



Mexican Foreign Exchange Committee

Terms of Reference

ARTICLE 1. OBJECTIVE. The Mexican Foreign Exchange Committee (the “Committee”) is established, under the leadership of Banco de México, as a forum for participants in the domestic foreign exchange market (the “FX Market”). The Committee has the purpose of promoting the integrity and sound functioning of the FX Market in accordance with global principles of internationally accepted best practices.

Under no circumstances may Banco de México disclose information to Committee members related to the implementation of foreign exchange or monetary policy, or regarding decisions in relation to the execution of central banking functions that influence or could potentially influence the FX Market.

ARTICLE 2. FUNCTIONS. The Committee will :

- I. Promote the adoption and implementation of the FX Global Code¹ among its participants, as well as monitor its compliance and application, and collaborate in any review of the Code;
- II. Encourage general discussions on FX related topics between Banco de Mexico’s representatives and FX Market participants in order to promote the continuous exchange of opinions, ideas, and experiences;
- III. Collaborate with other similar global committees or associations, as well as with the Global Foreign Exchange Committee;²
- IV. Set a forum for the discussion and analysis of experiences and perspectives from FX Market participants, and
- V. Promote the integrity and sound functioning of the FX Market pursuant to internationally accepted best practices and guidelines.

ARTICLE 3. MEMBERSHIP. The Committee shall be composed of at least 20 members, of which 3 shall be permanent members and the rest shall be non-permanent members, pursuant to the following:

- I. Permanent memberships will be held by the following public officers:

¹ FX Global Code – <https://globalfx.org/>

² Global Foreign Exchange Committee (GFXC) – <https://globalfx.org/>



a) from Banco de México, the Director General of Central Bank Operations and the Director of Domestic Operations, and

b) from the Ministry of Finance and Public Credit, the Unit Head that the Minister of said Ministry shall appoint.

- II. Non-permanent members shall be individuals that Banco de México appoints in accordance with the provisions set in the following article.

ARTICLE 4. NON-PERMANENT MEMBERS. For the appointment of non-permanent members of the Committee, Banco de México shall take into consideration their participation, influence, experience, and knowledge of the FX Market. Banco de México will seek to ensure that key actors in the FX Market participate in the Committee and that their points of view are taken into account.

The Committee may include, but may not be limited to, public officials, executives, or senior directors with responsibilities that are relevant for the Committee and that have broad experience in the FX Market. These individuals should represent credit institutions, electronic trading platforms, brokerage firms, non-banking financial institutions and corporate entities with significant participation in the FX Market.

Members will serve for a two-year term that may be renewed for an equal period of time. Notwithstanding the foregoing, Banco de México will annually assess the participation and contributions of each Committee member in order to determine if members comply with the conditions set to be part of the Committee. In addition, any member of the Committee may propose new Committee members to Banco de Mexico, which in turn will evaluate if such appointment is appropriate, provided that at least 5 members of the Committee support this nomination.

Banco de México may revoke, at any time, any membership status as it deems fit.

ARTICLE 5. WORKING GROUPS. The Committee may establish and be assisted by working groups for the performance of its duties as it deems necessary.

Said working groups shall consist of a representative of Banco de México and other individuals designated by consensus of the Committee members. Likewise, the Committee may invite non-members to participate in working groups as it deems appropriate. Such individuals should be mindful of the obligations and responsibilities set out for Committee members in terms of the provisions in article 6 hereof, sections VI, VII and VIII.

ARTICLE 6. MEMBER RESPONSIBILITIES. Committee members shall contribute to the Committee's activities with the purpose of safeguarding the interests of the FX Market rather than private interests of the institutions they represent, as applicable.



Each member is expected to:

- I. Express in writing their consent to observe these Terms of Reference;
- II. Commit to promoting the adoption of the Statement of Commitment to the FX Global Code by their institution ;
- III. Sign a letter of commitment to attend, collaborate with, and participate in the Committee;
- IV. Attend the meetings in person, except in extraordinary circumstances in which they may propose an alternate to attend the session. The latter shall be authorized by the Chairman pursuant to the provisions described in article 7;
- V. Contribute to the Committee's activities, in particular, by participating in its meetings, addressing topics that are relevant to the FX Market and to Committee members or other participants in the FX Market;
- VI. Sign a document whereby they commit to preserve absolute confidentiality concerning all the information that they may receive by virtue of the performance of their duties in the institution that they represent, as well as concerning their participation and that of other members in the deliberations taking place in this or other collegiate bodies as mentioned in these Terms of Reference.

To treat information in accordance with the obligations of reserve, confidentiality, secrecy, or analogous that must be observed pursuant to the applicable legal provisions to the information subject to client confidentiality, whether in general or in connection with fiduciary, stock exchange or other analogous transactions, or, pursuant to any special confidentiality or withholding dispositions that it may correspond, as appropriate;

- VII. Acknowledge the public nature that the minutes and agendas of the Committee sessions will have, in the best interest of the FX Market as a whole, and
- VIII. Comply with the rules and regulations applicable to antitrust matters in the Committee's sessions and to abstain from any conduct that would prejudice the compliance with said regulations.

ARTICLE 7. CHAIRMANSHIP. The Committee shall be chaired by the Director General of Central Bank Operations, and in his absence, by the Director of Domestic Operations, both of them from Banco de México.



