



**A year of 'step-change'**

**Annual Report 2022**

# Our purpose

We seek to support well-functioning, trusted, global wholesale financial markets that in turn support sustainable economic growth for governments, corporations and investors.

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## FMSB at a glance

We convene many minds to identify how more transparent, fair and effective financial markets can be created. In specialist, focused committees and working groups, market practitioners and industry experts debate issues and develop Standards and Statements of Good Practice and undertake Spotlight Reviews.

Our model is consensus-driven.

Member firms have a seat at the table at our Advisory Council and Standards Board and in their selected Committees and Working Groups. Members are able to benchmark approaches against industry peers, thus helping to lift standards of conduct.

All FMSB Standards and Statements of Good Practice are made available for comment and feedback by public authorities and other bodies around the world in addition to interested market participants.

As a private sector practitioner-led body with no formal or statutory powers, FMSB does not have any oversight or enforcement role, and never lobbies.

Our Standards, Statements of Good Practice and Spotlight Reviews are made freely available to all on our website.

See **FMSB Publications** in 2022 on page 17 and on our website at [fmsb.com](https://fmsb.com).

Learn more about [our history](#) and [Members](#).

### How are we set up?





## Chair's Statement



**Mark Yallop**  
Chair

The year in review was one of extreme market volatility. Inflationary pressures grew as much of the world recovered from the Covid lock-down. Central banks tightened monetary policy, and Ukraine was invaded, impacting commodity prices and bringing about sanctions regimes in many jurisdictions. Concerns about economic slowdown across developed economies heightened. In some countries, local political turmoil also played a part in delivering extremely difficult market conditions.

Of course, these factors played out against a bigger picture of systemic change in finance as governments and private sector organisations wrestled with how to transition to and finance net zero; how long-standing environmental, social and governance issues can be measured, reported and delivered; and, how enduring efficiency and operational challenges that the financial services industry faces should be addressed.

Although 2022 was a profitable year for many market-based firms, it also strongly accentuated the need to address the strategic challenges that those firms have faced for a long time. Recognising this, and the fact that these challenges apply beyond fixed income, currencies and commodities (FICC), our Members of FMSB Limited resolved in April to change our name from FICC Markets Standards Board to Financial Markets Standards Board.

We have completed great work in the FICC arena since FMSB was founded in 2015; but the efficiency, artificial intelligence, new technology, ESG and green markets challenges of tomorrow are not the preserve of fixed income, currencies and commodities trading floors: they will impact all wholesale markets, globally. This name change is more than symbolic, it recognises the range of work that FMSB still needs to address if it is to fulfil the mission originally set for us in the Fair and Effective Markets Review.

The year saw many exciting developments which CEO Myles McGuinness describes further in his review below: from the work on post-trade effectiveness that FMSB took on from the Bank of England's Post-Trade Task Force (PTTF), to Spotlight Reviews on ESG Ratings and on Voluntary Carbon Markets.

We continued the focus on qualifications undertaken with the Chartered Institute for Securities & Investment (CISI); and published the second edition of the Behaviour-pattern Conduct Analysis (BCA) study of historical market manipulation.

FMSB welcomed Commonwealth Bank of Australia and abrdn as full Members along with other organisations previously involved in the PTTF as subject matter experts in the post-trade initiative.

## Chair's Statement continued



# 50

**FMSB Members**

**Membership split**

# 25

**banks**

# 25

**non-banks**



# 400+

**Financial market experts**



# 33

**Final FMSB Standards, Statements of Good Practice and Spotlight Reviews**

**All as at  
31 December 2022**

We also signed a Consultation Agreement with the Australian Securities & Investments Commission, (ASIC), following our Memorandum of Understanding (MoU) agreed in 2021 with the Bank of England and the FCA.

In 2022, FMSB published the Standard for the sharing of investor allocation information in the fixed income primary markets, the Standard for the Conduct of Participants in LBMA Precious Metal Auctions and a Statement of Good Practice for Trading Platform Disclosures.

It is extremely gratifying that after seven years, and under the leadership of Myles and the Secretariat team, so much that is of real importance to Member firms is being achieved. My thanks go, as always, to FMSB Members and their colleagues who give so much time and energy to making all this possible; without their support FMSB could achieve very little.

I announced last November that I intended to stand down as Chair of FMSB after seven years, in May 2023. I joined FMSB to serve for three years and it has been a privilege to have been able to stay longer and to have witnessed so much growth and development in the time I have had with you all. But there comes a time for every organisation when change is a welcome chance to re-evaluate strategy and priorities,

and to bring in new ideas and insights. I am very confident that FMSB will be able to attract a dynamic and experienced successor as Chair, and the process for this is well underway as I write. Further, I am extremely confident that Myles' leadership and the active support of our sponsors will ensure a very healthy and productive future for FMSB. It will be a pleasure to watch its growth and continuing success, albeit from a more distant vantage point.

To all those who have supported me throughout all those years from 2016, I thank you. Your kindness, generosity of spirit and dedication to a shared purpose of improving the functioning of global financial markets have shone through, and will stay with me, as I hand over to a new Chair.

**Mark Yallop**  
Chair

► **Read a Q&A interview with Mark on page 25.**

# Our Vision, Mission and Purpose

In 2022, the FMSB Limited Board revised FMSB's Vision, Mission and Purpose.

See page 19 for a summary of FMSB's strategic priorities.

## Our Vision, Mission and Purpose



### Our Vision

Is to be the leading market-led, global standards body for fair and effective wholesale financial markets.



### Our Mission

Is to improve the transparency, fairness and effectiveness of global wholesale financial markets by:

- Acting in a collaborative and agile fashion across all market interests;
- Harnessing Members' thought leadership, technical knowledge and expertise;
- Being alert to emerging risks to markets and market structures on the horizon and aware of disruptive impacts of innovation; and
- Promoting adherence to expert standards and individual understanding of the importance of fair and effective markets.



### Our Purpose

By improving their transparency, fairness and effectiveness, FMSB seeks to support well-functioning, trusted, global wholesale financial markets that in turn underpin sustainable economic growth for governments, corporations and investors.

## The Fair and Effective Markets Review underpins our work

**Fair fixed income, currency and commodities (FICC) markets:**

- 1 have clear, proportionate and consistently applied standards of market practice;
- 2 are transparent enough to allow users to verify that those standards are consistently applied;
- 3 provide open access (either directly or through an open, competitive and well-regulated system of intermediation);
- 4 allow market participants to compete on the basis of merit; and
- 5 provide confidence that participants will behave with integrity.

**To be effective, those markets also:**

- 1 allow end-users to undertake investment, funding, risk transfer and other transactions in a predictable way;
- 2 are underpinned by robust trading and post trade infrastructures enabling participants to source available liquidity;
- 3 enable market participants to form, discover and trade at competitive prices; and
- 4 ensure proper allocation of capital and risk.

## CEO Review of Operations



**Myles  
McGuinness  
CEO**

**With the pandemic lifted across most of the globe in 2022, the year became one of engaging Members, potential Members and the public authorities across major financial centres.**

I dusted off my suitcase and hit the road and the Zoom platform for 33 meetings with team members to deploy a strategic approach built on the pillars of collaboration, membership and internationalism.

It meant we were privileged during the year to meet many subject matter experts, compliance professionals and regulators, including at public bodies such as the Federal Reserve Bank of New York, the Bank of Spain, the International Organization of Securities Commissions (IOSCO), Japan's Financial Services Agency (JFSA), Deutsche Bundesbank and the Australian Securities & Investments Commission (ASIC).

We also met with market participants from around the world at the Fixed Income Leaders' Summits in Nashville, USA and Nice, France. Engagement in all corners of the globe grew, and we found a new emphasis in the antipodes when we signed a Consultation Agreement with ASIC in September, having welcomed Commonwealth Bank of Australia as a new Member in May.

Stewardship of improving post-trade processes passed from the Bank of England Post-Trade Task Force in April 2022 to FMSB and is now led for us by David Hudson, Co-Head of Digital & Platform Services at J.P. Morgan. It brought our focus further into the 'effectiveness' of financial markets, and we changed our name from FICC Markets Standards Board to Financial Markets Standards Board in April 2022 to mark this shift and to meet the needs of the evolving wholesale financial markets and wider operational challenges of our Member firms.

It was a year of reckoning for greenwashing and historic misconduct on the commodities trading floors. The Serious Fraud Office imposed record fines, and then came the collapse of the "stablecoins", TerraUSD and Luna, and the subsequent meltdown of many crypto assets and centralised crypto entities, with FTX joining the collapse 'party' in November 2022 and putting what's thought to be billions of investors' money in peril. We intend to keep a watchful eye on regulatory events in this area.

By the close of 2022 we had reset our book of work into five committees covering: market practices; electronic trading & technology, ESG, post-trade and conduct & ethics, with each of the Chairs and their committee members taking a more active role in leading their own horizon scanning – bringing the search for new developments, disruption and risks into sharper focus by subject matter experts who are close to the markets and the decision making in Member firms.

'Membership' is a core pillar of our strategy, and reflects the calibre of firms that join FMSB and enable us to set standards with a diversified group of market practitioners globally. Below, news from the committees in 2022 gives you a snapshot of the people and subject areas that we covered, including the publications of two Standards: for the sharing of investor allocation information in the fixed income primary markets and on the conduct of participants in LBMA precious metal auctions.

## CEO Review of Operations continued

### About our Committees

#### Market Practices

The Market Practices Committee was relaunched to build on the cross-asset class work that has been conducted by FMSB over the last couple of years (e.g., LIBOR Transition and Large Trades). Given also that future work is likely to span more asset classes, the Rates, Spreads and Commodities Sub-Committees (including the Precious Metals Working Group) were gathered under the umbrella of a single committee.

The Market Practices Committee met for the first time in November 2022 to horizon scan and report on emerging risks where market standards could be strengthened to support a timely response to new trends and threats.

Potential future areas of focus covered pre-hedging in light of the European Securities and Markets Authority (ESMA) call for evidence and extending the scope of FMSB's previous work on large trades, as well as price discovery in illiquid securities, hidden leverage, and lessons learned from Liability Driven Investment (LDI). A new working group in early 2023 will focus on pre-hedging practices building on our previous large trades work.

The **Standard for the sharing of investor allocation information in fixed income primary markets** was finally published in February 2022 following many years of work by members of the Spreads Sub-Committee.

#### Precious Metals

The Precious Metals Working Group, chaired by World Gold Council's David Tait, published its **Spotlight Review on Precious Metals Market Post-Trade** earlier in the year, and then turned its attention to the role of data and transparency in driving confidence in precious metals markets, which will be the third and final in a series Spotlight Reviews on precious metals market structure.

Special thanks go to Goldman Sachs' Tony Kim and HSBC's Vincent Domien for their work on the publication in March 2022 of a **Standard for the Conduct of Participants in LBMA Precious Metal Auctions**, which establishes principles to facilitate participants in both managing customer benchmark orders and providing discretionary liquidity, when participating in LBMA Precious Metal Auctions – managing and mitigating conflicts of interest.



