (PAR) by completing best practice cases and self-assessment.

Manipulating or controlling fixes



The Model Code

LAST UPDATED ON 14.02.2015



Supplem. Materials

III. The Front Office

Chapter 4: Dealers, Sales and the Dealing Room

27.2 Treatment of FX Benchmark Orders

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[Previous](#)[Next](#)

9 | Misinformation and Rumours

GO TO TOP

A brand new case is now available

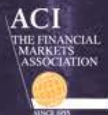
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Code news

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[5 New Best Practices in your profile](#)

Easy access to The Model Code, with update alerts and quick links to best practice cases



The Model Code

LAST UPDATED ON 14.02.2015

Search

Manipulating |

Manipulating or controlling fixes

Controlling fixes manipulating

Vestibulum dolor at accumsan

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Next

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+ Supplem. Materials

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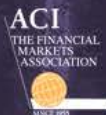
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GO TO TOP



Self assessment

Business Hours

0 / 50 points

Company Wide Issues

0 / 50 points

Front Office

25 / 50 points

Middle Office

0 / 50 points

Back Office

0 / 50 points

Technology & Security

0 / 50 points

25

POINTS

16

III. The Front Office

SELF ASSESSMENT QUESTION - 1 POINT

I am a dealer and my broker fails to conclude a transaction at the quoted price. I have to accept a lesser quote to neutralise my risk. What should I do?

A1

"stuff" the broker and insist on a replacement name at the original price

A2

accept a bank transfer compensation payment in favour of the bank or adjustment to brokerage bills

A brand new case is now available

[Learn more](#)

Self-assessment tests to verify the knowledge level of the user



Create case

Case Context

Select Industry Area

You can select one industry area on which the case applies.

- ☐ FX
- ☐ Fixed Income
- ☐ MM
- ☒ Treasury / ALM
- ☐ / CCP
- ☐ S
- ☐ Management - Hedge Funds

Which office is involved?

Select one of the options.

- ☐ Front Office
- ☐ Middle Office
- ☐ Back Office
- ☒ General / Company wide

Is electronic trading involved?

Nam tincidunt quam eu augue euismod porttitor. Curabitur tincidunt exat.

Propose new cases or review and contribute to existing cases

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