Query re Mifid exemption of forward foreign exchange contracts

Demark

We do not have an exemption of Forward Foreign Exchange contracts in the Danish MiFID implementation law.

Germany

Concerning the query of the Irish colleagues please be advised that the German draft bill does not incorporate any exemptions for forward foreign exchange contracts so far. Actually, the Mifid provisions have been transposed without changes (i.e. Mifid Annex 1, C 4). It would be of high interest to get to know how the UK Treasury justifies the exemption for contracts for commercial hedging purposes and/or a duration of less than 7 days. Any information here would be welcome.

Greece

With regard to the above mentioned subject (EBF ref. C0315), please note that we have no indication as to whether Forward Foreign Exchange Contracts shall be left outside the scope of MiFID or not. The process is still at the law drafting committee level and we have not yet seen any draft of the law that will transpose MiFID. Also, unofficial contacts with the Greek Capital Market Commission on the issue came up with no concrete results.

Ireland

In Ireland, the Department of Finance is initially sympathetic to the UK Treasury proposition, nevertheless, would appreciate learning how the rest of Europe is treating this issue.

Norway

We do not have an exemption for these instruments in the Finnish, Danish, Swedish and Norwegian legislation. In Norway foreign exchange contracts (spot) have a settlement period of three (3) days (trading day + 2 days). Currency trading (spot) is not regarded as a financial instrument. In Norway though, it is possible to use currency trading for set-off purposes.

UK

The UK Treasury has deemed that forward foreign exchange contracts (for commercial hedging purposes and/or with a duration of less than seven days) are outside the scope of MiFID. In Ireland, the Department of Finance is initially sympathetic to such a proposition, nevertheless, would appreciate learning how the rest of Europe is treating this issue.