*"I'm delighted to see the opportunity for the market to make material improvements to the efficiency of its post-trade processes. This progress could be incremental, or perhaps more radical, and this Spotlight Review gave us an opportunity to look at our toughest issues through many lenses."*

**David Tait, World Gold Council**



FICC MARKETS  
STANDARDS BOARD

Standard for the sharing of investor allocation  
information in the fixed income primary markets

*"This Standard promotes consistent baseline industry practices for the sharing of allocation information within syndicate banks and provides both issuers and investors with certain protections and controls as to how their allocation information is used. It took us a while to agree this Standard, but shining a light on the issue and giving investors greater control as to how their information is used is a step in the right direction."*

**Karim Awenat, Head of Fixed Income Trading, London, Invesco**



FICC MARKETS  
STANDARDS BOARD

Standard for the Conduct of Participants in LBMA  
Precious Metal Auctions

*"We were pleased to participate in the constructive and practical industry discussions that resulted in this Standard."*

**Ruth Crowell, CEO of the LBMA**



# CEO Review of Operations continued

## About our Committees continued

### Electronic Trading & Technology

Ciara Quinlan, Head of Principal Electronic Trading for Global Markets, UBS, chaired this committee, and it met in November 2022. As part of its horizon scanning, it continued to explore the operational resilience of trading platforms with a particular focus on communications and protocols during market outages, as well as applications of artificial intelligence and machine learning in wholesale markets.

Following its consultation and feedback with the wider industry through a 'Transparency Draft', the Trading Platforms Working Group published its final **Statement of Good Practice for Trading Platform Disclosures** promoting consistency of disclosures made by all trading platforms to their participants or prospective participants across FICC asset classes.

### Algo Model Risk

As part of the Electronic Trading & Technology Committee, the Algo Model Risk Working Group met 13 times during the year as it focused on the practical application of model risk management frameworks to electronic trading algorithms. The plan is to publish on this topic in 2023.

### ESG

Caroline Haas, Head of Climate and ESG Capital Markets, NatWest Markets, chaired the ESG Ratings Working Group which published its **Spotlight Review on ESG Ratings** in 2022. The review calls for increased transparency of Environmental Social & Governance (ESG) ratings methodologies and data collection processes.

Following this publication, the ESG Committee considered risks and challenges that firms are facing and how to incorporate ESG/net zero transition risks into market risk management frameworks, including where greenwashing risks might emerge in markets businesses, and governance and conflicts in sustainability-linked products.

The **Spotlight Review Voluntary Carbon Markets: An Overview** was a Secretariat led-initiative ahead of COP27 with support and input from numerous subject matter experts within Member firms and beyond - spanning diverse backgrounds, geographies and functions. A potential follow-up paper is being considered, exploring the role for setting market conduct standards.

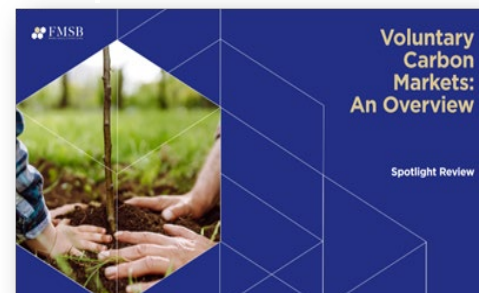


*"I am delighted to have led FMSB's work on electronic trading and technology over the last couple of years. Industry standards and guidance, whether they concern promoting high quality disclosures by trading platforms or applying model risk management frameworks in a proportionate manner to electronic trading algorithms, can be powerful in improving market effectiveness."* **Ciara Quinlan, Head of Principal Electronic Trading for Global Markets, UBS**



*"This Review seeks to promote user understanding, aid comparability across providers and improve trust in ratings and thereby support informed allocation of capital."*

**Caroline Haas, Head of Climate and ESG Capital Markets at NatWest Markets**



*"I read the Voluntary Carbon Markets document cover to cover yesterday – really valuable and practical; it will stay on my shelf!"*

**James Bardrick, CEO of Citigroup Global Markets Limited**

# CEO Review of Operations continued

## About our Committees continued

### Post-Trade

We announced in a joint press release with the Bank of England, stewardship of the work undertaken by the Post-Trade Taskforce following publication of its Charting the Future of Post-Trade report in April 2022.

The report set out some key challenges where change would be impactful in current post-trade processes. The resulting FMSB Committee chaired by J.P. Morgan's David Hudson now consists of three working groups that map to:

- Non-Economic Trade Data chaired by BlackRock's Tim McLeod
- Uncleared Margin chaired by J.P. Morgan's Philip Glackin
- Client Onboarding chaired by Royal London's Siobhan Clarke

**Find out more about the Post-Trade working groups' progress** on page 23 of this report.

### Conduct & Ethics

Chaired by Tracey McDermott, CBE, Group Head, Conduct, Financial Crime and Compliance at Standard Chartered, in the new committee structure, this group encompassed the Behavioural Cluster Analysis (BCA) Committee, chaired by David Flowerday of Citigroup Global Markets Limited.

The BCA Committee completed its update to the 2018 Behaviour Cluster Analysis with the publication in 2022 of the second edition entitled Behaviour-pattern Conduct Analysis.

During the year, the Conduct & Ethics Committee reviewed its priorities and is now focused on the identification of key risks and the collation of recommendations and worked examples of how the three lines model could work more effectively. The new focus also includes a review of the role of Conduct & Culture Management Information at different levels within an organisation, how it is collected and how it is used to inform decision-making.

Collaboration with the Chartered Institute for Securities & Investment (CISI) also put into production a qualification and training course that introduces market practitioners to wholesale financial markets and helps them make ethical personal judgements.



*"We hope this piece of research will be a valuable reference point for wholesale financial market participants... to inform their business practices, help eradicate poor behaviours, and continue to build trust in financial markets."*

**David Flowerday, EMEA Head of Markets Compliance, Citigroup Global Markets Limited.**

# CEO Review of Operations continued

7

**Publications delivered  
during 2022**

## About our structure

### Membership

FMSB membership at the end of the reporting period consisted of 50 Members, 38 of which are Full Member firms, five Associate Member firms, together with six Partner Member firms, and Linklaters as our legal advisers.

As our Chair, Mark Yallop, reported in his statement above, we welcomed Commonwealth Bank of Australia and abrdn in 2022. A list of all FMSB Members as of 31 December 2022 is set out on page 28.

The FMSB structure chart on page 18 shows the overall structure in operation in the reporting period.

### Mobilisation

During the reporting period, some 337 industry leaders and senior practitioners from all disciplines and sectors, met to engage in FMSB committees and working groups to create Standards, Statements of Good Practice and Spotlight Reviews. Together with members of the Advisory Council and the Standards Board, this means that some 400+ senior executives and subject matter experts are directly supporting FMSB's work.

### FMSB Limited Board of Directors – governance and finance

The FMSB Limited Board met on four occasions during the year, including at a Strategy Away Day in September 2022.

The Audit & Risk Committee consisted of Charles Nichols (Chair), Philippa Foster Back CBE, Edward Ocampo and Mark Yallop. They met three times in the year.

The Nomination & Remuneration Committee consisted of Niki Beattie (Chair), Michael Cole-Fontayn, Stephen O'Connor and Mark Yallop who also met three times in 2022.

At the end of the reporting period, the Board of Directors consisted of the non-executive Chair (Mark Yallop), six NEDs (Charles Nichols, Niki Beattie, Michael Cole-Fontayn, Philippa Foster Back, Edward Ocampo, and Stephen O'Connor) and me, the CEO.

The FMSB Limited Board considered and approved the Audit Report and Financial Statements to 31 December 2021 audited by BDO LLP. No adverse issues were raised in the Audit Report.

### Advisory Council

The Advisory Council met twice during the reporting period with representation from the Bank of England and FCA in attendance. The first meeting in March 2022 was at Deutsche Bank, and the second in November at Citigroup.

### Standards Board

The Standards Board met five times during the reporting period including two combined in-person and virtual meetings at the offices of Nomura and BlackRock.

Our thanks go to members of the public authorities who attended the meetings, including ASIC's Greg Yanco who spoke at the Standards Board meeting in September 2022.

# CEO Review of Operations continued

## About our structure continued

### FMSB Secretariat

A number of appointments were made during the year to bolster the core team at the FMSB Secretariat. We welcomed expertise in the form of Mimi Yan and Ted MacDonald as Senior Technical Specialists and Vic Silverman as Head of Communications.

Samantha Smith, who supports the Chief of Staff in providing logistical support to FMSB operations, returned from maternity leave in September 2022, and Janie Pearman, who stood in for Sam, left us shortly afterwards to start a new life in Italy. Many thanks to Janie for all your hard work.

Emily Domingo and Adam Nordstrom who joined the team on a six-month secondment returned to Linklaters and EY respectively, and Ellie Vaughan from EY joined us to undertake work in the commodities space, sponsored by the World Gold Council. Nadeem Idrus from EY joined us in November 2022. We appreciate your individual contributions and thank the sponsors for their continued support.

Hilltop Walk Consulting Limited, whose Director is Allan Guild, provided support to various committees and working groups throughout the year. Allan announced in November 2022 that he will be stepping down from his role at FMSB to pursue other projects. Thank you, Allan, for your invaluable contribution on so many topics, including on algo model risk and precious metals.

Meet the FMSB Secretariat in 2022 on page 35.

### External engagement

As well as the international outreach – in person and virtually – described above and summarised on page 15 of this report, we held a roundtable summit on sanctions with Linklaters for our Members to discuss approaches, especially in light of the Ukraine conflict.

Members agreed that while sanctions against countries and individuals such as Russia added extra complexity to their operations, they were well practised in deploying them and would not be looking for FMSB to produce work on this matter.

### Statements of Commitment

FMSB Standards set out Core Principles and accompanying guidance on the most important aspects of practice where ambiguity undermines fair and effective markets. FMSB Members are expected to adopt the Standards in their businesses (where they agree to do this as part of their membership, and they are engaged in the relevant market or activity) and to attest to this through an annual Statement of Commitment which can be found on our website.

For the Adherence year which ended 31 December 2021, Members had the option to adhere to two additional Standards issued in 2022: the Standard for the Conduct of Participants in LBMA Precious Metal Auctions and the Standard for the sharing of investor allocation information in the fixed income primary markets.

# 337

Market practitioners  
engaged in FMSB  
Committees and Working  
Groups

# 123

International legislators,  
regulators and other bodies  
received our publications



## CEO Review of Operations continued

*"We continue to be very supportive of the important work FMSB does with market participants towards the goal of building trust and confidence in the fairness and effectiveness of wholesale markets."*

*"In particular in 2022 we welcomed FMSB's cooperation in taking forward the work of the Post-Trade Task Force that the Bank initiated in 2020. It's very important that the work the Task Force accomplished is able to continue, to deliver a more effective infrastructure for financial markets with more efficiency, greater standardisation, fewer errors and less duplication."*

*"Harnessing new technologies and improved processes will improve the resilience of the financial system as a whole, which is a major priority for the Bank of England."*

**Andrew Bailey**  
Governor of the Bank of England

*"We were pleased to see the Financial Markets Standards Board shine a light last year on ESG Ratings and the Voluntary Carbon Markets, complementing the FCA's work to build trust in sustainable investment."*

*"FMSB also set standards on issues including the sharing of investor allocation information in the fixed income primary markets, and trading platform disclosures. FMSB's now well-established approach of harnessing industry expertise remains vital in raising standards in the wholesale financial markets."*

**Nikhil Rathi**  
CEO, FCA

### REGULATORY ENGAGEMENT 2022

**Bank of England**



We interacted with regulators, central banks and other public institutions around the world to raise our profile and broaden our territorial reach, including:



## CEO Review of Operations continued

# 78

Meetings held

### People we're thanking in 2022

#### Pro bono support

Pro bono resources were welcomed from professional bodies and law firms. We thank them and all those international law firms that worked on the Behaviour-pattern Conduct Analysis published in 2022. We greatly appreciate your support.

#### Thank you

We continued to refine our purpose and priorities and considered new opportunities for FMSB over the course of 2022 to reflect new challenges and needs within the global financial industry.

