1. **The group recommends the fixing window be widened from its current width of one minute. It seeks feedback from market participants as to the appropriate width of the calculation window.**

ANZ generally supports extending the tradeable window for deliverable currencies. However, in our view, extending the tradeable window does give rise to complexities that must be properly considered. For example, volumes differ across banks participating in the fixing windows. This needs to be considered as managing smaller flows over greater time periods may actually increase risk for market participants. The length of the extension must also be carefully considered together with the question of whether or not the extended period should be applied consistently for all orders. If the execution window is extended, we believe an equally weighted time iteration methodology should apply.

2. **The group seeks feedback from market participants as to whether there is a need for alternative benchmark calculations (such as a volume weighted or time weighted benchmark price) calculated over longer time periods of up to and including 24 hours.**

Volume and Time weighting should certainly be factors incorporated into FX fixing benchmarks, -to ensure robustness and integrity. However, the question then becomes over what period of time and for what amounts? ANZ would suggest that 24 hours is far too long. FX is a very efficient liquid market and we would anticipate a maximum of a 30 minute window per fixing period.

3. **The group also seeks feedback from market participants as to whether the fixing windows should continue to be centred exactly on the hour (half hour) or whether the fixing window should close or start on the hour. Market participants should consider whether this view changes depending on the size of the window.**

We think the central reference point for the fixing should be on the hour, with equally weighted time iterations around the hour. We believe this will be easiest for clients.

4. **The group proposes that WM investigate the feasibility of receiving price feeds and transactions data from a broader range of sources to further increase its coverage of the FX market during the fixing window, and should regularly assess its coverage as market structure continues to evolve. In that regard the group also proposes that in the short term, WM develop its methodology to utilise the transactional and quote information from both Thomson Reuters Matching and EBS, wherever both are available.**

We believe an extension to include other ECN's [Electronically Connected Network] for price and volume under WMR fixing could improve the robustness and integrity of fixings. The contributing ECNs should be reviewed on a quarterly basis to ensure ongoing appropriateness.

5. **The group considers that, where central banks publish reference rates, it is the responsibility of each to set internal procedures. Central banks should at least take note of guidance from the IOSCO principles. However, where central bank reference rates are intended for transaction purposes, the group encourages compliance with the relevant IOSCO principles.**

Agreed.

6. **The group supports the development of industry-led initiatives to create independent netting and execution facilities. However, it also is interested in seeking feedback from market participants on the development of a global/central utility for order-matching to facilitate fixing orders from any market participants.**

This seems like a good initiative and could possibly enable utilisation of central netting pools of liquidity that exist already via BBG and or FX all mid book. Both of these pools of liquidity are risk neutral netting for E FX flow between banks. The tail risk of fixing orders could potentially be centrally managed by the contributing liquidity banks. Any pricing costs associated with the clearing could be included as part of the fixing average. A brokerage could be charged for direct market access to this liquidity pool.

7. **The group recommends that fixing transactions be priced in a manner that is transparent and is consistent with the risk borne in accepting such transactions. This may occur via applying a bid-offer spread, as is typical in FX transactions, or through a clearly communicated and documented fee structure such as a direct fee or contractually agreed price.**

We can see the benefits of this approach although, if a spread approach was adopted, consideration will need to be given to the methodology for determining the spread and whether or not the spread should be published.

8. **The group recommends that banks establish and enforce their internal guidelines and procedures for collecting and executing fixing orders including separate processes for handling such orders.**

ANZ supports this proposal. While ANZ agrees in principle we suggest high level principles be developed either by FSB or one of the relevant FX committees in each jurisdiction to allow a common understanding and a level playing field to avoid regulatory arbitrage.

9. **Market-makers should not share information with each other about their trading positions beyond that necessary for a transaction. This covers both individual trades, and their aggregate positions.**

Agreed

10. **Market-makers should not pass on private information to clients or other counterparties that might enable those counterparties to anticipate the flows of other clients or counterparties, including around the fix.**

To facilitate the best outcome for clients, it seems to us that market makers (and not available to any market participant) may need to have the ability and flexibility to communicate with other market participants to net-off client fixing orders; Net balance of a bank's total fixing interest may need to be communicated to another market participant in order to seek such a netting arrangement. Never should a client name or the number of clients responsible for the underlying netting interest be disclosed.

11. **More broadly, the group recommends that banks establish and enforce their internal systems and controls to address potential conflicts of interest arising from managing customer flow.**

Agreed. We agree with the proposal however we would suggest high level principles be developed either by FSB or the relevant FX committees in each jurisdiction to allow common understanding and a level playing field to avoid regulatory arbitrage.

12. **Codes of conduct that describe best practices for trading foreign exchange should detail more precisely and explicitly the extent to which information sharing between market-makers is or is not allowed. They also should, where appropriate, incorporate specific provisions on the execution of foreign exchange transactions including fixing orders**.

Agreed. While ANZ agrees in principle we suggest high level principles be developed either by FSB or one of the relevant FX committees in each jurisdiction to allow a common understanding.

13. The group recommends stronger demonstration by market participants of compliance with the codes of the various foreign exchange committees, as well as their internal codes of conduct.

To further promote the integrity and efficiency of the FX market, local FX committees or governing bodies may want to consider a registration system that records the details of parties that are registered to participate within the market. There should be a minimum standard of training and continuous education for individuals in each institution.

14. The group recommends that index providers should review whether the foreign exchange fixes used in their calculation of indexes are fit for purpose.

Agreed. We agree with the proposal however we would suggest high level principles be developed either by FSB or the relevant FX committees in each jurisdiction to allow common understanding and a level playing field to avoid regulatory arbitrage.

15. The group recommends that asset managers, including those passively tracking an index, should conduct appropriate due diligence around their foreign exchange execution and be able to demonstrate that to their own clients if requested. Asset managers should also reflect the importance of selecting a reference rate that is consistent with the relevant use of that rate as they conduct such due diligence.

Agreed