



STATEMENT OF COMMITMENT TO THE FX GLOBAL CODE FROM LMAX EXCHANGE

London, 5 April 2017 - As the leading FCA regulated MTF for FX, operating a central limit order book with no 'last look', LMAX Exchange is committed to serve as the industry's best practice for transparency and fairness in FX execution and to lead, by example, the positive reforms aimed at restoring trust and integrity in the FX marketplace.

It is from this stance that LMAX Exchange is now the first FX market participant to commit to the upcoming FX Global Code (Code) after we have been assured that the Code will be updated post-publication. Shortly after the publication of the Code on 25 May 2017, we will update our Rulebook with the statement of commitment to the code, to reflect our support and adherence:

"LMAX Exchange ("Institution") has reviewed the content of the FX Global Code ("Code") and acknowledges that the Code represents a set of principles generally recognised as good practice in the wholesale foreign exchange market ("FX Market"). The Institution confirms that it acts as a Market Participant as defined by the Code, and is committed to conducting its FX Market activities ("Activities") in a manner consistent with the principles of the Code. To this end, the Institution has taken appropriate steps, based on the size and complexity of its Activities, and the nature of its engagement in the FX Market, to align its Activities with the principles of the Code."

In addition to the above stated commitment, LMAX Exchange would also like to highlight that its current Rulebook and operations go beyond the Code, as the LMAX Exchange business model does not permit 'pre-hedging' and 'last look' practices.

Though LMAX Exchange does not believe that the Code goes far enough, we welcome its introduction as a positive starting point for restoring trust in the FX industry and creating globally consistent guidance.

Throughout our engagement with the BIS FXWG, more specifically our communication with Guy Debelle and David Puth regarding the Code's draft, we were advocating for eradication of 'pre-hedging' and 'last look' from the FX marketplace.

So in recent weeks, we were disappointed to learn that, the Code will include wording in Principle 17 that permits both 'pre-hedging' and 'last look' and more importantly doesn't outlaw pre-hedging during the 'last look' window. Subsequently however, we have been assured that Principle 17 will be reviewed soon after the Code is published, with a more restrictive stance on the use of 'pre-hedging' as the likely outcome.

LMAX Exchange looks forward to positively engaging with the process to further strengthen and improve the Code post publication.

-ENDS-

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**About LMAX Exchange:**

Recognised as one of the UK's fastest growing technology firms, LMAX Exchange is the leading MTF for FX, authorised and regulated by the FCA. Servicing funds, banks, brokerages and asset managers, LMAX Exchange delivers firm liquidity, anonymous exchange quality execution and a secure, transparent level playing field to all market participants, regardless of status, size or activity levels. The LMAX Exchange open order book is driven by no 'last look' limit-order liquidity from top tier banks and non-bank financial institutions. Orders are executed in price/time priority with real time streaming continuous market and trade data published to all members. Offering a comprehensive range of instruments including spot FX, precious metals, commodities and equity indices, LMAX Exchange operates a global FX exchange infrastructure with matching engines in London, New York and Tokyo.