

Meeting Minutes

Federal Reserve Bank of New York
33 Liberty Street
13th Floor

Thursday, June 1, 2017
8:30 a.m. – 10:00 a.m. (New York time)

Present: Syed Riaz Ali (by phone), Sarah Ashkenazi (by phone), James Brown, David Buchalter, Martha Burke, Maria Douvas-Orme, Terence Filewych, Jill Hurwitz, Pamela Hutson (by phone), Glade Jacobsen, Robert Klein, Matthew Lillvis, Tracy Ross (by phone), Jeffrey Saxon, Lisa Shemie, David Trapani, Frank Weigand and R. Bryan Woodard (by phone).

Federal Reserve Bank of New York (“FRBNY”) participants: Michael Nelson, Thomas Noone, Ben Snodgrass, Christina Getz and Alexandra Rosen.

FX Code Update

FRBNY Staff Attorney Ben Snodgrass provided the group with an update on the status of the FX Global Code (the “Code”). Mr. Snodgrass informed the group that the Code was released publicly on May 25th along with an update on adherence and a request for public comment on “last look” practices in the FX market. The Code, as well as the request for comment, is available on the Global Foreign Exchange Committee’s (“GFXC”) website, www.globalfxc.org. The group discussed various issues related to continued adherence and the status of prior best practices. A working group will convene by phone to discuss questions related to adherence.

2017 Quadrilateral Update

FMLG Secretary Thomas Noone provided the group with an update on the state of planning for the 2017 Quadrilateral Meeting of the FMLG, the European Financial Markets Lawyers Group, the Financial Markets Lawyers Committee and the Financial Law Board. Mr. Noone asked members to finalize panelists and questions for the panels. The group decided that working groups for each panel should set up calls to discuss details of the panel. Mr. Noone also reported that CLE credits will likely be available for the Quadrilateral Meeting participants.

Revisions to Trading Authorization Letter

Ms. Burke led a discussion of updates to a model trading authorization letter previously published by the FMLG. The group discussed revisions that would bring the letter in line with current market expectations and the Code and issues of compliance with FINRA rules and the USA PATRIOT Act. A follow-up call to discuss specific changes will be scheduled.

CFTC Communications Discussion

Mr. Noone provided members with an update on the group's plans regarding communications between the FMLG and CFTC staff regarding prime broker trading on swap execution facilities ("SEFs"). This was a continuation of a discussion held at the prior FMLG meeting on May 12, 2017. At that meeting, the group had agreed that the FMLG should finalize its communication with CFTC staff. The members discussed, among other things, the cost of retaining outside counsel to prepare the letter for resubmission.

Fall 2017 FMLG Agenda

The group discussed topics for the FMLG's Fall 2017 agenda. Suggestions included proposed changes to CFTC regulation, FinTech, documentation for "All-to-All" trading, revisions to other standard documentation, a review of prior advice on best practices and the extraterritorial impact of MiFID.

Administrative Matters

Members were presented with minutes from the group's May 12, 2017, meeting and approved them.

Ms. Burke gave a brief update on the group's finances.