

Meeting Minutes

Federal Reserve Bank of New York
33 Liberty Street
7th Floor

Friday, May 12, 2017

8:30 a.m. – 10:00 a.m. (New York time)

Present: Syed Riaz Ali, Sarah Ashkenazi, James Brown, Martha Burke, Maria Douvas-Orme (by phone), Luke Farber (by phone), Terence Filewych, Jill Hurwitz, Pamela Hutson (by phone), Glade Jacobsen (by phone), Robert Klein (by phone), Matthew Lillvis (by phone), Jeffrey Saxon, Lisa Shemie, Frank Weigand

Federal Reserve Bank of New York (“FRBNY”) participants: Michael Nelson, Thomas Noone, Ben Snodgrass, Angela Sun

New member (Jill Hurwitz)

FMLG Chair Michael Nelson announced that Jill Hurwitz has replaced Christian Artmann as Deutsche Bank’s representative on the FMLG.

FX Code Update

FRBNY Staff Attorney Ben Snodgrass provided the group with an update on the status of the second phase of the FX Global Code (the “Code”). Mr. Snodgrass informed the group that the second phase of the Code will be released on May 25th along with an update on adherence and a request for feedback on principle 17 relating to last look. The group then discussed various issues related to adherence.

Report on FIA Law & Compliance Conference

Robert Klein provided the group with a brief update on the FIA Law & Compliance Conference. He said that there was broad interest in the panel on FX issues, which was focused on the Code. He also noted that CFTC staff at the conference addressed possible regulatory changes and opportunities for industry input.

CFTC Discussion

Mr. Nelson asked members for their views on whether the FMLG should provide input or feedback to CFTC staff on regulatory issues. He expressed the view that the FMLG should generally avoid providing such input except in cases where there could be negative effects on the markets or on liquidity. After discussing the issue, the group agreed that the FMLG should be able to engage with CFTC staff on issues that it has already weighed in on, such as prime brokered FX transactions on swap execution facilities (“SEFs”). With regard to the SEFs issue, the group decided to resubmit a letter that it had previously sent to CFTC staff and to retain outside counsel to prepare the letter for resubmission.

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 (“FMLC”), and the Financial Law Board. Mr. Noone asked members to provide comments on agenda topics. Mr. Nelson reported that he is close to confirming a keynote speaker.

Administrative Matters

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

Members were presented with minutes from the group’s April 6, 2017, meeting and approved them.

Other Matters

Mr. Filewych reported on the work of a subcommittee that is considering whether updates are needed to a letter from the FXC to market participants dated July 14, 2005, regarding trading authorization letters. After discussion, the group agreed that the letter should be updated to account for legal and regulatory changes and feedback from members’ firms.