



Minutes of the Operations Managers Working Group

Meeting, May 28, 2014

Host: HSBC

On-Site Attendees

James Wallin	Alliance Bernstein
Jorge Hidalgo	Barclays
Ken Rozycki	Brown Brothers Harriman
Luke Pollock	Citi
John Fusco	CLS
Lin Huang	Credit Suisse
Carl Paravati	Credit Suisse
Brian Caffrey	Deutsche Bank
Kimberly Carabetta Allison	Goldman Sachs
Rob Duff	HSBC
Jesse Drennan	HSBC
James Andrews	JP Morgan Chase
Anthony Ghibesi	Standard Chartered
Richard Maling	State Street
Michael Reese	UBS
Robert Eby	Wells Fargo

Dial-In Attendees

Camille Clingan	Alliance Bernstein
Katherine Andrews	Bank of America Merrill Lynch
Laura Coward	Bank of Montreal
Nicholas Silenok	Bank of Tokyo-Mitsubishi
Joe Demetrio	Bank of New York Mellon
Tony Rocchio	Bank of New York Mellon
Michael Debevec	Blackrock
Daniel Reilly	Citi
Daniel Lennon	CLS
Andrew Harvey	Global Financial Markets Association
Mark Kaufman	JP Morgan Chase
Gregory English	Morgan Stanley
Valerie Gavora	Morgan Stanley
Marcellus Fisher	PIMCO
Tahir Mahmood	Wells Fargo

Federal Reserve Bank of New York Attendees

Christina Getz
Jamie Pfeifer
Joy Zhu
Shawei Wang, Counsel



1. Update on the Global FX Division of the Global Financial Markets Association

The Chair welcomed Andrew Harvey from the Global FX Division (GFXD) of the Global Financial Markets Association (GFMA) for this portion of the meeting. Mr. Harvey distributed and discussed a [presentation of GFMA's current structure and areas of focus](#). The areas of focus included European regulations impacting the FX market and the potential impact of the European Union's proposed financial transaction tax on FX users.

2. Portfolio compression for FX products

The Chair welcomed Jesse Drennan from the GFXD Market Architecture Group (MAG) to discuss the MAG's recent work related to portfolio compression for FX products. Mr. Drennan discussed certain issues that the MAG identified as necessary to address in order to implement portfolio compression in FX such as coordination of logistical issues with CLS. Mr. Drennan also noted operational challenges to portfolio compression of FX related to the dual sided nature of currency pair transactions. He also noted that regulatory requirements for portfolio compression of FX vary across jurisdictions.

3. FXC and FMLG updates

The FXC secretary updated the OMWG on topics discussed at the May 2014 FXC meeting. She noted that the FXC Chair updated the Committee on the [Global Foreign Exchange Committee meeting](#). She also highlighted that private sector FXC members updated the FXC on two work streams which include a review of the FX liquidity landscape and the ongoing overview of the various FXC best practice publications. The FXC secretary also indicated an upcoming effort to consider potentially harmonizing some aspects of the FXC FX volume survey with other FX surveys.

Counsel updated the Group on recent topics of discussion by the Financial Markets Lawyers Group (FMLG). The FMLG plans to continue work related to interpretation of new regulations, and is currently working on projects related to SEFs and prime brokerage.

4. Updates on workstreams

Mark Kaufman updated the OMWG on the buy side working group. Mr. Kaufman noted that the group met since the last meeting and continued to discuss aspects of the allocation process from the buy side and sell side perspective. The group will continue to focus on the allocation process going forward. Rob Eby, OMWG Co-Chair, noted that the OMWG established leads for the group to review best practices around operational risk. He also established additional volunteers for the group.

5. Market discussion

Rob Eby discussed the potential operational impact of sanctions on Russia. Private sector members noted the continuation of relatively low volumes in the FX market. Private sector members also discussed FX confirmations.

foreign exchange committee

FXC

6. Other business

The next OMWG meeting will be held on Wednesday, July 9 at 4:00 PM, hosted by UBS.