I wholeheartedly thank everyone who has worked with and for FMSB – from the Secretariat and our Members to the industry and regulatory bodies who support our mission. It's been a notable year in terms of raising our profile internationally, collaborating with like-minded individuals and organisations and increasing engagement that adds value to Membership.

My thanks also go to London Stock Exchange for hosting us for a Market Close Ceremony in July, marking the launch of our Behaviour-pattern Conduct Analysis, work on ESG Ratings, our name change as well as FMSB's overall contribution to fairer and more effective markets.

Our output defines what we do and reflects a membership determined to make the global wholesale financial markets work for all participants.

It's with some sadness then that the man who made this way of doing things possible, our Chair Mark Yallop, announced at the end of 2022 his decision to stand down in 2023 after seven years at the helm.

My unlimited personal thanks go to Mark for his mentorship and his confidence in me and the team. It is an accolade to us and our Members that Mark feels ready to hand over the reins and confident that we will continue the journey he started.



**Myles McGuinness**  
CEO

# FMSB Key Communications: January to December 2022

## New joiners

- **Mimi Yan** Senior Technical Specialist
- **Ted MacDonald** Senior Technical Specialist
- **Vic Silverman** Head of Communications

## The Bank of England and FMSB

Joint announcement on taking forward the Post-Trade Task Force (PTTF) work

**Starling Compendium's**  
in-depth feature goes live

**Background briefing**  
Financial News (FN)

**Background briefing**  
Wall Street Journal

**FMSB in three...**  
Newsletter



**International Women's Day**  
CEO message and social media

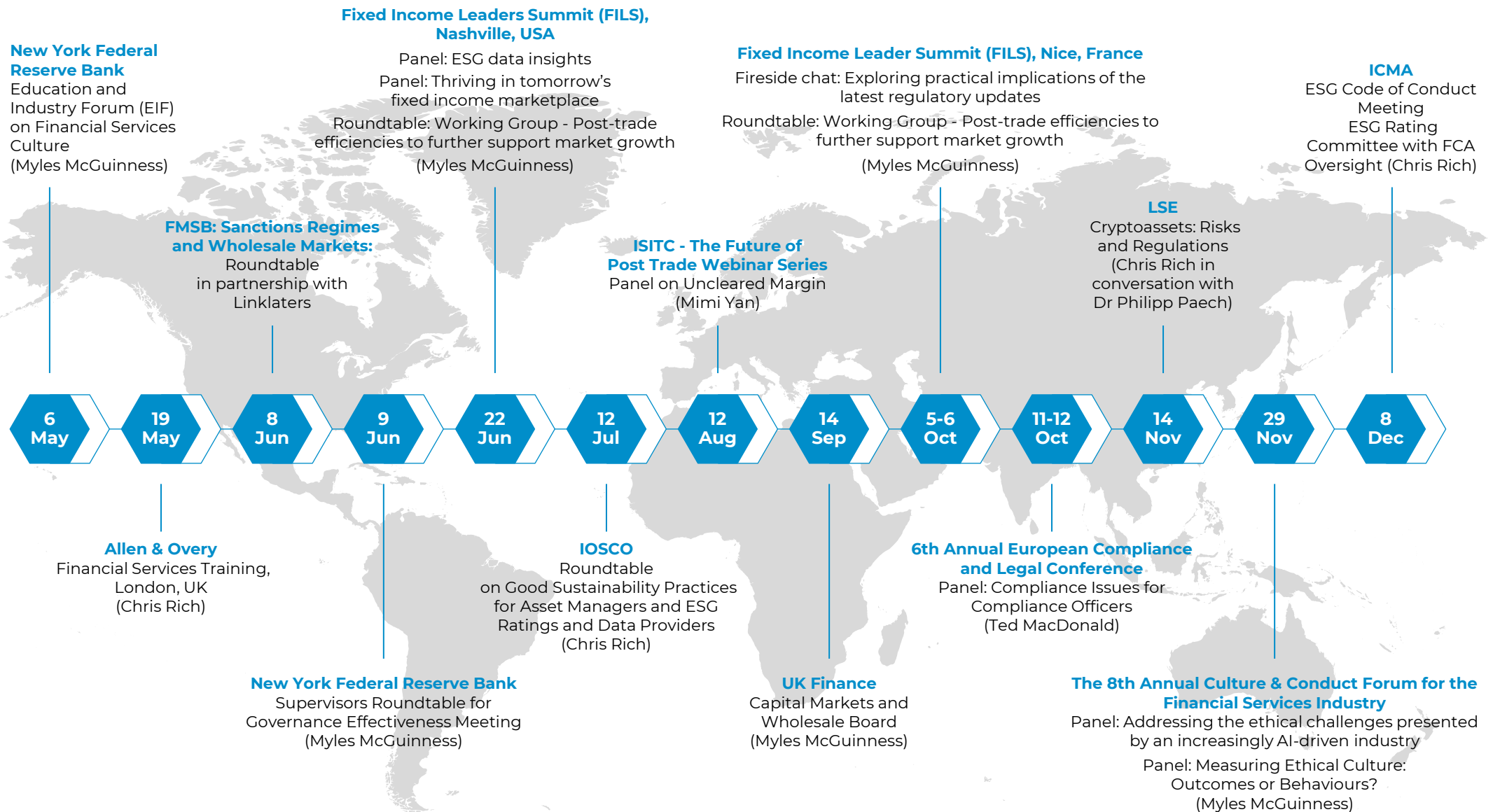
**'Trust is not delivered by ticking boxes'**  
Mark Yallop's speech at Market Close Ceremony, LSE

**FMSB announced its name change**  
from FICC Markets Standards Board Limited to Financial Markets Standards Board Limited

**Background briefing**  
Moral Money, Financial Times (FT)

**FMSB signs a Consultation Agreement**  
with the Australian Securities & Investments Commission (ASIC)




# FMSB Key Industry Engagements: January to December 2022





## FMSB publications

With our Members, we identify global market vulnerabilities and seek to deliver transparent, fair and effective markets in three ways:

| Output  | Purpose   | Impact on FMSB Members  |
|---|---|---|
| <br><b>Standards</b>                   | Set out Core Principles and accompanying guidance on the most important aspects of practice where ambiguity risks undermining the transparency, fairness and effectiveness of financial markets.                      | FMSB Members agree to adopt the Standards in their business practices and evidence adherence through an annual Statement of Commitment. |
| <br><b>Statements of Good Practice</b> | Set out clear expectations and guidance on good practice in relation to broader areas of uncertainty in wholesale financial markets.  | FMSB Members endorse the Statements of Good Practice before publication to the wider global community of financial market participants. |
| <br><b>Spotlight Reviews</b>          | Encompass a broad range of publications used by FMSB to illuminate important emerging issues in financial markets, surface nascent challenges market participants face, and may inform topics for FMSB's future work. | Ability to draw from insights of other Members and industry experts.  |

# FMSB publications: January to December 2022

## Standard

for the sharing of investor allocation information in the fixed income primary markets



## Spotlight Review

Behaviour-pattern Conduct Analysis (BCA)



**Statement of Good Practice**  
for Trading Platform Disclosures



**Spotlight Review**  
ESG Ratings



15 Feb

1 Mar

30 May

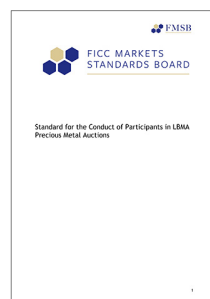
17 Jun

28 Jun

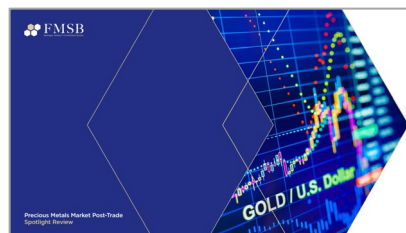
30 Jun

20 Jul

29 Sep



**Standard**  
for the Conduct of Participants in  
LBMA Precious Metal Auctions



**Spotlight Review**  
Precious Metals Market  
Post-Trade



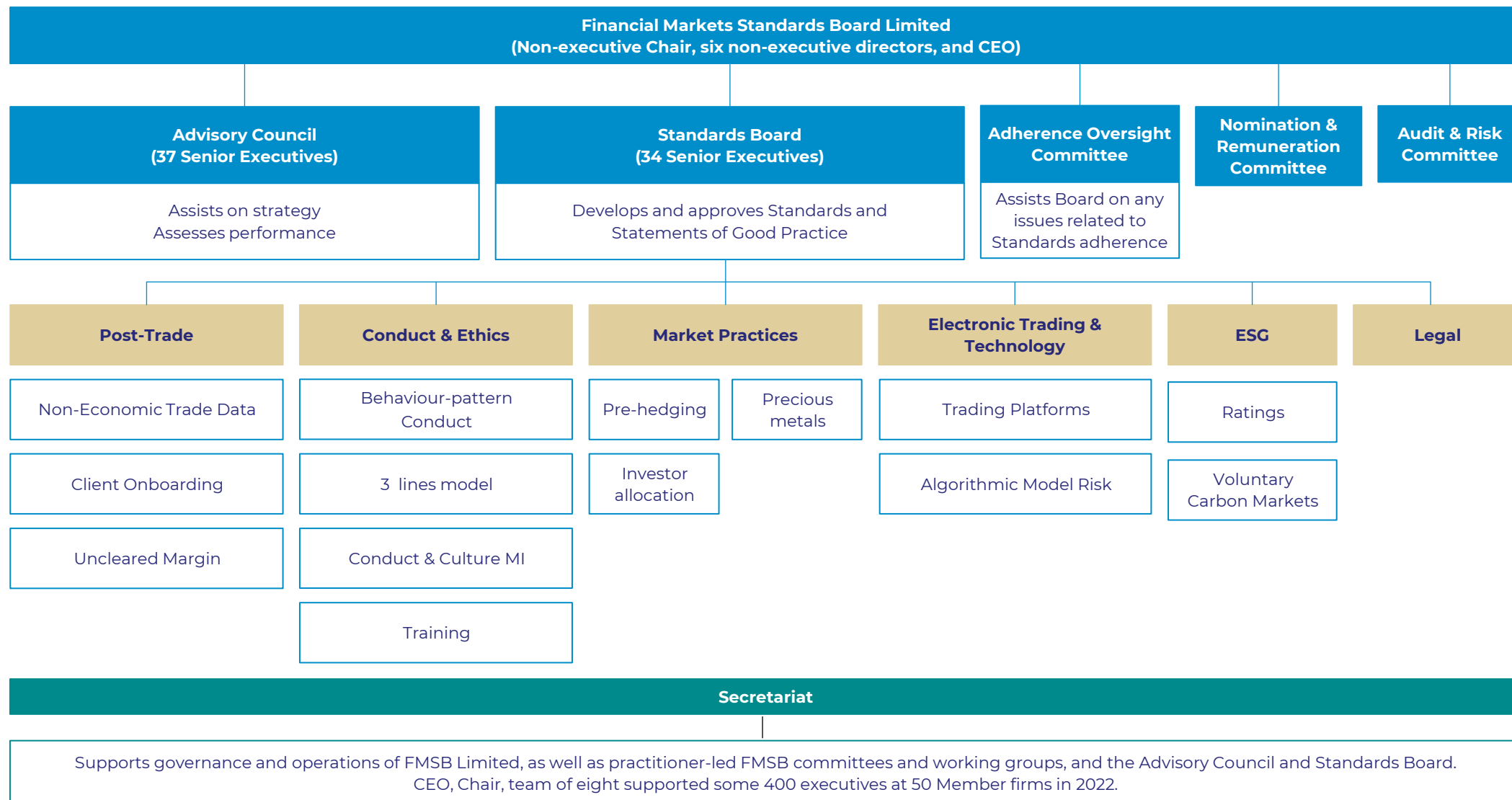
**Annual Report**  
2021



**Spotlight Review**  
Voluntary Carbon Markets:  
An Overview

## FMSB Structure: How we are set up

This chart shows active committees and working groups during the reporting period, within the overall FMSB structure, together with key roles and responsibilities.



