

London, 15 January 2019 – The FICC Markets Standards Board (“FMSB”) has today published the final version of its Statement of Good Practice on Suspicious Transaction and Order Reporting under its remit to improve conduct and raise standards in the wholesale Fixed Income, Commodity and Currency markets.

The Statement of Good Practice deals with the identification of suspicious transactions and orders and their reporting to the relevant regulator.

There are ten Good Practice Statements contained within this document which firms should look to when considering their own practice in this area and cover issues including:

- Firms should have a clear organisational structure in place to facilitate monitoring and reporting of suspicious orders or transactions
- Surveillance activities should be owned by a function which is independent from the business activities. That function should have the expertise and experience to provide control over their business activities
- Electronic surveillance systems should analyse trading data through a set of logic and look back scenarios searching for potentially suspicious behaviour

This document was issued last year as a Transparency Draft and the final version takes account of comments received from market participants.

All materials published by FMSB are available at www.fmsb.com.

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Notes to Editors

1) The Fixed Income, Currency and Commodities (“FICC”) Markets Standards Board (“FMSB”) is an independent body set up by market practitioners to improve standards of conduct in wholesale FICC markets. It aims to bring transparency to grey areas in the wholesale FICC markets by identifying emerging vulnerabilities, clarifying and documenting practice and agreeing standards to improve conduct and market behaviour. Ensuring that wholesale FICC markets are transparent, fair and effective is at the heart of the FMSB’s mission.

2) Setting up the FMSB was one of the main recommendations to emerge from the Fair and Effective Markets Review (“FEMR”), which was conducted by HM Treasury, the Bank of England and the Financial Conduct Authority.

3) The FMSB has a Board drawn from senior executives from across wholesale markets, from corporate clients, asset managers, sell side participants and intermediaries and infrastructure providers such as exchanges and custodians. Reporting to the Standards Board are standing sub-committees addressing Market Practices, Codes & Standards Convergence, Conduct & Ethics and Electronic Trading and Technology. The Market Practices sub-committees are split into 4 asset-class specific committees. There is also an Advisory Council representing the interests of member firms.

4) The FMSB's members bring together sell-side investment banks, buy-side asset managers, market infrastructure providers and exchanges, custodians and users of the market such as corporates. This constitution is unique. The member firms are:

- Australia and New Zealand Banking Group
- BAE Systems
- Bank of America Merrill Lynch
- Barclays
- BHP
- BlackRock
- Bloomberg
- BNP Paribas
- BNY Mellon
- BP
- Citadel Securities
- Citigroup Global Markets Limited
- Crédit Agricole CIB
- Credit Suisse
- Deutsche Bank
- FastMatch
- Goldman Sachs
- HSBC
- Invesco
- J.P. Morgan
- Legal & General Investment Management
- Linklaters (Legal Advisor)
- Lloyds Banking Group
- London Stock Exchange Group
- M&G Investments
- MarketAxess
- Morgan Stanley & Co. International plc
- National Australia Bank
- NEX Group PLC
- Nomura
- RBS
- Refinitiv
- Rio Tinto
- Royal Bank of Canada
- Royal Dutch Shell
- Royal Mail Group
- Société Générale
- Standard Chartered
- Standard Life Aberdeen
- TP ICAP

- Tradeweb
- Tradition
- UBS
- Vodafone
- XTX Markets