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SOUTH AFRICAN RESERVE BANK

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Record of proceedings of the South African Foreign Exchange Committee virtual meeting held on Thursday, 27 March 2025, at 10:00–11:30

Record of proceedings No. 01/2025

Members in attendance	Apologies
Richard de Roos (Deputy Chairperson), Standard Bank Group Limited Andries Tshishonga, SARB Lucy Mabuza (Secretariat of the SAFXC), SARB Mahlatse Maraba (Secretariat of the SAFXC), SARB Lesego Malehopo, SARB Chris Paizis (Authorised Dealer), Absa Bank Limited Atli Khaas, ACTSA Gill Raine, ASISA Gary Haylett, BASA Marius de Jongh (Observer), FSCA Paul Wilson (Interdealer Broker), ICAP Brice Parise (Authorised Dealer), JPMorgan Elaine Mabiletsa (Exchange), JSE Limited **Invitees:** Johan Coetzee, SAATA Penny Kuck, Standard Bank Nomfundo Nhlapo, Standard Bank Yogita Ramjeeth, Standard Bank Molefe Lenyai, Rand Merchant Bank Themba Maseko, Investec	Zafar Parker (Chairperson), SARB Bafundi Maronoti, SARB Gerald Katsenga, ACI South Africa Kumeran Govender (Authorised Dealer), Capitec Bank Carlos Martins, SAATA

1. Overview

1.1 The South African Foreign Exchange Committee (SAFXC) discussed the following during the meeting:

1.1.1 the presentation on compliance with the FX Global Code (Code);

1.1.2 feedback from the Global Foreign Exchange Committee (GFXC); and

1.1.3 feedback from SAFXC members.

2. Summary of discussions

2.1 The Code compliance presentation by a local bank highlighted the following:

2.1.1 The bank had adopted the Code in 2017 and acknowledged the subsequent revisions made in 2021 and 2024. It had demonstrated its commitment by issuing a Statement of Commitment (SoC) and aligning its foreign exchange (FX) business activities with the updated principles. It had undertaken steps such as raising awareness, conducting gap analyses and partnering with stakeholders to enhance controls and implement the revised principles.

2.1.2 The revised principles of the Code were implemented through several measures, including:

i. communicating the revised Code principles to global markets, business and staff, and emphasising team responsibility;

ii. conducting a gap analysis, which identified key themes such as information security, data governance, and confirmations and settlements, and involved stakeholders to enhance controls; and

iii. engaging key stakeholders to analyse gaps and implement controls, and conducting frequent internal FX Risk Committee meetings to monitor and track action items in implementing the Code's principles.

2.1.3 The bank operated in 18 African countries, each with varying levels of adoption of the Code. For example, Mauritius had fully adopted the Code, whereas Swaziland and Lesotho were still in the process of doing so. Tanzania and Kenya had customised the Code to align with local FX market practices, excluding principles not applicable to their markets.

2.1.4 Various African regulators had shown interest in adopting the Code and attended workshops and training sessions. The SAFXC outreach programme was crucial in raising awareness of the Code and promoting its adoption in the SADC region and on the African continent.

2.1.5 Local banks could indirectly align with the principles of the Code through standard business procedures and ongoing reviews by in-country compliance and monitoring teams. Market participants had a moral and reputational duty to adhere to the Code's principles, even if their country had not formally adopted it.

2.1.6 The bank intended to renew its SoC after addressing the amendments to the Code's principles. Members were of the opinion that updating the SoC was not necessary as the original SoC remained effective. The issue would be discussed at the GFXC meeting in Singapore in July 2025.

2.2 Feedback from the GFXC

2.2.1 The summary of the GFXC meeting held on 5 and 6 December 2024 highlighted the following:

i. The Code was signed by 1 328 market participants in 2024, which included 37 new participants.

ii. Since its launch in July 2024, the proportionality self-assessment tool had seen a significant rise in usage, aiding members in adhering to the Code's principles.

iii. The FX Settlement Risk Working Group proposed enhancing FX settlement risk guidance through a risk waterfall approach and standard settlement instructions.

iv. The FX Data Working Group aimed to enhance data transparency and accessibility for all market participants, ensuring effective and transparent utilisation of FX data.

2.3 Feedback from SAFXC members

2.3.1 SAATA proposed that a workshop on the Code be scheduled for its members on 12 June 2025, prior to the next SAFXC meeting, to address challenges experienced by members in signing the Code, and to emphasise benefits and implications.

2.3.2 The SARB would present an update on digital assets and their regulations, including proposed amendments to the National Payment System Act 78 of 1998, as amended and the Banks Act 94 of 1990, at the SAFXC meeting on 28 August 2025.

3. Date of the next meeting

3.1 The next SAFXC meeting was scheduled for Thursday, 19 June 2025.

Abbreviations

ACTSA	Association of Corporate Treasurers of Southern Africa
ASISA	Association for Savings and Investment South Africa
BASA	Banking Association South Africa
Code	FX Global Code
FSCA	Financial Sector Conduct Authority
FX	foreign exchange
GFXC	Global Foreign Exchange Committee
JPMorgan	JPMorgan Chase Bank Limited, NA
SAATA	South African Association of Treasury Advisors
SAFXC	South African Foreign Exchange Committee
SARB	South African Reserve Bank
SoC	Statement of Commitment