## FMSB's strategic priorities

Here we show our strategic priorities for 2022 to 2024, developed alongside our Mission, Vision and Purpose statement.

In 2022, we put the strategy into action in many different ways: for example, by continued collaboration on training with the Chartered Institute for Securities & Investment (CISI); a series of 30+ meetings across the world to extend our international outreach; and, a Consultation Agreement with the Australian Securities & Investments Commission (ASIC).

Throughout the year we developed our book of work and Member recruitment materials to reflect changing market structures and participants.

- See right for a summary of our three-year strategy approved by the FMSB Limited Board in 2022
- See page 5 for our Vision, Mission and Purpose

### Collaboration

#### Objective:

**Collaborate selectively with more bodies to enhance the breadth and impact of our work, by:**

- Collaborating with other like-minded organisations;
- Undertaking further work to address 'effectiveness' issues in financial markets; and
- Exploring how effective industry collaboration may negate the need for more restrictive regulation.

### International outreach

#### Objective:

**Broaden our territorial reach through collaboration and building relationships with global regulators, by:**

- Building relationships with existing and new international regulators to diversify membership and increase our international influence;
- Focusing primarily within the EU in 2022;
- Working beyond those markets in 2023; and
- Extending our current connectivity and impact in common law jurisdictions such as Australia and Canada.

### Membership

#### Objective:

**Expand membership breadth as one of our key differentiators, by:**

- Increasing end-user engagement;
- Increasing geographic diversity of membership;
- Modifying branding of FMSB to assist with Member recruitment and better reflect work undertaken; and
- Ensuring a work programme that reflects changing market structures and participants.



## Expanding membership breadth

# 50

Member firms across the  
global financial ecosystem

*"We joined FMSB to contribute to the debate on key areas of focus for us and the industry. We find the opportunity to benchmark against the market participants highly useful and an opportunity for us to shape change."*

**Nell Hutton, General Manager, Westpac Institutional Bank**



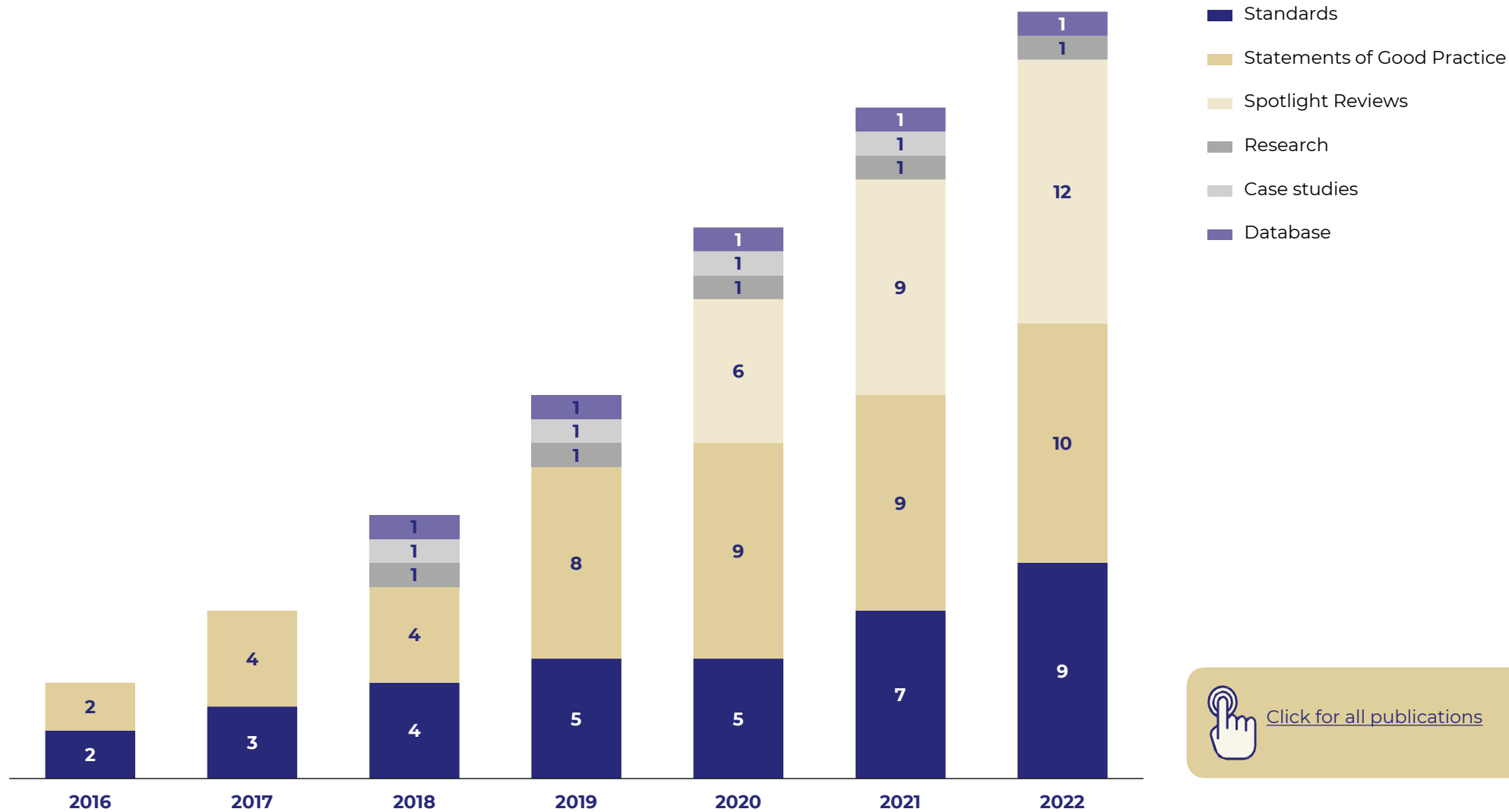
*"As asset managers, we particularly appreciate FMSB's efforts to convene market practitioners and strive for the highest standards of conduct for the global wholesale financial markets."*

*"Specifically, we recognise the value of the Market Practices Committee's leadership in identifying forthcoming focus areas of best market practices or the Electronic Trading and Technology Committee's work on model risk."*

**Daniel Mayston, Managing Director, BlackRock, EMEA Head of Electronic Trading and Market Structure**

# BLACKROCK

## Year on Year publications



Please note that two publications were retired in 2022: Behaviour Cluster Analysis and Misconduct Patterns in Financial Markets – Selected Case Studies from 2018.

## Internationalisation: Raising standards with Australia

**We are often asked if a Standard set by FMSB can really work in the global setting and cross international boundaries. Our resounding answer is “yes”.**

In fact, our founding principles in the Fair and Effective Markets Review (FEMR) called on us to create coalescence around global standards of conduct – and it’s an important part of our remit.

On 21 September 2022, we signed a [Consultation Agreement](#) with ASIC, the Australian Securities and Investments Commission to formalise our ongoing relationship.

► [Read the ASIC announcement](#)

*“While global financial market practices can be standardised, time zones, alas, cannot be.”*

**Myles McGuinness,  
CEO, FMSB**

ASIC’s Chair **Joseph Longo** welcomed the Agreement: “The Financial Markets Standards Board and The Australian Securities and Investments Commission (ASIC) have strong shared interests in maintaining, and where appropriate, improving the operation of wholesale fixed income, currency, and commodities markets.

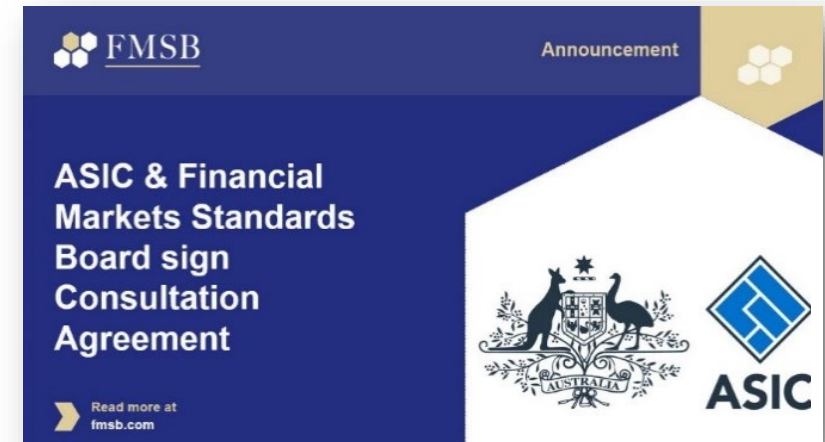
“We signed a Consultation Agreement in 2022 to facilitate our engagement to promote good wholesale market practices.”

FMSB CEO **Myles McGuinness** believes the agreement aligns our strategic goals closely to those of the regulatory authorities, policy makers and supervisors both in Australia and around the world.

“This Consultation Agreement demonstrates our ongoing important relationship with ASIC,” he said. “I look forward to establishing similar arrangements with key regulatory authorities in other jurisdictions as our membership expands.”

Signing the agreement took many hours of discussion and cooperation. FMSB thanks all those at ASIC who attended meetings, particularly when the time zone involved them burning “the midnight oil” to meet their global counterparts.

On the day the Consultation Agreement was signed, **Greg Yanco**, ASIC’s Executive Director, Markets, attended our Standards Board meeting in London where we thanked him and his colleagues for their cooperation.



# Spotlight on post-trade: Making the markets more effective

Anyone reading this report will have noticed references to the addition of post-trade to our book of work and FMSB's name change in 2022 from FICC Markets Standards Board to Financial Markets Standards Board.

These moves recognised the need for us to address not only fairness in wholesale financial markets, but to bring effectiveness more consistently into what we do - in line with our founding principles, set out on page 5.

## Why post-trade?

In April 2022, the Bank of England report *Charting the Future of Post-Trade* concluded that:

*... innovation in post-trade processes and client onboarding processes has at times lagged behind other parts of financial markets. As a result, processes are often manual and duplicative; and failures upstream can cause significant problems downstream.*

*The complexity of manual processes creates unnecessary challenges for market participants. It can pose risks to operational resilience meaning trades and collateral that fail to settle as well as excessive delays to onboarding new clients. More generally it imposes ongoing costs on market participants, which ultimately increase the cost of financial services.*

*Ultimately this is about improving client experience and outcomes.*  
**Siobhan Clarke, Royal London**

In 2019, the Bank set up a Task Force comprised of participants from all sides of the post-trade equation.

Following the publication of their report, FMSB's Members agreed to take this work forward so the Task Force's recommendations could be operationalised and adopted across wholesale markets at pace.

## Why now?

The Bank of England's **Andrew Hauser**, Executive Director for Markets, describes what happened and why:

*"Harnessing new technologies and improved processes to improve the resilience of the financial system as a whole was one of the priorities identified in the Bank of England's response to the Future of Finance report.*

*"Following that report, we convened a Post-Trade Technology Market Practitioner Panel to scale the overall challenge, and identify three specific areas where change was both pressing and feasible.*

## BlackRock's Tim McLeod who leads the Non-Economic Trade Data Working Group, says:

**Q Why should market practitioners care about adopting these new Standards?**

**A** Normalising and elevating standards across these key post-trade workstreams will allow market participants to scale their operations and realise efficiencies, which ultimately benefits end investors.