The Chairman shall be responsible for guiding and keeping order during the discussions, as well as for proposing and motivating the development of topics for discussion. Additionally, it is the Chairman's duty to approve the agenda for the Committee's sessions. Likewise, the Chairman will determine the place, or the electronic means, by which the Committee's sessions shall take place.

If a member is unable to attend the meetings due to extraordinary events or circumstances, the Chairman shall authorize an alternate, as proposed by the absent member, to attend the session. The latter should only be approved when the alternate's participation is considered worthy on its merits. In any case, such alternate must comply with the obligations and responsibilities established for Committee members in these Terms of Reference.

ARTICLE 8. SECRETARIAT. The Domestic Operations Division Manager and the Domestic Foreign Exchange Operations Subdivision Deputy Manager shall serve as the Secretary and Assistant Secretary for the Committee, in that order. The Secretariat is in charge of the following:

- I. To prepare the agenda for the meetings and to send invitations for the Committee's sessions at least 15 business days prior to the date of the meeting;
- II. To produce and register the minutes of the Committee's sessions. In this context, the Secretariat shall prepare and submit, for consideration of all members present at the meeting, a draft of the proceedings that would had taken place thereat. Committee members shall express their approval or, as applicable, their remarks in writing. The Secretariat shall be responsible for assessing the applicability of such remarks, and as appropriate, it shall undertake the corresponding amendments;
- III. To publish, with the approval of the Chairman, the final version of the minutes in the Committee's Internet website;
- IV. To collect proposals presented by Committee members, if any, to prepare a draft agenda, as well as to hold extraordinary sessions, which should be submitted to the Chairman for approval;
- V. To manage and guard the information concerning the Committee;
- VI. The information in possession of the Secretariat, shall be treated accordingly as prescribed by applicable law and regulations on matters of transparency and public government information, and
- VII. Any other inherent to such function.



For the performance of their duties, the Secretariat shall be assisted by the staff of the Directorate General of Legal Affairs of Banco de México.

Regarding the information that the members of the Committee or guests shall provide to the Secretariat, said members or guests must indicate at the time of the disclosure - pursuant to the provisions in articles 116 of the General Law on Transparency and Access to Public Information, and 113 of the Federal Law on Transparency and Access to Public Information currently in force- which information should be deemed confidential in accordance with the aforementioned Statutes. For said purposes, the Committee's members or guests shall clearly identify the information subject to (confidential) classification, as well as the privacy legal protection applicable to the relevant information and the legal grounds for the claims of legal protection. Additionally, pursuant to articles 4, second paragraph and 113 to 115 of the General Law on Transparency and Access to Public Information and articles 3 and 110 to 112 of the Federal Law on Transparency and Access to Public Information currently in force, the Committee's members or guests according to their best judgment may indicate which information meets the conditions that may justify its withholding as prescribed in said Statutes. The Committee's Secretariat may take into account those indications in order to classify (for confidentiality purposes) said information according to the rules and regulations applicable to this matter.

With reference to the provisions in the preceding paragraph, according to the provisions of article 6, fourth paragraph, section A, subsection I, of the Political Constitution of the United Mexican States; as well as to the laws cited in such paragraph, the information that Banco de Mexico may receive shall be deemed public, except for that information that meets the conditions established in the aforementioned statutes for it to be classified as confidential or to withhold it, as appropriate.

ARTICLE 9. SESSIONS. The Committee's sessions shall be held in person, or via videoconference, at least three times per year, and shall follow the agenda as previously approved by the Chairman. Nonetheless, members can suggest relevant topics that could be addressed in the meeting to the Chairman.

The first session of each calendar year shall take place at Banco de Mexico's premises or at a location that it designates to such end. The venue for the rest of the meetings shall rotate among the rest of the Committee members.

Committee members shall abstain from discussion or voting any matter in which they have a conflict of interest or any other legal or institutional impediment.

In each session, the Secretary shall record the attendance of the members.

The dates for the meetings shall be disclosed by the Secretariat in advance, during the last month of the previous year.



Decisions and agreements shall be taken in a collegial manner. However, issues presented may be voted and approved by a simple majority if the Chairman deems it necessary. Each member will have one vote and the Chairman shall have the casting vote.

All the proceedings, including any recommendations or work documents that Committee members are willing to present or publish via the Committee's website, or by any other means, must have the approval of the majority of members prior to its publication. The foregoing shall not apply to the agendas and minutes of the Committee's meetings.

No documents published by the Committee shall refer to any member in an individual capacity.

ARTICLE 10. GUESTS. The Chairman may authorize the attendance of any person as a guest if that individual can contribute to the accomplishment of the Committee's objectives and may attend the Committee's sessions only for addressing the items on the agenda for which they were invited to. In any event, said guests must observe the obligations and responsibilities established in article 6, sections VI, VII and VIII hereof.

ARTICLE 11. CONTACT INFORMATION. For the purpose of exchanging communications and any other considerations, the contact information for the Committee is as follows:

Mexican Foreign Exchange Committee Secretariat

Av. 5 de Mayo 6

1st. Floor

Col. Centro, Z.C. 06000

Mexico City

secretariado.cmcm@banxico.org.mx

ARTICLE 12. GENERAL PROVISIONS. These Terms of Reference may be reviewed and updated by Banco de Mexico whenever it deems necessary.

The opinions, comments or statements made by any member or participant of Banco de Mexico are of an individual nature and shall not reflect the point of view or perspective of the central bank at any time.