



SOUTH AFRICAN RESERVE BANK

File ref. no.: 11/11/11/TOR

## **Terms of Reference of the South African Foreign Exchange Committee (the Committee)**

### **1. Establishment of the Committee**

- 1.1 The Committee was established on 13th March 2018 as a forum representing industry-wide key market professionals involved in the wholesale foreign exchange market under the sponsorship and leadership of the South African Reserve Bank (SARB).

### **2. Purpose of the Committee**

- 2.1 The purpose of the Committee is to provide guidance in the foreign exchange market by endorsing and upholding the FX Global Code (the Code) and to facilitate market participants' adherence to the Code with the intention of promoting a fair and transparent market, as well as international best practice.
- 2.2 The SAFXC has no legal powers to impose legal or regulatory obligations on market participants, but rather, it intends to provide guidance to FX market participants by identifying and promoting global good practices and processes in the domestic FX market.

### **3. Purpose of the Committee**

- 3.1 The responsibility for appointing member institutions and determining the terms of the appointments of the members of the Committee resides with the SARB. Membership may be subjected to rotation based on merit, e.g. regular attendance of meetings, contribution to the Committee in the form of presentations, and active

participation in discussions. The Committee should be representative of the broader market and all members should be committed to adhering to the FX Global Code.

3.2 The Committee shall comprise the following voting members:

3.2.1 A senior representative from the Financial Markets Department of the SARB as Chairperson. A Deputy Chairperson elected by the Committee, who may not be an official of the SARB, will serve for a period of two years, with a maximum period of two consecutive terms. Should the Chairperson be unable to attend a meeting, he/she shall arrange for the Deputy Chairperson to act as Chairperson, failing which the Committee shall nominate one of its members to act as Chairperson;

3.2.2 Three (3) representatives from the SARB;

3.2.3 one (1) representative from the Association Cambiste International South Africa (ACI);

3.2.4 three (3) representatives from Authorised Dealers, being a representative sample of up to three Authorised Dealers;

3.2.5 one (1) representative from the broker community;

3.2.6 one (1) representative from the Association for Savings and Investment South Africa;

3.2.7 one (1) representative from the Banking Association South Africa;

3.2.8 one (1) representative from a securities exchange;

3.2.9 one (1) representative from the Association of Corporate Treasurers of Southern Africa;

3.2.10 one (1) representative from the South African Association of Treasury Advisors; and

3.2.11 other market participants; as determined by the Committee:

It is a requirement that the organisations represented have adopted the FX Global Code and that all representatives are regarded as senior in stature.

- 3.3 A representative of the Financial Sector Conduct Authority serves in an observer capacity.
- 3.4 The Chairperson may invite any person to attend meetings of the Committee for the purpose of reporting or consultation, if required.
- 3.5 Members of the Committee must attend all scheduled meetings of the Committee, including meetings convened on an ad hoc basis for special matters, unless a prior apology, with reasons, has been submitted to the Chairperson or the Committee Secretary.
- 3.6 The Chairperson and the Deputy Chairperson shall attend the Global Foreign Exchange Committee meetings. They are also expected to attend meetings of the Financial Markets Liaison Group and to provide feedback on the activities of the Committee.

#### **4. Quorum and frequency of meetings**

- 4.1 The quorum of the Committee shall be fifty (50) per cent of the voting members. Individuals in attendance at Committee meetings by invitation may participate in discussions, but do not form part of the quorum requirements of the meeting.
- 4.2 The Committee shall strive to reach decisions by means of consensus, but should this not be possible, then such decisions shall be taken by a majority vote of its members present. In the case of equality of votes the Chairperson shall have a casting vote in addition to his or her deliberative vote.
- 4.3 The Committee shall meet at least four (4) times per annum: Provided that the Chairperson may convene additional meetings or teleconferences, should the need therefor arise. Any member of the Committee may, in consultation with the Chairperson, request that a meeting of the Committee be held.

#### **5. Functions of the Committee**

- 5.1 Committee members are expected to contribute to the functioning of the Committee with a view of furthering the interests of the wholesale FX market rather than representing the interests of their respective organisations.

- 5.2 The Committee shall have the following functions:
- 5.2.1 To endorse, actively promote and uphold the non-legislative FX Global Code, and contribute to its updating;
  - 5.2.2 to promote compliance with and contribution to international best practice;
  - 5.2.3 to discuss the functioning of the South African FX market and propose ways to improve its efficiency;
  - 5.2.4 to discuss topical issues relating to spot and derivative trading activities in the domestic FX market; and
  - 5.2.5 to exchange views on trends and developments in global FX markets, including the structure and functioning of those markets.
- 5.3 The Committee may form subcommittees consisting of senior practitioners to deal with specific topics and matters requiring the attention of the Committee.

## **6. Administration of the Committee**

- 6.1 The SARB shall provide secretarial services to the Committee.
- 6.2 A detailed agenda confirming, *inter alia*, the venue, time and date of the meeting, together with supporting documentation, compiled in consultation with the Chairperson and the Committee members, shall be circulated to the committee members and invitees and published on the SARB website at least five (5) working days prior to each meeting.
- 6.3 All discussions during the Committee's meetings must be recorded and be made available for inspection by members, if required. Recordings must be retained until the minutes of the relevant meeting have been formally approved by the Committee.
- 6.4 The minutes must be circulated to the Chairperson and members of the Committee for review thereof within ten (10) working days after the meeting. Members' comments must be received within ten (10) working days of the minutes having been circulated. The minutes must be formally approved by the Committee at its next scheduled meeting. Copies of a record of proceedings shall be presented to each

member and published on the SARB website.

- 6.5 Unless otherwise agreed, the records of proceedings of meetings do not attribute expressed views to any specific member.

## **7. Confidentiality**

- 7.1 Confidential and commercially sensitive information, including information relating to the SARB and other member institutions, may not be discussed during meetings of the Committee.

## **8. Conflict of interest**

- 8.1 Committee members are required to bring to the attention of the Committee, any conflict of interest or potential conflict they may have with any item on the Committee's agenda. Any conflict of interest or potential conflict of interest must be recorded in the minutes of the meeting.
- 8.2 If a Committee member is deemed to have a potential, real or perceived conflict of interest in a matter that is being considered at a meeting, he or she must be excused from any deliberations and decision on the matter.

## **9. Approval and review of the terms of reference**

- 9.1 The terms of reference shall be approved by the Committee. Thereafter, these terms of reference shall be reviewed at least every two (2) years: Provided that the Chairperson may request that a review be done at any time, which reviewed terms of reference shall thereafter be tabled for approval at a meeting of the Committee.
- 9.2 The terms of reference as approved by the Committee shall be signed by Chairperson.