**Q Why is this work important now?**

**A** As markets contemplate accelerated settlement timeframes, standardising the methods by which trading partners exchange pre-trade data will become even more important in support of timely settlement.

*"The Bank of England welcomes the recommendations of the Task Force for action in those areas, which among other things encourage wider adoption of efficient best practices, greater standardisation, and less duplication – and look forward to the work of the FMSB."*

*Source: Joint Bank of England FMSB Announcement, April 2022*

## Philip Glackin of J.P. Morgan talks about Uncleared Margin, the Working Group on Post-Trade he has chaired for the Bank of England Task Force and FMSB.

**Q What made you opt to lead the Working Group?**

**A** We recognised that the Uncleared Margin space has become larger and more complex (and multi-jurisdictional). We are now 'live' after multi-year and multi-phases of uncleared margin regulation.

We have a great opportunity to focus more on standardisation, efficiency, and innovation.

**Q How do you think about removing friction across the margin lifecycle, ensuring regulatory compliance, reducing cost, reducing risk, and enabling automation?**

**A** Our initial focus was to build out industry reporting so we can measure current performance, then define what 'good' looks like, and work together to reach the optimal state of clearing.

Phase one is to build reporting on margin call automation, dispute rates, and margin settlement fails.



## Spotlight on post-trade: Making the markets more efficient continued

**David Hudson**, Post-Trade Task Force Chair and Co-Head of Digital & Platform Services, J.P. Morgan, added:

*"Knowing that we have a critical mass of market participants engaged in this initiative, I am hopeful that this will create a step change in how we think about these issues."*

This work transferred to FMSB in April 2022. Since then, we have established three Working Groups under the Post-Trade Committee chaired by J.P. Morgan's David Hudson – with FMSB's **Mimi Yan**, Senior Technical Specialist, leading the Secretariat's creation of standards.

Chairing the live workstreams are:

- **Tim McLeod** of BlackRock for Non-Economic Trade Data;
- **Philip Glackin** of J.P. Morgan for Uncleared Margin; and,
- **Siobhan Clarke** of Royal London who chairs Client Onboarding.

On Uncleared Margin, the focus is on the defining of selected metrics to highlight key issues across the industry and incentivise wider adoption of best practices.

On Client Onboarding, the Working Group is drafting a Standard consisting of Core Principles for Client Onboarding. It is supplemented with Annexes that standardise the data points that asset manager, fund and sub-fund clients may be asked to provide when they trigger UK KYC requirements, and suggested documents to evidence these.

On Non-Economic Trade Data, the group's initial output will be a Standard for the sharing of Standard Settlement Instructions, with a particular focus on how to encourage manual clients to move to more automated solutions.

### Things to be aware of

"We are keeping a watchful eye on other financial industry work going on to improve post-trade processes, and will seek to work collaboratively with them", says **FMSB's Mimi Yan**. "The important thing is that a sufficiently broad and deep group of market participants are involved, to ensure both the necessary expertise in the creation of standards, and awareness and buy-in for their adoption."

**FMSB CEO Myles McGuinness** concluded: "We will also work with other practitioners who focus on specific aspects of the Task Force's work to ensure the final output reflects industry best practice."

"Through our membership, which is made up of all participants in wholesale markets, and our unique Standards adherence process, FMSB is well placed to build on the Task Force's output and embed it in the industry."

### Siobhan Clarke of Royal London talks about the Client Onboarding workstream she chairs.

**Q** Why you are passionate about this work? Why now?

**A** There is a massive inefficiency in the industry with duplication and inconsistencies at nearly every step and timelines for onboarding being unnecessarily drawn out. Ultimately this is about improving client experience and outcomes.

**Q** How can your Working Group's proposed outputs drive change for market practitioners?

**A** If we can get some standardisation and consistency of approach then it will open the door to more seamless, digital and automated processes where use of vendor platforms can be more successful and timelines can be much reduced.

**Q** Why should market practitioners care about adopting these new Standards? What's in it for them?

**A** In addition to improving your client experience and outcomes, it will also lead to a much more consistent, efficient and timely onboarding process.

### Post-trade issues are costly, slow innovation and increase risk

| Non-economic trade data   | Uncleared margin  | Client onboarding  |
|---|---|--|
| Sharing non-economic trade data late or manually can cause high costs and trade fails | Inefficient processes can cause high costs and settlement fails | Current processes duplicate effort and take far too long |

### In many cases, solutions already exist - but best practices need to be more widely adopted

Many solutions also need to be more standardised and more interoperable.  
Future integrated technology solutions could enable further benefits

| Legal Entity Identifiers (LEIs) are used too little and too late; and Standard Settlement Instructions (SSIs) are too often exchanged manually | There are efficient uncleared margin processes, but these are not widely enough used | Each firm requires different documents from new counterparties, leading to substantial additional work |
|--|--|--|
|--|--|--|

Graphic: Charting the Future of Post-Trade, Bank of England

## Q&A with FMSB's Chair, Mark Yallop



You've been Group CEO of UBS and an external Committee Member at the Prudential Regulation Authority as FMSB came into existence. What made you want to chair FMSB?



I saw FMSB as a radical new approach to dealing with conduct challenges in wholesale markets: something very different from the failed attempts of the past and which could provide a breakthrough in behaviours globally, if it succeeded.

This was a chance for the private sector to demonstrate trustworthiness in their businesses and make real repairs to the damaged reputation of finance.

Having enjoyed a fortunate career in capital markets over nearly four decades I wanted strongly to create a better environment for those who followed me.



You built a new body and standards from the ground upwards. What were the challenges?



Everything was a challenge! We had to recruit Members, a CEO and the Secretariat, find office space, build the Standards Board and Advisory Council, and create Working Groups.

Most important we had to define and create consensus around the agenda of conduct challenges that we could address.

And we had to persuade our UK sponsors - the Bank of England, FCA and HM Treasury - as well as overseas regulators and central banks that we could make a genuine difference to how business was done in markets.



During your tenure, FMSB produced some 33 Standards, Statements of Good Practice and Spotlight Reviews and set up a mechanism for adherence to Standards through attestation involving most of the major banks. What did it take to achieve that body of work?



A lot of hard work by many people other than me.

The first year or two was a scramble to build the Member base and demonstrate that the private sector could actually create valuable protocols for how business should get done.

Persuading Members that they needed to undertake an annual adherence exercise was especially challenging, but the value of doing this has been shown many times.

Then we were able to show overseas firms and their regulators that this wasn't just a UK project, but that it had real value for them as well.

Developing the approach to FMSB qualifications, and pushing the work programme forward to address impending future challenges, not just the recognised problems of yesterday, was also interesting but I think recognised as important by our Members.

## Q&A with FMSB's Chair, Mark Yallop continued



Which standards output do you see as a 'breakthrough' for the global wholesale financial markets and why?



I think that the work we did in primary markets on the fixed income new issue process as well as the Standard for Reference Price Transactions were early successes.

Then came the work on sharing confidential information, on Trading Platform Disclosures, and on the use of Term SONIA; and of course, the rightly celebrated Behaviour Cluster Analysis (BCA) historical study, now in its second edition; and more recently the work on ESG Ratings and Algo Model Risk in 2022.

If I'm looking for a single standout publication, I think it would have to be the Large Trades Standard, which has true global applicability across all asset classes, and the work that is currently underway on pre-hedging, another huge, complex and globally relevant topic.



You will have had many supporters throughout the years, but who've been your biggest cheerleaders and mentors? Who would you especially like to thank?



In the early days Mark Carney and Minouche Shafik, with whom I worked at the Bank, were powerful supporters and probably our most vocal cheerleaders.

They both spoke frequently about the importance of rebuilding trust in markets and finance more generally and the role that FMSB could play in doing this. I will always be grateful for that support.

And, of course, Andrew Bailey, both when he was at the FCA and now at the Bank, has continued this tradition of "tone from the top".

It would be wrong also not to acknowledge the strong encouragement over many years from Andrew Hauser, who led the FEMR initiative and has been one of our most loyal and consistent supporters.



Did you plan to stay at FMSB for seven years? And, what's next for you career-wise?



I thought I would stay for my three-year appointment and it is something of a surprise to find that nearly seven years have passed!

But it has been a pleasure as well as a privilege to be able to stay as long as I have and I will leave in due course feeling that FMSB is on a stable, clear and valuable course for the benefit of its market participant Members.

I have no idea what I will be doing next; but I will definitely be watching with pride the continuing progress of FMSB and its Members as they tackle the impact of ESG standards, green transition finance, artificial intelligence and the many other developments that markets will need to wrestle with in the next decades.

### Some quotes from Mark's speeches



*It will eternally be to the great credit of those at the Bank of England, the FCA and HM Treasury who wrestled, in writing the Fair and Effective Markets Review, with how to respond to the successive waves of wholesale market problems from 2008-2013, that they did not double down on a complex, prescriptive, targets and rules-based regulatory system that would have done nothing to change the accountability for market outcomes and the trustworthiness of financial markets."*

**Market Close Ceremony, LSE, July 2022**



*The human cost of the pandemic has been so great that it feels callous to be discussing the, by comparison, trivial challenges for policy makers thinking about new rules. But the sacrifices made by so many demand that the obvious policy weaknesses exposed by the pandemic do get addressed, at the same time that we celebrate the policy successes that the pandemic has confirmed."*

**New Rules for the New Normal, International Initiatives in Behavioural Financial Regulation and Policy, 2020**



*FMSB is most effective when the collective wisdom of multiple private sector firms, representing all interests in the market, can illuminate how business should get done, in more detail or with greater clarity or at greater speed than is possible with conventional legal or regulatory tools."*

**Disrupting Markets, Disrupting Money, IOSCO Stakeholder Meeting, 2020**





# Members as at 31 December 2022

## Member Firms

|  |  |
|--|--|
| 1. abrdn                                   | 20. Invesco                                |
| 2. AstraZeneca                             | 21. J.P. Morgan                            |
| 3. Australia and New Zealand Banking Group | 22. Lloyds Bank Corporate Markets Plc      |
| 4. BAE Systems                             | 23. Morgan Stanley & Co. International Plc |
| 5. Bank of America Merrill Lynch           | 24. National Australia Bank                |
| 6. Barclays                                | 25. NatWest Markets                        |
| 7. BHP                                     | 26. Nomura                                 |
| 8. BlackRock                               | 27. Refinitiv                              |
| 9. Bloomberg                               | 28. Rio Tinto                              |
| 10. BNP Paribas                            | 29. Royal Bank of Canada                   |
| 11. BNY Mellon                             | 30. Royal Mail Group                       |
| 12. BP                                     | 31. Santander CIB                          |
| 13. Citigroup Global Markets Limited       | 32. Shell plc                              |
| 14. Commonwealth Bank of Australia         | 33. Société Générale                       |
| 15. Crédit Agricole CIB                    | 34. Standard Chartered                     |
| 16. Credit Suisse                          | 35. Tradeweb                               |
| 17. Deutsche Bank                          | 36. UBS                                    |
| 18. Goldman Sachs                          | 37. Vodafone                               |
| 19. HSBC                                   | 38. Westpac Banking Corporation            |

## Associate Member Firms

|                             |
|-----------------------------|
| 1. MarketAxess              |
| 2. Mizuho International Plc |
| 3. MTS S.p.A                |
| 4. Tradition                |
| 5. XTX Markets              |

