EUROPEAN COMMISSION
DIRECTORATE-GENERAL FOR FINANCIAL STABILITY, FINANCIAL SERVICES AND CAPITAL MARKETS UNION

Financial Markets
Securities markets

TARGETED CONSULTATION DOCUMENT

CONSULTATION ON THE NEED TO EXEMPT SPOT FX BENCHMARKS UNDER ARTICLE 18A OF REGULATION (EU) 2016/1011

Disclaimer

This document is a working document of the Commission services for consultation and does not prejudge the final decision that the Commission may take.

The views reflected on this consultation paper provide an indication on the approach the Commission services may take but do not constitute a final policy position or a formal proposal by the European Commission.

The responses to this consultation paper will provide important guidance to the Commission when preparing, if considered appropriate, a formal Commission proposal.

Commission européenne/Europese Commissie, 1049 Bruxelles/Brussel, BELGIQUE/BELGIË – Tel. +32 22991111
Office: SPA2 03/076 – Tel. direct line +32 229-91548

You are invited to reply **by 4 July 2025** at the latest to the **online questionnaire** available on the following webpage:
https://finance.ec.europa.eu/regulation-and-supervision/consultations-0/targeted-consultation-need-exempt-spot-fx-benchmarks-under-article-18a-regulation-eu-20161011-2025_en

This consultation is addressed to supervised entities using spot FX benchmarks, companies that hedge against exchange rate movements using spot FX benchmarks, competent authorities, benchmark administrators.

Please note that in order to ensure a fair and transparent consultation process **only responses received through the online questionnaire will be taken into account and included in the report summarising the responses**.

This consultation follows the normal rules of the European Commission for public consultations. Responses will be published in accordance with the privacy options respondents will have opted for in the online questionnaire.

Responses authorised for publication will be published on the following webpage: https://finance.ec.europa.eu/regulation-and-supervision/consultations-0/targeted-consultation-need-exempt-spot-fx-benchmarks-under-article-18a-regulation-eu-20161011-2025_en#contributions

Any question on this consultation or issue encountered with the online questionnaire can be raised via email at fisma-c3@ec.europa.eu.

INTRODUCTION

Foreign exchange benchmarks (FX benchmarks) are used by EU businesses and investment funds to hedge against adverse foreign currency movements. This is particularly relevant for currencies that are not always freely convertible. Then, hedging is accomplished using non-deliverable forward contracts (NDFs). Administrators of non-central bank administered benchmarks will likely not always comply with Regulation (EU) 2016/1011 (Benchmarks Regulation / BMR), as they are usually based in a non-EU country and are unlikely to seek access to the EU market under the equivalence, recognition or endorsement route. If such benchmarks were in scope of the BMR, this would have the effect of depriving EU benchmark users (EU banks offering hedging products) as well as their clients, EU end-users (businesses, investment funds and others), of the possibility to hedge foreign exchange exposure.

The Commission's 2020 impact assessment ([1]) reviewed this situation and led to the creation of a specific exemption power for these types of FX benchmarks for the Commission. As the application of the rules for the use of third country benchmarks was deferred until the review of Regulation (EU) 2016/1011 there was no need to use this exemption until now.

The review of the BMR maintained this exemption power in Article 18a as it became apparent that certain spot FX benchmarks would potentially still be in scope even with the EUR 50 billion threshold for significant benchmarks. At the same time the conditions for exemption were revised to enhance clarity and facilitate their applicability ([2]).

Art. 18a(1) of the BMR now sets the following cumulative conditions for exemption:

> (a) the spot foreign exchange benchmark references a spot exchange rate of a third-country currency to which currency controls apply; and
>
> (b) the spot foreign exchange benchmark:
>
> > (i) is used on a frequent, systematic and regular basis to hedge against adverse foreign exchange rate movements; or
> >
> > (ii) does not have an equivalent alternative benchmark provided by an administrator located in the Union.

This consultation is carried out in accordance with Article 18a(2) of the BMR and will aid the Commission in identifying spot FX benchmarks that meet the conditions set out above.

