



Minutes

7 November 2017

First meeting of the Mexican Foreign Exchange Committee

Mexico City, Tuesday, 7 November 2017, 5:00 p.m.

Location: Bank of Mexico, Avenida 5 de Mayo #2, Colonia Centro, Z.C. 06000, Delegación Cuauhtémoc, Mexico City.

Host: Bank of Mexico.

Attendees:

Members

Jaime Cortina Morfín – President, Bank of Mexico

Juan García Padilla, Bank of Mexico

Alberto García Torres, Ministry of Finance and Public Credit

Adrian Owen, Thomson Reuters de México, S.A. de C.V.

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

Alfredo Sordo Janeiro, SAM Asset Management S.A. de C.V. S.O.F.I.

Antonio Sibaja Luna, Profuturo AFORE, S.A. de C.V.

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

Fidel Martínez San Martín, Grupo Financiero Citibanamex, S.A de C.V.

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

Guillermo Camou Hernández, Asociación Mexicana de Instituciones Bursátiles (AMIB)

Javier Alvarado Chapa, Banco Monex, S.A., Institución de Banca Múltiple, Monex Grupo Financiero

Javier Orvañanos Márquez, Afore Citibanamex [Afore Banamex, S.A. de C.V., Integrante del Grupo Financiero Banamex]

Joaquín Caicedo Russi, Banco J.P. Morgan, S.A.

José Ignacio Torres H. Mantecón, Vector Casa de Bolsa, S.A. de C.V.

Luis Alvarado Mejía, Asociación de Bancos de México (ABM)

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



Luis de la Cerda Quiñones, Afore SURA, S.A. de C.V.

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

Rodrigo Guzmán Perera, Mexichem, S.A.B. de C.V.

Sergio Méndez Centeno, Afore XXI Banorte, S.A. de C.V.

Secretariat

Mayte Rico Fernández – Secretary, Bank of Mexico

Guests

Mario Tamez López Negrete, Bank of Mexico

Pilar Figueredo Díaz, Bank of Mexico

Luis Murray Arriaga, Bank of Mexico

Raúl Álvarez del Castillo Penna, Bank of Mexico

AGENDA

1. Welcome

The President of the Committee welcomed all assistants to the first meeting of the Mexican Foreign Exchange Committee (MFXC) by stressing the importance of the Mexican foreign exchange market and its continuous development in order to improve financial conditions in the country.

The President also highlighted the participation of Mexico at the Global Foreign Exchange Committee (GFXC) that was formed in May 2017, as well as the experience of other jurisdictions that have a committee with similar characteristics to the Mexican Foreign Exchange Committee.

2. Formation of the Mexican Foreign Exchange Committee

On this date, the Mexican Foreign Exchange Committee held its first session in accordance to the conditions set under the Terms of Reference of the Mexican Foreign Exchange Committee (“Terms”). In this context, the members of the Committee reiterated their commitment to the before mentioned Terms.

Hence, in this session the Mexican Foreign Exchange Committee was officially formed.



3. FX Global Code

In relation to the FX Global Code (“Code”) that was published by the GFXC in May of this year, the members of the Mexican Foreign Exchange Committee mentioned that they foresee the adoption of the Code by the majority of market participants before 31 May 2018. In particular, it was said that there is a need to promote the Code among market participants and to establish a working group in which all principles and guidelines of the Code are developed into homogenous market terms for the local market.

Also, it was agreed that a public registry that contains Statements of Commitment to the Code should be created. This registry will include the Statement of Commitment of any wholesale foreign exchange market participant that wishes to make its adoption to the Code public through the MFXC webpage from January 2018.

4. Global Foreign Exchange Committee (GFXC)

In regard to the GFXC, the most recent developments related to this committee were presented to members and they were notified that the next GFXC meeting is to be held in London on 14 November 2017.

Also, the Committee was informed on the consultation made by the GFXC to market participants about the practice of “last look” contained within the Code and was presented with the proposed text that is expected to be incorporated into the Code. The members of the Committee discussed the documents published by the GFXC on this subject and that will be discussed at the GFXC meeting in November.

The Mexican Foreign Exchange Committee was also informed that a first baseline survey related to the adoption and expectations of the Code was held between 25 September and 16 October.

5. USD/MXN market microstructure

The members expressed their opinions and perspectives regarding the Mexican peso trading conditions at local and foreign markets in relation to its market structure, the main channels by which the currency trades, its trading hours, foreign exchange instruments related to the peso, among others.



6. Committee projects (2017-2018)

The Committee agreed on the execution of the next projects for the remaining of 2017 and 2018:

- To promote the adoption, implementation, and knowledge of the FX Global Code,
- To create a public registry for the Statement of Commitment of foreign exchange market participants,
- To elaborate a foreign exchange market volume survey in Mexico, and
- To analyze and, if necessary, put forward the realization of other projects during 2018 that could arise from suggestions made by all members at the next meeting.

7. Any other business

The members of the Committee approved the text of the press release to be issued on the next business day announcing the first meeting and formation of the Committee. Furthermore, the members were also introduced to the MFXC web page (<http://cmcm.banxico.org.mx/indexEn.html>) and approved the publication of their names and the institution they represent through this web page.

The 2018 calendar for the Committee sessions was announced in order to allow these meetings to take place before GFXC meetings.

The next meeting is tentatively scheduled for 30 January 2018, subject to future revisions of the 2018 calendar. This meeting will be hosted by Bank of Mexico.