## Partner Member Firms

|  |
|--|
| 1. Association of Corporate Treasurers         |
| 2. Financial Services Culture Board            |
| 3. KPMG  |
| 4. Oliver Wyman                                |
| 5. Standards Board for Alternative Investments |
| 6. World Gold Council                          |

## Legal Adviser

Linklaters



## Members continued

### Advisory Council Members

|     |   |                         |
|-----|---|-------------------------|
| 1.  | AstraZeneca                             | Jonathan Slade          |
| 2.  | Australia and New Zealand Banking Group | Paul Moore              |
| 3.  | BAE Systems                             | Raj Patara              |
| 4.  | Barclays                                | Filippo Zorzoli         |
| 5.  | BHP                                     | Stewart Cox             |
| 6.  | BlackRock                               | Jatin Vara              |
| 7.  | BNP Paribas                             | Hubert de Lambilly      |
| 8.  | BNY Mellon                              | Paul Matherne           |
| 9.  | BP                                      | Zack Starbird           |
| 10. | Citigroup Global Markets Limited        | James Bardrick          |
| 11. | Commonwealth Bank of Australia          | Chris McLachlan         |
| 12. | Crédit Agricole CIB                     | Walid Assaf             |
| 13. | Credit Suisse                           | Nick Lovett             |
| 14. | Deutsche Bank                           | David Wayne             |
| 15. | Goldman Sachs                           | Patrick Street          |
| 16. | HSBC                                    | Thierry Roland          |
| 17. | Independent Member                      | Kathleen (Kitty) J. Yoh |
| 18. | J.P. Morgan                             | Pranav V Thakur         |
| 19. | Linklaters (Legal Advisor)              | Michael Kent            |
| 20. | Lloyds Bank Corporate Markets Plc       | Nick Hughes             |
| 21. | Morgan Stanley & Co. International Plc  | Clare Woodman           |

### Advisory Council Members

|     |                             |                     |
|-----|-----------------------------|---------------------|
| 22. | National Australia Bank     | Drew Bradford       |
| 23. | NatWest Markets             | Donal Quaid         |
| 24. | Nomura                      | Andrew Bowley       |
| 25. | Refinitiv                   | Neill Penney        |
| 26. | Rio Tinto                   | Maurita Sutedja     |
| 27. | Royal Bank of Canada        | David Thomas        |
| 28. | Santander CIB               | Peter Millington    |
| 29. | Shell plc                   | Greg Gut            |
| 30. | Société Générale            | Mohamed Braham      |
| 31. | Standard Chartered          | Bruno Lettich       |
| 32. | UBS                         | Christophe Patricot |
| 33. | Westpac Banking Corporation | Nell Hutton         |

### Partner Advisory Council Members

| Partner Member                                 | Advisory Council Member |
|--|-------------------------|
| 1. ACT – Association of Corporate Treasurers   | Caroline Stockmann      |
| 2. KPMG  | Karim Haji              |
| 3. Oliver Wyman                                | Christian Edelmann      |
| 4. Standards Board for Alternative Investments | Luke Ellis              |

## Members continued

### Standards Board Members

|     |   |                   |
|-----|---|-------------------|
| 1.  | Australia and New Zealand Banking Group | Paul Moore        |
| 2.  | Bank of America Merrill Lynch           | Mauricio Sada-Paz |
| 3.  | Barclays                                | Ellis Thomas      |
| 4.  | BHP                                     | Stewart Cox       |
| 5.  | BlackRock                               | Daniel Mayston    |
| 6.  | Bloomberg                               | Mark Flatman      |
| 7.  | BNP Paribas                             | Alexandre Benech  |
| 8.  | BNY Mellon                              | Simon Tomlinson   |
| 9.  | Citigroup Global Markets Limited        | Mark Meredith     |
| 10. | Commonwealth Bank of Australia          | Mark Baillie      |
| 11. | Deutsche Bank                           | Daniel Morley     |
| 12. | Goldman Sachs                           | Art Mountain      |
| 13. | HSBC                                    | Chris Salmon      |
| 14. | Invesco                                 | Karim Awenat      |
| 15. | J.P. Morgan                             | Tom Prickett      |
| 16. | Linklaters (Legal Advisor)              | Michael Kent      |
| 17. | Lloyds Bank Corporate Markets Plc       | Rob Hale          |
| 18. | Morgan Stanley & Co. International Plc  | Olivier Homsy     |
| 19. | National Australia Bank                 | David Bateman     |
| 20. | NatWest Markets                         | Jonathan Peberdy  |

### Standards Board Members

|     |                             |                   |
|-----|-----------------------------|-------------------|
| 21. | Nomura                      | John Goff         |
| 22. | Rio Tinto                   | Maurita Sutedja   |
| 23. | Royal Bank of Canada        | Christophe Coutte |
| 24. | Santander CIB               | Juan Saffon       |
| 25. | Standard Chartered          | Bruno Lettich     |
| 26. | Tradeweb                    | Enrico Bruni      |
| 27. | UBS                         | Ciara Quinlan     |
| 28. | Westpac Banking Corporation | Emma Norman       |

### Partner Standards Board Members

| Partner Member                                 | Standards Board Member |
|--|------------------------|
| 1. Association of Corporate Treasurers         | James Winterton        |
| 2. Financial Services Culture Board            | Alison Cottrell        |
| 3. KPMG  | Peter Rothwell         |
| 4. Oliver Wyman                                | Catherine Brown        |
| 5. Standards Board for Alternative Investments | Thomas Deinet          |
| 6. World Gold Council                          | David Tait             |

## Members continued

### Committees and Working Groups

| Membership Group                                     | Chair                          | Company Name              |
|--|--------------------------------|---------------------------|
| <b>Market Practices Committee</b>                    | <b>Charles Bristow</b>         | <b>J.P. Morgan*</b>       |
| Precious Metals Working Group                        | David Tait                     | World Gold Council        |
| <b>Electronic Trading &amp; Technology Committee</b> | <b>Ciara Quinlan</b>           | <b>UBS</b>                |
| Algorithmic Model Risk Working Group                 | Ciara Quinlan                  | UBS                       |
| <b>ESG Committee</b>                                 | <b>Caroline Haas</b>           | <b>NatWest Markets</b>    |
| ESG Ratings Working Group                            | Caroline Haas                  | NatWest Markets           |
| <b>Post Trade Committee</b>                          | <b>David Hudson</b>            | <b>J.P. Morgan</b>        |
| Client Onboarding Working Group                      | Siobhan Clark                  | Royal London              |
| Non-Economic Trade Data Working Group                | Tim Mcleod                     | BlackRock                 |
| Uncleared Margin Working Group                       | Philip Glackin                 | J.P. Morgan               |
| <b>Conduct &amp; Ethics Committee</b>                | <b>Tracey McDermott</b>        | <b>Standard Chartered</b> |
| Three Lines Model                                    | Alan Leigh                     | Bank of America           |
| Conduct & Culture MI                                 | Olivia Richards                | Oliver Wyman              |
| <b>Legal Working Group</b>                           | <b>Michael Kent/Chris Rich</b> | <b>Linklaters/FMSB</b>    |

### Advisory Council and Standards Board observers

|                             |               |
|-----------------------------|---------------|
| Bank of England             | Andrew Hauser |
| Financial Conduct Authority | Paul Johnson  |

### How to become an FMSB Member

FMSB Members represent global wholesale financial market participants. Our membership as of 31 December 2022 included corporate issuers, asset managers, exchanges, custodians and intermediaries, commercial and investment banks, interdealer brokers and the firms that provide the infrastructure for markets to operate, such as data providers, trading venues, exchanges and other platforms.

To discuss membership with us, email: [secretariat@fmsb.com](mailto:secretariat@fmsb.com), call +44(0)2039616150, or write to: 125 Old Broad Street, London EC2N 1AR.

\* Please note that Charles Bristow stood down from the Market Practices Committee in 2022.

# Financial Markets Standards Board Limited

## Constitution

FMSB is formally governed by way of a legal entity, Financial Markets Standards Board Limited, a company registered in England and Wales (registered number 09732893) with the registered office c/o Hackwood Secretaries Limited, One Silk Street, London EC2Y 8HQ.

The auditors to Financial Markets Standards Board Limited changed during 2022 from BDO LLP to Lubbock Fine LLP.

FMSB is a not-for-profit organisation funded by Member subscriptions. All directors of FMSB Limited are non-executive in that they are not members of the FMSB executive team, with the exception of the CEO. In April 2022, FICC Markets Standards Board Limited became Financial Markets Standards Board Limited.

## Board role

The Board takes ultimate ownership of the Company's strategic direction with support from the membership through the Advisory Council. It reviews FMSB's Mission, Vision and Purpose, and provides the necessary frameworks within which the management of the Company can act in the best interests of the membership.

## Board tenure and succession planning

Non-executive directors are appointed to the Board for a three-year term. After that term, a non-executive director may be eligible for reappointment for a further three-years subject to satisfactory performance and the regular nomination and approval processes. To ensure that the Board maintains a diverse mix of skills, views and experience, it is expected that all non-executive directors should serve no more than three terms of three years.

The current Chair of the Board, Mark Yallop, indicated his intention to step down during 2023, after more than six years in this role. A search for his successor commenced at the end of 2022.

## Board composition

The Board undertakes an ongoing review of the skills of its directors and they believe that the Board is well-balanced and possesses sufficient skills, relevant experience and knowledge to ensure that it functions effectively. The Board agreed to maintain the current gender diversity of the Board (of at least 25% female representation) and aims to achieve 33% representation by the end of 2023.

## Board committees

The Board has delegated some of its responsibilities to its two formal committees, the Audit & Risk Committee and the Nomination & Remuneration Committee, whose terms of reference have been approved by the Board. The Company ensures that the Board committees have sufficient resources to carry out their obligations.

### (i) Audit & Risk Committee

Chaired by Charles Nichols this committee comprises three non-executive directors and provides oversight of, and reports to the Board on, the company's financial reporting and budgeting process, the audit process, its internal financial control and risk management system and its internal policies and procedures.

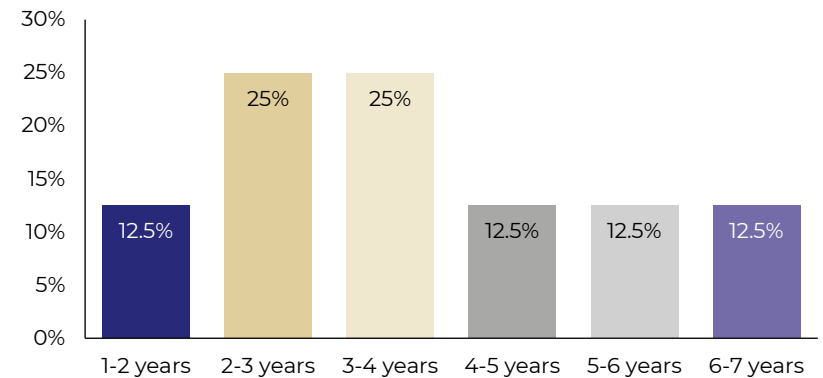
### (ii) Nomination & Remuneration Committee

Niki Beattie chairs this committee, which comprises of three non-executive directors. It provides oversight of, and reports to, the Board on ensuring that the Board retains an appropriate structure, size and balance of skills to support the strategic priorities and values of the company; undertaking arrangements for appointments to the Board and to the Company and succession planning; and reviewing and approving remuneration arrangements made in relation to employees.