([1]) https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/12268-Financial-benchmarks-for-interest-rates-stock-exchange-prices-exchange-rates-etc-review-of-EU-rules_en

([2]) For the purpose of this consultation, all references to the BMR are to the provisional agreement reached by the co legislators on 12 December 2024

CONSULTATION QUESTIONS

Please provide a list of the spot FX benchmarks that you consider to meet the conditions set out in Article 18a(1).

For each spot FX benchmark you identify, please indicate if, in your view, it meets the criteria for significant benchmarks set out in Article 24(1) and Article 24(3) of the reviewed BMR[3].

For each spot FX benchmark you identify, please complete the following template.

(1)	**Identification of the FX benchmark**	
	Name of the spot FX benchmark	
	a) ISIN or other identifier of the spot FX benchmark (where available)	
	b) Name of the administrator of the spot FX benchmark	
	c) Regulatory status of FX benchmark / administrator under relevant local or global regimes (e.g. compliance with IOSCO principles, local regulatory oversight, etc.)	
	d) Currency and abbreviation	
	e) Links to any relevant publicly available information on the FX benchmark and /or its administrator	
	Source of the spot FX benchmark	Data vendor / administrator's website / other (please specify)
(2)	**Evidence of the existence of currency controls**	
	Please indicate the currency controls in existence for the currency concerned, including by reference to authoritative sources ([4]). Where relevant, please indicate also how the currency controls impact your business.	
(3)	**Use of benchmark 1** **Please note that any information submitted in response to the questions in this section will be handled confidentially and will not be published, except in an anonymous AND aggregated form**	

([3]) Latest published text available here: https://data.consilium.europa.eu/doc/document/ST-5123-2025-REV-1/en/pdf

([4]) An example for an authoritative source is the IMFs Annual Report on Exchange Arrangements and Exchange Restrictions

	Wherever possible, data requested below has to be reported at the level of a company (i.e. FX benchmark user or FX benchmark end user, as identified above under (1a) and (1b), respectively). Please indicate the Legal Entity identifier (LEI) of the company, where available. Where associations report on behalf of their members, they need to provide data per member. In those cases, as a principle, members should not report the (same) data separately. Where the same data is nevertheless reported by both the company and its association (or where the risk of it is deemed as high), it should clearly be identified (see question 2).	
	Total outstanding volume: please specify the total volume of currency derivatives your organisation held over the two most recent quarters for which data are available (average of positions held at each of the last two quarters).	
	Number of trades: please specify the total number of trades over the two most recent quarters for which data are available.	
	Type of financial instruments used: please break down a) the outstanding volume reported and b) the number of trades reported above according to type of financial instrument (e.g. forwards, futures, swaps, etc). Where known to you, please specify if these financial instruments are traded or admitted to trading on a trading venue, traded on a Systematic Internaliser ([5]) (including the relevant Market Identifier Code or MIC code, where known to you) or traded OTC.	
	Please specify the share of the total outstanding volume in the financial instruments reported above that were used exclusively for a hedging purpose.	

([5]) Trading venue as defined in point (24) of Article 4(1) of Directive 2014/65/EU (MiFID II) and a systematic internaliser as defined in point (20) of Article 4(1) of that Directive.

	Are the financial instruments reported above are subject to a regulatory reporting requirement, e.g. under EMIR. If so, please indicate to what extent they are subject to a regulatory reporting requirement. Please also indicate whether, as part of that reporting, the underlying FX benchmark of the financial instruments is reported to relevant authorities.	
	Please describe the methodology used to identify the total outstanding volume reported above as well as any limitations to the data reported.	
	To the extent you are hedging via an intermediary, please indicate the status of that intermediary under Regulation (EU) 2016/1011.	a. EU supervised entity b. EU non-supervised entity c. Entity located in a third country d. Other (please specify)
(4)	**Availability of alternatives**	
	Are alternatives available in the EU for this spot FX benchmark? Where alternative benchmarks provided by an EU administrator or an administrator that complies with Regulation (EU) 2016/1011 are available, please indicate the name and other relevant details, such as the ISIN code, etc.	
(5)	Other relevant elements: Please provide any other elements you might find relevant.	