



## Minutes

December 6, 2021

### Fourteenth meeting of the Mexican Foreign Exchange Committee

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Mexico City, Monday, December 6, 2021

Location: The meeting was held by videoconference at 02:00 P.M., Mexico City time.

Host: Bank of Mexico.

Attendees:

#### **Members**

**Gerardo Israel García López** – President, Bank of Mexico

**Juan Rafael García Padilla**, Bank of Mexico

**Mayte Rico Fernández**, Bank of Mexico

**Alejandro Faesi Puente**, Grupo Financiero Banorte, S.A.B. de C.V.

**Alfredo Puig Franco**, Vector Casa de Bolsa, S.A. de C.V.

**Allan Muñoz Parra**, Coca-Cola FEMSA, S.A.B. de C.V.

**Andrés de Oteyza**, Citibank NY.

**Eduardo Riba Aspe**, Enlace Int, S.A. de C.V.

**Gilberto Romero Galindo**, Banco Ve por Más, S.A., Institución de Banca Múltiple, Grupo Financiero Ve Por Más.

**Guillermo Andrés Moreno Arias**, Afore SURA, S.A. de C.V.

**Juan Carlos Escalera Amigo**, Refinitiv

**Leonardo Franco Villa Reynolds**, Afore XXI-Banorte, S.A. de C.V.

**Luis Eugenio Alvarado Mejía**, Asociación de Bancos de México (ABM).

**Luis Antonio Betancourt Barrios**, Banco Santander México, S.A., Institución de Banca Múltiple, Grupo Financiero Santander México.

**Luis Manuel Murillo Peñaloza**, Valores Mexicanos Casa de Bolsa, S.A. de C.V.

**Manuel Meza Piza**, BBVA México, S.A., Institución de Banca Múltiple, Grupo Financiero BBVA México.

**Rafael Buerba Gómez**, Santander Asset Management.

**Sergio Méndez Centeno**, BlackRock México.

**Stine Moller-Hansen Secher**, Nacional Financiera, S.N.C., Institución de Banca de Desarrollo.



**Tomás Acosta Álvarez**, CitiBanamex Afore, S.A. de C.V., Integrante del Grupo Financiero CitiBanamex.

**Tomás Noriega Noriega**, Monex Casa de Bolsa, S.A. de C.V., Monex Grupo Financiero.

**Xavier Ormaechea Jaureguí**, Scotiabank Inverlat, S.A., Institución de Banca Múltiple, Grupo Financiero Scotiabank Inverlat.

### **Guests**

**Ximena Alfarache Morales**, Bank of Mexico.

**Pilar María Figueredo Díaz**, Bank of Mexico.

**Carlos Miguel Vélez Martínez**, Bank of Mexico.

**Diego Rafael Toledo Polis**, Bank of Mexico.

**Laura Rojas Barrera**, Bank of Mexico.

### **AGENDA**

#### 1. Welcome

The President of the Committee welcomed all attendees of the fourteenth meeting of the Mexican Foreign Exchange Committee (MFXC), including the new members of the Committee.

#### 2. Developments in global and local FX markets

Developments in global and local FX markets were discussed. Particularly issues, such as the recent correction in financial assets prices was highlighted given the risk aversion environment in global financial markets, while market trading conditions have continued to normalize in relation to those observed in the previous year. Furthermore, the relevance of inflationary pressures in emerging markets was mentioned, which has prompted central banks to adopt a less monetary policy accommodative stance. Finally, the vulnerability and high sensitivity of emerging markets' financial assets in the recent episodes of less risk appetite was emphasized, and short and medium term risk factors were discussed.

#### 3. Global Foreign Exchange Committee (GFXC) June meeting recap

Members of the Committee talked about the main points discussed in the last GFXC meeting: the conclusion of terms of the Chair, Guy Debelle, and Co-Vice Chair, Neill Penney. In regard to the FX Global Code, it was mentioned that in the aforementioned



meeting, the final working group proposals to update the FX Global Code text were presented and approved unanimously, bringing the Code's review to a close, and announcing that the Code was going to be published on July 15, 2021. Separately, it was emphasized that the GFXC reaffirmed their expectation that market participants renew their Statements of Commitment to the Code. Likewise, the Committee announced that it will publish on its website a set of materials and templates, to facilitate accessibility, and to provide more information transparency and a better understanding of these documents.

#### 4. Global Foreign Exchange Committee (GFXC) December meeting agenda

Items for the December GFXC meeting agenda were mentioned; among said items worth of note are the nomination and endorsement for Chair and co-Vice Chair replacements, the discussion of recent financial market developments, as well as measures to promote greater adoption of the FX Global Code by *buy-side* market participants.

#### 5. The FX Global Code in Mexico and around the world, Update

Members were presented with a project to carry out a survey for *buy-side* market participants between December 13 and 17, 2021 in order to understand the incentives, obstacles and the knowledge that this type of participants have regarding the FX Global Code. Furthermore, the Bank for International Settlements (BIS) Triennial Survey on volumes traded in the foreign exchange and derivatives markets for 2022 was mentioned, giving context to members on the results from previous surveys. On the other hand, the relevance of settlement risk and the possibility of its elimination through PvP settlement systems was discussed. Finally, a brief overview was given of the institutions currently adhered to the Code, the project for the Mexican peso closing exchange rate developed in 2021, and projects for the Committee's work agenda in 2022 were proposed.

#### 6. Any other business

It was proposed that the next meeting of the Committee will be held during the months of January or February, 2022.