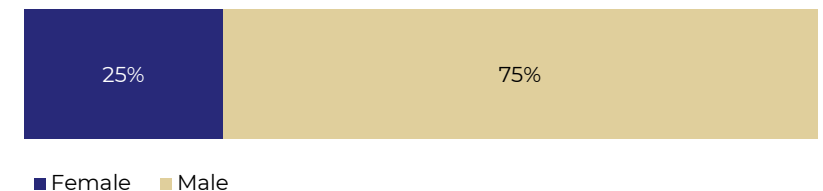
During the year, this Committee developed a mentoring programme to give individuals from Member firms the opportunity to gain practical experience for a potential future Board role. The first appointment to this programme will take place during 2023.

## Board balance

### Tenure



## Gender diversity



## Independence



# Financial Markets Standards Board Limited continued, as at 31 December 2022



**Mark Yallop**  
*Chair & Director*

Mark joined FMSB in May 2016 and is the Chair and a Director of Financial Markets Standards Board Limited, and the Chair of both the FMSB Advisory Council and Standards Board. He was an External Member on the Bank of England's Prudential Regulation Committee, and Financial Market Infrastructure Board until November 2020. Mark is a Partner at Illuminate Financial Management (a fintech venture capital business).

From 1984 to 2004, Mark was at Morgan Grenfell and then Deutsche Bank where he built and ran a number of trading and sales businesses as Global Head, and served as Global Markets and Corporate and Investment Banking Chief Operating Officer. In 2002 he became Deutsche Bank AG Group Chief Operating Officer.

Between 2005 and 2011 Mark was Group COO and main board director at ICAP plc. From 2009 to 2011 he also led a number of initiatives to develop industry and regulatory responses to the 2008 financial crisis.

From March 2013 to September 2014, Mark was UK Group CEO for UBS, overseeing Investment Banking, Wealth Management and Asset Management activities in the UK.



**Philippa Foster Back, CBE**  
*Senior Independent Director*

Philippa Foster Back CBE became the Senior Independent Director of Financial Markets Standards Board Limited on 1 January 2022 and has been a Director since June 2020.

Until April 2020 she was a Director of the Institute of Business Ethics (IBE), a role she held since 2001. The IBE's work is focused on promoting high standards of business behaviour based on ethical values.

Philippa was previously Group Treasurer at EMI Group, Group Finance Director at DC Gardner Group and Group Treasurer at Bowater. Philippa has also held a number of trustee, major review committee and non-executive roles throughout her career.

She is a past President of the Association of Corporate Treasurers (ACT) and is currently a BEIS/FRC Wates Coalition Group member, and was a non-executive director of the CISI Board as well as a member of its Integrity Forum until July 2020.



**Niki Beattie**  
*Director & Chair of the Nomination & Remuneration Committee*

Niki became a Director of Financial Markets Standards Board Limited in June 2020. Niki has extensive corporate governance experience on the boards of both listed and private companies in financial markets, as well as serving on two European regulatory committees.

Niki is a non-executive director of IRESS, a listed Australian financial technology company, and Kepler Cheuvreux International, the French brokerage company. She was the Chair of Aquis Exchange PLC, a pan-European MTF (multilateral trading facility), until 31 December 2021 and the Chair of XTX Markets Limited, a quantitative-driven electronic market-maker, until 30 September 2022.

Niki is also the CEO and Founder of Market Structure Partners, an independent consulting firm and is a member of ESMA's Secondary Markets Advisory Committee, and was also a member of the FCA's Regulatory Decisions Committee for six years. Prior to setting up Market Structure Partners, Niki spent 14 years at Merrill Lynch in roles including EMEA Head of Market Structure.



**Michael Cole-Fontayn**  
*Director*

Michael became a Director of Financial Markets Standards Board Limited in March 2019.

Michael is a Director of J.P. Morgan Securities PLC and the Chair of the Chartered Institute for Securities and Investment (CISI), the largest professional body for the securities and investment profession in the UK. He was the Chair of the Association for Financial Markets in Europe (AFME) from September 2015 until June 2021.

Michael was previously EMEA Chair of BNY Mellon, responsible for governance, culture and strategy development across the region.

Before taking up the EMEA Chair of BNY Mellon, he spent 25 years in various roles at both BNY Mellon and Bank of New York in London, Hong Kong and New York.

# Financial Markets Standards Board Limited continued, as at 31 December 2022



## Charles Nichols

*Director & Chair of the Audit & Risk Committee*

Charles has been a Director of Financial Markets Standards Board Limited since January 2017 and was the Senior Independent Director until 31 December 2021.

Charles spent 31 years at Unilever where he held various financial and general management roles, including the senior management positions of Group Treasurer, Group Controller and Executive Vice President respectively.

He is currently a member of the Board of Trustees of the Unilever UK Pension Fund and chairs the Investment and Funding Committee of the Pension Fund. Charles is also a Director of Jaguar Land Rover Automotive PLC and Chair of its Audit Committee.



## Edward Ocampo

*Director*

Edward became a Director of Financial Markets Standard Board Limited in March 2019.

Edward is a Non-Executive Director and Chair of the Board Risk Committee at J.P. Morgan Securities plc. He is also an Independent Member of the ICE Swap Rate & Term Reference Rate Oversight Committee and an Affiliate of Rutter Associates LLC.

From 2018 to 2022 he was an Advisory Director at Quantile Technologies Limited and from 2014 to 2018 he was a Senior Advisor at the Bank of England. Edward was previously at Morgan Stanley for 24 years where he held a number of senior roles and most recently was Head of Fixed Income Risk Management for EMEA and a Director of Morgan Stanley's UK bank.

Edward received his MBA degree from Stanford University in 1983 and his AB degree in Economics from Princeton University in 1979.



## Stephen O'Connor

*Director*

Stephen became a Director of Financial Markets Standards Board Limited in December 2018.

Stephen is the Chair and founder of Quantile Technologies Limited, which provides portfolio risk management services for derivative markets.

He is the Chair of HSBC Bank plc and was a Non-Executive Director of London Stock Exchange Group plc until August 2021.

He was a Non-Executive Director of GE Capital International Holdings Ltd between 2015 and 2017 and of the International Swaps and Derivatives Association (ISDA) between 2009 and 2014 including three years as Chair.

He was also the Chair of OTC Deriv Ltd between 2001 and 2011. Stephen was at Morgan Stanley for 25 years where he was a Managing Director and Member of the Fixed Income Division Management Committee. Stephen is a qualified Chartered Accountant.



## Myles McGuinness

*Chief Executive Officer & Director*

A long-term advocate for raising standards of conduct and ethics in financial markets, Myles McGuinness joined FMSB as CEO in June 2021.

His career in investment banking spans 30 years across sales and structuring, deal origination, strategy development and the management of regulatory relationships. He has worked in the UK, the US and prior to joining FMSB, in the Netherlands, responsible for a pan-European Capital Markets business.

During that time, Myles chaired Reputational Risk Committees and held several Conduct and Risk committee roles, which included overseeing a Federal Reserve Board remediation programme.

He studied Economics and Geography at the National University of Ireland, Galway and received a MSc in Investment and Treasury from Dublin City University.



# Financial Markets Standards Board Secretariat as at 31 December 2022



**Alison Parker**  
*Chief of Staff*

Alison joined FMSB in November 2018. As Chief of Staff, she oversees the day-to-day operations of the Secretariat and the business of FMSB Limited, including supporting the FMSB Limited Board, the Advisory Council and Standards Board, as well as managing various projects.

Alison read Law at Edinburgh University and then qualified as a Chartered Accountant while at Coopers and Lybrand, before moving to Credit Suisse First Boston (CSFB) where she became the Global Head of Compensation and Executive Compensation. After leaving CSFB, she undertook various freelance compensation consultancy roles, ran various private property businesses and was a partner in her family farming business.



**Carol Boag**  
*Business Assistant*

Carol joined FMSB in March 2020 and supports the Chair and Chief Executive Officer. She also assists the Chief of Staff and Secretariat with event planning and management, and special projects.

Carol has an extensive background in board and senior-level support and event management, most recently at Morgan Stanley.

She read Italian at the University of Reading.



**Christopher Rich**  
*General Counsel and Head of Standards*

Chris has overall responsibility for all FMSB Working Groups and their publications.

Since joining FMSB in April 2020 following a secondment from Linklaters, Chris has played a key role in delivering Standards, Statements of Good Practice and Spotlight Reviews on a broad range of topics including the execution of large trades, data sharing in a new issuance context, use of Term SONIA reference rates, LIBOR conduct risks and the development of risk management frameworks for hybrid working. He is also overseeing FMSB's nascent and ongoing work on ESG, electronic trading, pre-hedging and post-trade processes.

Prior to joining FMSB, Chris spent nine years at Linklaters in the Financial Regulation Group advising a wide range of investment banks, market infrastructure providers and buy-side institutions on numerous areas of UK and European financial regulation. In the fixed income, currencies and commodities space, he has worked on investigations into misconduct in FX businesses and subsequent remediation exercises. During his time at Linklaters, Chris undertook secondments at RBS, Deutsche Bank and BNP Paribas and has recently completed an Executive LLM in international financial law and regulation at the London School of Economics.



**Mimi Yan**  
*Senior Technical Specialist*

Mimi Yan joined FMSB in March 2022. Mimi has over a decade of experience in regulatory policy change across Capital Markets structuring, Risk, and Treasury functions.

Following her BA (Hons) in Law from Trinity College, Cambridge, Mimi began her career at Bank of America Merrill Lynch first in M&A financing, and then as a hybrid bond structurer in Debt Capital Markets, predominantly covering financial institution clients.

At Credit Suisse, Mimi served as acting head of EMEA Treasury Capital, before transferring to the Zurich office. There, she was global lead for Recovery Planning, working closely with Risk, global desk heads, chief operating officers and regulators, including FINMA, PRA, HKMA.

Mimi holds an LLM (Distinction) in Law and New Technologies from Birkbeck, University of London, with a focus on Regulation, Data Privacy and Intellectual Property.

Mimi works closely with Chris Rich, FMSB's General Counsel, on the development of the various FMSB publications, including supporting outputs from the ESG and Post-Trade workstreams as well as the Legal Working Group.

# Financial Markets Standards Board Secretariat continued, as at 31 December 2022



**Nadeem Idrus**  
*EY Seconded*

Nadeem joined FMSB in November 2022 on secondment from Ernst & Young (EY) where he is currently a Graduate Business Consultant in the Wealth and Asset Management team. Nadeem assists Chris Rich and the Secretariat in the production of publications and research, and supports Member meetings – with a particular focus on precious metals markets.

Nadeem completed his BSc in Politics and Economics in 2021 at the LSE.



**Sam Smith**  
*Secretariat Support*

Sam joined FMSB in January 2020. Reporting to the Chief of Staff, Sam provides operational support to the FMSB Secretariat, including membership and meeting logistics.

Sam has experience supporting at board level, as Business Assistant & Company Secretarial Assistant. Prior to joining FMSB, Sam worked in the latent defects insurance sector for CRL Management Limited.

Sam went on maternity leave on 1 November 2021 and returned in September 2022.



**Ted MacDonald**  
*Senior Technical Specialist*

Ted MacDonald joined FMSB in February 2022. He is a financial services practitioner having held senior roles in business origination, risk management, board-level governance, and more recently, regulation. He has helped transform banking teams and whole organisations and led major change initiatives for the UK Financial Conduct Authority.

He joined the FCA in 2014 as an Advisor and stayed on as a Technical Specialist in Conduct & Culture. He published five thematic reviews and led their flagship '5 Conduct Questions' program. This included the CEO Roundtable sessions on Leader Character, Corporate Purpose, Diversity & Inclusion and Psychological Safety, focused on elements of behavioural psychology.

