



High Market Volatility and the Model Code

At the 2015 ACI World Congress, ACI released an updated version of the world-famous ACI's Code of Conduct: The Model Code.

Dear Financial Markets Participant,

Recent events in the markets, such as the change in policy on the Swiss franc cap, announcements of QE by the ECB, and other activity, have led to some challenging trading conditions. While the size of the move is unprecedented in currency market history, it does serve to illustrate the need for adequate systems, procedures and controls in the front office, operations and in risk management.

The ACI Financial Markets Association, which represents over 13,000 individual market participants in over 65 countries, is an internationally acknowledged body of industry experts, and is concerned with best practices in wholesale markets. We recommend that the market participants refer to The Model Code, which has sections on a number of issues that have arisen recently. The Model Code can be found on our website www.acifma.com/model-code

Included are changes to new procedures and practices around aggregation, prime brokerage, last look, HFT, dark pools and algos, as well as tightened sections of the Code as a result of changes in the regulatory world. It shall always remain a work in progress, and balance the calls for high-level, principles-based guidance with the frequent demands to provide more precise guidance. It remains the best and most global of all codes of conduct, and it belongs to you, our membership.

Further, the ACI Financial Markets Association offer dispute resolution and arbitration services that may be engaged and deployed, should these services be required. For more information on these services, please contact www.acifma.com/arbitration.

ACI America Members please note:

A separate email will be dispatched with specialized email and password for your use. The 2015 Model Code will not be made public for another few months. We appreciate your discretion in reviewing the document and sharing only with colleagues and management of your organization.