

Foreign Exchange Contact Group (FXCG) WORK PROGRAMME FOR 2024

This document presents the work programme for the scheduled meetings of the ECB's Foreign Exchange Contact Group (FXCG) in 2024. The work programme may be adapted throughout the year to address relevant unforeseen events and new topics of interest and is based on members' suggestions. The FXCG will hold four regular meetings in 2024, out of which two are planned to be physical meetings at the ECB premises and two will be in a remote setting. The dates of the FXCG's meetings are published on the [ECB's website](#).

A. Recurrent items

The FXCG will discuss the most recent market developments and the outlook for the foreign exchange markets (FX) in each meeting.

The FX Global Code and its adherence framework will also continue to be a regular topic in the FXCG meetings including the engagement with the Global Foreign Exchange Committee.

B. Specific items for 2024

- 1. Innovation and technological development affecting FX markets.** How are developments in automation and algorithmic trading impacting market liquidity and volatility? How will Artificial Intelligence be further integrated into FX markets and how will it be used by different market participants? What potential challenges or issues could arise in the context of data management?
- 2. Price formation and price discovery amid liquidity fragmentation, decreasing role of primary venues and increasing role of futures markets.** The FXCG will discuss about the role of different market participants and the use of different trading applications in relation to the fragmentation of liquidity. What are the reasons for the significant growth in FX futures trading and how does this affect the role of the primarily liquidity venues?

3. **Regulatory developments and their impact on FX markets.** How is move to a shorter settlement cycle expected to affect FX markets? What impact could new netting and clearing ideas have on FX market functioning? How should MiFIR review improve rules on transparency and transaction reporting scope of FX derivatives?
4. **Future of FX with central bank digital currencies, stablecoins, and crypto assets.** How certain aspects of the FX market could be affected, e.g., transaction costs, the management of liquidity in different currencies and the use of related FX instruments (e.g., non-deliverable forwards, FX swaps)?
5. **Triennial Review of the Code.** The FXCG will reflect on the topics included in the triennial Review of the Global FX Code and exchange views and ideas for any improvement of the best practices for widespread adherence.

Cooperation with other ECB Contact Groups in the domain of market operations:

The ECB Operations Managers Group, the Money Market Contact Group and the Bond Market Contact Group will continue to exchange information with the FXCG and liaise with each other on relevant topics of mutual interest.