

ACI FMA INSIGHTS

Nº 4 – March 2021

Membership

Ethical Conduct

Education



We are thrilled to welcome you to the 4th edition of the ACI FMA Newsletter!

ACI FMA began 2021 with renewed energy, hope for the New Year, and has immediately started to work on a new project related to **Education**, one of the core values that rule the Association and that should be, in my opinion, a priority for governments worldwide.

Continuing the work started in 2020, ACI FMA invested more time and devoted more resources to release the latest Education videos. These instruments, as well as the previous ELAC videos, that were disclosed the last summer, are available to the financial market's community. These videos are important means to spreading the ACI FMA messages and, mainly, to promote the vast educational offer available to the industry. Bearing in mind the goals set in this area, this year we will continue to develop products, new content and initiatives aimed at improving our education program and benefitting our members. ACI FMA hopes that the products and services offered are an asset to those who use them.

In this edition, you can find a very interesting contribution from Rui Correia, Chair of the Board of Education, a CWG insight through the vision of Alan Scott and finally, the testimony of Mohammed Al Hashemi whose mandate has come to an end after 6 years as the ACI Middle East President. I take this opportunity to thank Mohammed Al Hashemi for the extraordinary work done for the Middle East Region and ACI FMA as a whole. Faithfully,

Kim Winding Larsen, ACI FMA President



It was a great honor to be part of the ACI FMA management board and president of ACI Middle East during the past 6 years as we have worked closely in developing the region's awareness about the FX Global Code, ELAC and accredited Certifications.

ACI FMA has grown to be recognized by various Central Banks and Financial Institutions across the region.

During the past few years, we have seen growth in the number of Members associating with ACI FMA.

The ACI Middle East region has successfully hosted the 2017 ICA Conference in Dubai, United Arab Emirates and, for the first time, the joint ACI ICA Financial Markets World Congress in 2018 was held in Cairo, Egypt. The region is also currently preparing to host the ACI ICA Financial Markets World Congress joint conference, for the second time, from the 17th to the 20th November 2021 in Dubai, United Arab Emirates.

I would like to take this opportunity to thank everyone who supported me during my term as ACI Middle East president and wish the upcoming nominated president the best of luck.

Mohammed Al Hashemi, ACI Middle East President



A long, long time ago, more specifically in June 1964, Malcolm X, the famous human rights activist, stated in a forum that "Education is our passport to the future, for tomorrow belongs only to the people who prepare for it today". As a proud representative of ACI FMA Education, I firmly believe that this quote will always represent the key role that ongoing learning plays in our personal and professional lives.

Financial markets are dynamic and changes in their environment can happen very quickly, so it is absolutely essential that all professionals involved in these markets are willing to enhance their knowledge on a continuously basis. For that to happen, appropriate and updated educational tools must be at their disposal, regardless of where these market participants are located in the world.

To support this, the Board of Education (BOE) at ACI FMA is always looking to enhance our offering of training and certification methodologies, so that its content remains updated and relevant to face the latest market developments. With members from Africa, the Americas, Asia, Europe and Oceania, the BOE welcomes and regularly discusses all ideas that seek the development of our educational contribution to the members of ACI FMA and to the financial market industry as a whole.

2020 was an important year in that regard, as we have spent significant time updating our exams, launching projects for our e-learning tool (ELAC) and implementing new training channels. But our work continues daily, as we aim to grow and keep delivering the best educational instruments for financial markets... because the future starts today, not tomorrow.

Rui Correia, Chair Board of Education



The Crypto Working Group has been established in 2019 and has been working primarily in:

- Changes and evolution within regulatory regimes;
- Progress on Central Bank Digital Currencies (CBDC) as well as other stablecoins such as Tether and Facebook's Diem;
- What code of conduct should it back or develop for use by the ACI membership.

The Working Group is actively monitoring developments and has noticed the following trends:

- **Stablecoins:** In January 308 USD billion of transactions were processed using stablecoins and they are increasingly being used by Institutions as a temporary store of value on allocation/reallocation decisions.
- **Crypto:** Such as Bitcoin and Ethereum are behaving more like an investment instrument where the primary motivation is around return rather than as a currency.
- **Assets:** The representation of real-world assets such as equities, art and gold with tokens to enable efficient trading and settlement are increasingly being explored.

There are a number of different kinds of Digital currency also being explored by Central Banks, Commercial Banks and Private Sector players.

The larger Banks are getting serious with significant investments not just in learning but also now in doing.

It is believed many Banks will bypass the development of a custody service and go straight to setting up trading desks with connectivity to a number of services and settlement solutions.

DeFi (distributed finance infrastructure by engineered protocols) which is growing rapidly with some 35 USD Billion under management, will be a difficult challenge for regulators as it is difficult to identify which entity is responsible for what activity.

With CBDC's we are seeing in many cases Central Banks leading Commercial Banks in innovation which is the opposite of what normally happens with a new technology.

We firmly believe that Crypto or the broader definition of digital assets will be a driving force in shaping the future banking industry and its associated infrastructure.

Alan Scott, Chair Crypto Working Group



Join us in Dubai for the next ACI World Congress and ICA Conference. All details about the event, information, and instructions on how to participate can be accessed on:

<https://www.aciadubai.com/>

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