Ted is a fully accredited mediator and maintains strong links with academia including his role as an unofficial ambassador for the Ivey Business School and the Leader Character Program. He relocated to London from Toronto in 1990.

Ted works closely with Chris Rich, FMSB's General Counsel, supporting the development of qualifications, conduct & ethics and thought leadership workstreams.



**Vic Silverman**  
*Head of Communications*

A Reuters-trained journalist, Vic joined FMSB in February 2022 having worked across the media and financial sectors for more than 15 years, including at Deloitte, ITV, Thomson Reuters, Refinitiv and London Stock Exchange Group.

A former director in Thomson Reuters' Innovation group, Vic moved to support Refinitiv's CEO and leadership team ahead of its acquisition by the London Stock Exchange Group in February 2021.

She has a master's degree in criminology from Wolfson College, Cambridge University, is an advisor to the charity Urban Synergy and a Board Member of the International Association of Business Communicators, UKI.

# Summary of all FMSB publications

## Standard

| Publication Name  | Final Release |
|---|---------------|
| Reference Price Transactions standard of the Fixed Income markets                               | 21-Nov-16     |
| Binary Options standard for the Commodities markets   | 21-Nov-16     |
| New Issue Process standard for the Fixed Income markets   | 02-May-17     |
| Risk Management Transactions for New Issuance standard for the Fixed Income markets             | 03-Jul-18     |
| Secondary Market Trading Error Compensation Standard  | 28-Jan-19     |
| Standard for the execution of Large Trades in FICC markets                                      | 06-May-21     |
| Standard on use of Term SONIA reference rates   | 28-Jul-21     |
| Standard for the sharing of investor allocation information in the fixed income primary markets | 15-Feb-22     |
| Standard for the Conduct of Participants in LBMA Precious Metal Auctions                        | 01-Mar-22     |

## Statement of Good Practice

| Publication Name   | Final Release |
|--|---------------|
| Surveillance Core Principles for FICC Market Participants: Statement of Good Practice for Surveillance in Foreign Exchange Markets | 08-Dec-16     |
| Statement of Good Practice for FICC Market Participants: Conduct Training  | 08-Dec-16     |
| Monitoring of written electronic communications Statement of Good Practice for FICC Market Participants                            | 15-Sep-17     |
| Front Office Supervision Statement of Good Practice for FICC Market Participants   | 15-Sep-17     |
| Suspicious Transaction and Order Reporting Statement of Good Practice for FICC Market Participants                                 | 15-Jan-19     |
| Conduct Risk in Market Transactions Statement of Good Practice   | 23-Mar-19     |
| Information & Confidentiality for the Fixed Income and Commodities markets Statement of Good Practice                              | 03-Oct-19     |
| Conflicts of Interest Statement of Good Practice   | 14-Oct-19     |
| Algorithmic trading in FICC markets Statement of Good Practice for FICC market participants  | 24-Jun-20     |
| Statement of Good Practice for Participation in Sovereign and Supranational Auctions in Fixed Income Markets                       | 14-Jul-20     |
| Statement of Good Practice for Trading Platform Disclosures  | 28-Jun-22     |

## Summary of all FMSB publications continued

### Spotlight Reviews

| Publication Name  | Final Release |
|---|---------------|
| Behaviour Cluster Analysis (first edition)  | 27-Jul-18     |
| Misconduct Patterns in Financial Markets – Selected Case Studies                    | 27-Jul-18     |
| Database – Market Abuse and Manipulation  | 27-Jul-18     |
| Emerging themes and challenges in algorithmic trading and machine learning          | 23-Apr-20     |
| The critical role of data management in the financial system                        | 11-May-20     |
| LIBOR transition: Case studies for navigating conduct risks                         | 11-Jun-20     |
| Examining remote working risks in FICC markets                                      | 27-Jul-20     |
| Examining remote working risks in FICC markets – Risk register                      | 27-Jul-20     |
| Monitoring FICC markets and the impact of machine learning                          | 3-Aug-20      |
| Measuring execution quality in FICC markets   | 7-Sep-20      |
| LIBOR transition: Case studies for navigating conduct risks in back book transition | 20-Apr-21     |
| Hybrid working in FICC markets – Future risk management frameworks                  | 30-Sep-21     |
| Precious Metals Market Structure  | 18-Nov-21     |
| Behaviour-pattern Conduct Analysis (BCA) (second edition)                           | 30-May-22     |
| Precious Metals Market Post-Trade   | 17-Jun-22     |
| ESG Ratings   | 20-Jul-22     |
| Voluntary Carbon Markets: An Overview   | 29-Sep-22     |

*Please note that these publications are retired:*

*Behaviour Cluster Analysis*

*Spotlight Review*

*Date of publication: 27 July 2018. Retired in May 2022.*

*Misconduct Patterns in Financial Markets – Selected Case Studies*

*Date of publication: July 2018. Retired in May 2022.*

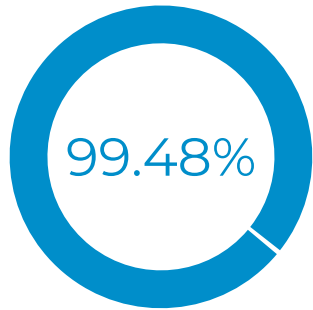
*Algorithmic trading in FICC markets Statement of Good Practice for FICC market participants*

*Statement of Good Practice (Transparency Draft)*

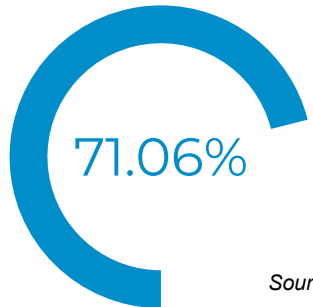
*Date of Initial Release: 24 Jun 2020, Dates of Comment Period: 24 Jun 2020 to 21 Aug 2020, Retired in March 2021.*

# Corporate responsibility & sustainability summary

## Landfill avoidance



## Recycled



Source: Landmark Flexible Work Space

FMSB's Secretariat works with our property licensor Landmark Space to ensure our offices are as sustainable as possible. On this page are the figures from Landmark's sustainability certification which shows how materials were recycled on our behalf at 125 Old Broad Street, London EC2N 1AR in 2022.

Our building's Carbon Trust Certification is reviewed annually to guarantee ongoing compliance. FMSB can confirm that Landmark Space purchased 100% renewable electricity for us.

Day-to-day, reducing our own carbon footprint became the 'new normal' in 2022 by continuing to: no longer offer printed Advisory Council and Standards Board packs; work as a Secretariat from home two days per week; and recycle any shredded paperwork. We also reduced how much we print – including producing this Annual Report online only. All printing met FSC standards.

We contributed to the environmental, social & governance (ESG) agenda by publishing two spotlight reviews on ESG ratings and the voluntary carbon markets.

FMSB's Head of Comms, Vic Silverman, provided pro bono media training to users of the charity Urban Synergy. She is an advisor to its Corporate Advisory Board, which works to create a more ethnically diverse City.

In 2022, we recalibrated our company values to reflect FMSB's refreshed Vision, Mission and Purpose, and to provide our Members and stakeholders with a pledge to provide the continuing support, value and excellence they expect from the leading, global standards setting body. See a summary of our core values on the following page.

## Renewable Electricity Commitment Certificate



125 OBS GP Limited as General Partner of 125 OBS Limited Partnership  
1200052460361

is supplied with **certified 100% renewable electricity** from SmartestEnergy for the period:

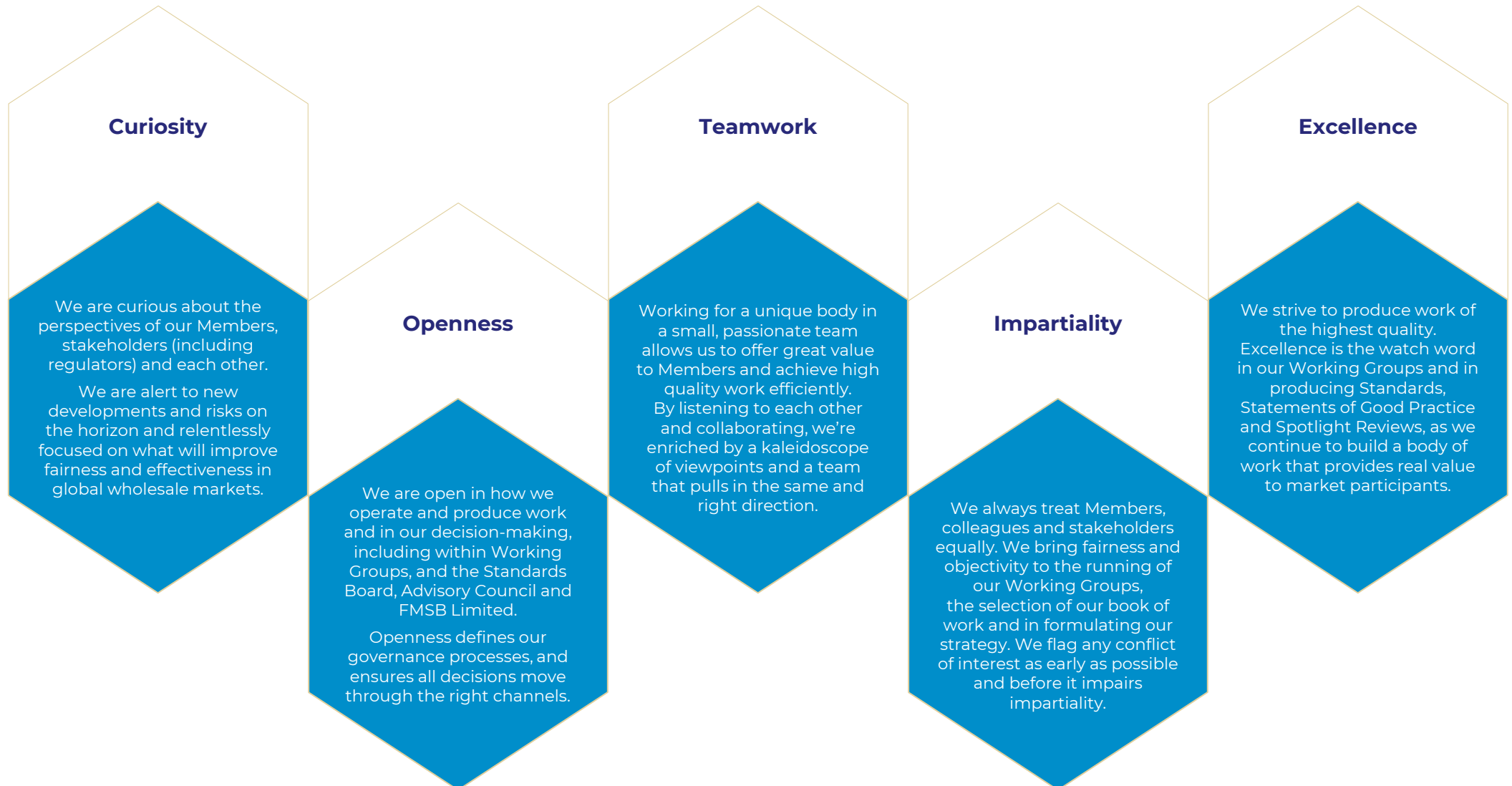
01 Apr 2022 to 31 Mar 2024



100% of the electricity supplied is renewable, backed by certificates of renewable energy guarantees of origin. Emission factor compliant with the GHG Protocol Scope 2 Guidance and to be used for the 'market-based method'.



# Our Values







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