

## Comments on Foreign Exchange Benchmark Group (FXBG) Consultation Paper

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I have been following the FX benchmarks development with considerable interest due to my involvement in creating a FX benchmark product for EBS Dealing Resources and my involvement with the BofE in building a set of benchmark FX rates for the Swaps market for use in Fixings.

A broader set of variables need to be included from the core platforms, EBS and Reuters, and a broader set of platforms need to be included as source data, FXALL, the CME, and, I would argue, the top bank proprietary platforms as they are essentially standalone liquidity pools in their own right - Deutsche Bank, UBS, Citibank, Barclays, Morgan Stanley, JP Morgan.

The methodology implemented for the EBS benchmark included appropriate weighted transactions post and pre fixing time, as well as weighted quotes. We shared this methodology with Reuters to allow them to calculate benchmarks for their strong currencies so, in combination, we could jointly fulfil a request from the BofE to take over responsibility to supply fixing rates for the Swaps market.

The methodology used was strong and mitigated market manipulation. The EBS benchmark was never commercialised to compete with the WM benchmark but most in the market agreed that it was a superior product due to the use of proprietary and real market data. Expanding the data inputs from other platforms mentioned above and blending appropriately would provide a strong solution for the current FX benchmark requirement.