

January 2018

**Welcome to the regular newsletter to inform you all of developments in ACI Education and its capabilities.**

We focus on sales, distribution and the increasing use of the Global Code of Conduct Examination, with ELAC in particular, to show adherence to the FX Global Code of Conduct and other recently released Codes.

As many of you are finding, the combination of an industry need and an attractive ACI rebate process for the ACI National Associations acts as a powerful incentive.

**Trends in the Industry**

Bruno Langfritz, ACI Chair of the Management Board ACIFMA, has identified the following industry trends which ACI needs to respond to going forward:

- **Technology and advanced analytics are evolving** – enabling new risk-management techniques and helping the risk function make better risk decisions at lower cost. Big data, artificial intelligence, machine learning, crypto currencies and crowdsourcing illustrate the potential impact.
- **New Risks** – model, cyber security and contagion risk have all emerged. Risk detection and management with the help of Artificial Intelligence must develop further.
- **Risk function can help banks remove biases** – decision making based on more analytical and fact based input, debate techniques along with organizational measures that embed new ways of unbiased decision making.
- **The pressure for cost savings will continue** – simplification of business and organizational models, standardization of activities and digitization of workflow.
- **Dependence on sophistication in modelling** - there is an increasing need in business modelling to understand and mitigate risk more effectively and therefore develop rigorous guidelines and processes to ensure this.

## **Developments in Education Capabilities, Content and Distribution.**

### **Sales**

- Three large new ELAC licenses to major banks in Australia, U.S.A. and Scandinavia are in progress or have recently been finalized, each with over 200 ELAC subscribers and new ACI members. Many thanks and congratulations to the respective local National Associations for their efforts.
- In the UK, the ACI Executive Committee took the decision to retain a professional introducer to boost the sale of ACI Education and ELAC products and with it increase ACI-UK membership. The Buy Side (Asset Managers) have started to show a considerable interest in ACI educational products, especially ELAC, due to their need to adhere to the Global Code of Conduct.

### **Intralinks**

For any National Association prepared to be involved in ELAC Sales and distribution the Intralinks system is available to you with Marketing materials, global contact and sales information and all the necessary supporting documentation to propose and conclude ELAC sales.

### **ELAC/ Educational content**

Keeping ELAC content and scenario questions relevant to the industry trends mentioned above and legal and regulatory developments is a constantly evolving part of ACI education and, we are finding, an important Sales point as it marks out ELAC from other competitor offerings. All content for the ACI Dealing Certificate, Operation Certificate and Diploma is in the process of review and update.

### **Examinations**

We would remind you that in welcoming the FX Global Code of Conduct, ACI decided to retire the Model Code and it is now only available for historic reasons such as ongoing matters to which it related and for educational purposes. ACI suite of Examinations now takes account of this by having an additional Global Code of Conduct Examination to sit alongside the Dealing Certificate and Operations Certificate. Our intention is that holders of these Certificates should undertake the Global Code of Conduct Examination in order to round out their knowledge and competences. We will be providing a discount scheme for ACI members to do this at reasonable cost

### **ACI Accreditation**

The ACI is currently registering a Trademark so that certain qualifications offered can be accredited. This will mean that holders of the ACI Diploma will be able to use the letters ACICMP (ACI Certified Market Professional) after their name and the rights to that name and accreditation is protected.

## **GFXC and Regulatory matters**

- The GFXC (Global Foreign Exchange Committee) went to great lengths to emphasize that their focus for the next few months is to ensure that all relevant parties sign-up and adhere to the Global Code. In many jurisdictions this includes Central Banks deferring from trading with any institution who has not signed up to adhere by May 2018. As we are effectively assisting the Central Banks in this endeavor with ELAC sales and distribution, it represents a major boost and opportunity for us in the sale of ACI educational tools and ELAC in particular.
- UK Money Market Code of Conduct, which was rolled out during 2017, is now available in ELAC. Many of the areas covered are generic to Money Markets globally and we anticipate that similar Money Market Codes will be produced in many different jurisdictions going forward.
- The FCA (UK regulatory authority) has produced a consultancy paper written explaining how they intend the FX Global Code of Conduct and other Codes can and should be applied in a regulatory manner. This has raised considerable debate and some disquiet within the industry, including its potential extraterritoriality ramifications. ACI UK hosted a meeting between FCA and leaders of many of the major Banks to discuss those concerns.