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### Summary

- The final IOSCO report on pre-hedging reinforces existing conduct principles but leaves key implementation questions open.
- FX firms are increasingly focused on counterparty performance and execution quality, beyond simple spread metrics.
- Data standardisation and automation are emerging as critical enablers of transparency and trust.
- Industry-led collaboration is likely to shape next-generation FX market practice.

### Pre-hedging guidance: principles without prescription?

The FX Quorum examined the implications of IOSCO's final report on pre-hedging, noting its close alignment with existing global conduct standards. While the report clarifies definitions and reinforces the principal–agency distinction, it stops short of prescribing how firms should operationalise disclosure and consent.

This leaves the industry facing familiar questions: how much disclosure is enough, how consent should be evidenced, and whether divergent interpretations risk fragmenting market practice. As with Last Look, participants saw scope for industry-led standardisation to fill the gap left by non-binding guidance.

### Rethinking counterparty performance

Discussion highlighted a shift away from simplistic execution metrics toward a more holistic view of counterparty performance. Participants emphasised the need to assess liquidity provision, consistency, and outcomes across the full trade lifecycle, including algorithmic execution.

Tools that enable peer comparison and automated analysis were seen as increasingly important, particularly where they support objective, data-driven evaluation rather than anecdotal assessment.

### Data standardisation as a trust mechanism

Standardised data sharing emerged as both an opportunity and a challenge. While concerns remain around cost, effort, and pricing impact, experience suggests that transparency can strengthen liquidity relationships rather than weaken them.

Participants agreed that the technical challenge of sharing normalised trade data is manageable. The harder task lies in aligning incentives and building confidence that shared data will be used constructively.

### Automation, resilience, and the road ahead

Recent operational events served as a reminder that market resilience is no longer optional. FX markets have demonstrated an ability to absorb shocks through diversification and redundancy, but continued automation raises new dependencies.

The session concluded with consensus that trust, transparency, and standardisation will be the defining features of next-generation FX market structure - driven less by regulation, and more by collective industry action.

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