

## **Market Practitioner Panel – Terms of Reference**

### Scope

The Review will focus on those wholesale markets, both regulated and unregulated, where most of the recent concerns about misconduct have arisen: fixed-income, currency and commodity markets, including associated derivatives and benchmarks. However, it is possible that a number of the Review's recommendations could have applicability across a wider range of wholesale markets. The Review will be jointly led by the Bank of England, Financial Conduct Authority and HM Treasury.

### Objectives

The objectives of the Review are:

- to reinforce confidence in the fairness and effectiveness of wholesale financial market activity conducted in the United Kingdom; and
- to influence the international debate on trading practices, including highlighting issues that can only be addressed through co-ordinated international action.

### Role of the Market Practitioner Panel

The Panel will operate independently and feed into the work of the Review by:

- providing guidance and assistance to the Review team on the current and possible future shape of Fixed Income, Currency and Commodity (FICC) markets, and the ways in which they are shaped by current business practices and regulation;
- helping to define the key themes for the Review's initial consultation phase (to be published in a Consultation Document in the autumn), and providing advice and guidance on how to manage industry input during the consultation phase;
- providing feedback and guidance on the Review's outputs later in the process, by means of a formal response to the public consultation and other contributions in relation to individual proposals; and
- helping to launch and take forward those parts of the final recommendations requiring active market ownership.

### Outputs

In addition to assisting the Review team by providing access to background information from a cross section of relevant market participants, including by facilitating visits to individual firms and sharing information about their own firm's internal standards, it is envisaged that the Panel would help inform the Review's autumn consultation through the following key outputs:

1. A high level description of market practices and structures across the major fixed income, currency and commodity markets and asset classes, helping to identify incentives, behaviours and conflicts of interest which could lead to negative outcomes for financial market participants.



2. An outline of the way in which the current scope of regulation affects behaviour, focusing on similarities and differences between regulated and unregulated markets, particularly in terms of relative size, behaviour of market participants and the level information available to market participants.

Later in the Review process, following publication of the autumn consultation:

3. Submitting a response to the public consultation. Reviewing the proposals that have been put forward and producing a published report analysing the key aspects of the proposals. The consultation will be public, so it is anticipated that a wide range of financial market participants (including panel members) and other relevant stakeholders will also respond individually.
4. Providing input to the Review team to help refine and modify the Review proposals following market consultation, as well as providing on-going input on potential market impact.
5. Identifying implementation challenges and developing and contributing to an implementation plan to support those parts of the final recommendation requiring active market ownership.

### Membership and structure

The Panel will comprise a Steering Committee of senior industry leaders representing sell-side and buy-side firms, market infrastructure providers, major corporate users of financial markets alongside a series of Expert Groups, led by and reporting to the Steering Committee. The Steering Committee will be chaired by Elizabeth Corley, CEO of Allianz Global Investors. The members of the Steering Committee and expert groups will collectively form the Market Practitioner Panel, which will feed into the work of the Review. An expert lawyer will also be present at all Steering Committee meetings.

It is expected that the Expert Groups will initially focus on identifying market practices and key issues within each asset class. Later in the Review process different Expert groups are envisaged to consider specific themes relevant to the final recommendations of the Review.

All members will act in a personal capacity rather than represent the views of their firm/trade association and are expected to contribute with a view to furthering the interests of the market as a whole.

The Panel will have its own secretariat, separate from that of the main Review. Members of the Review team may be invited to join all or part of panel meetings as observers and the chair of the Steering Committee will provide regular progress updates to the Review team.

### Accountability

The Panel is independent from the main Review and does not carry out responsibilities on behalf of the Bank of England, HM Treasury, Financial Conduct Authority, or seek to duplicate the work of trade associations. Information about Panel governance, membership and terms of reference will be made available through a public website. The Panel will also publish its response to the autumn consultation.

Members of the Panel will report informally on key aspects of its work to practitioners and trade bodies. Information will be presented in such a way that it is not attributable to individual members.

### Confidentiality

There will be a duty of confidentiality imposed on all Panel members. Panel members may be exposed to sensitive information as part of Panel discussions. Confidentiality is obviously extremely important and, while it is understood that Panel members' staff may see some documents connected to their work as a Panel member, unnecessary involvement of third parties in handling this material is strongly discouraged. In all cases where third parties see Panel documentation, individual Panel members are expected to accept responsibility for ensuring that those third parties are aware of and respect the confidentiality and sensitivity which attaches to the Panel and to the documents in question.