

Financial Markets Lawyers Group Meeting

Federal Reserve Bank of New York
33 Liberty Street
7th Floor, Main Conference Room

Thursday, March 7, 2013
8:30am – 10:00 am (New York time)

Present: Andrew Alter, Victoria Cumings, Maria Douvas, Jill Hurwitz (for Jeff Lillien), Pamela Hutson, Ruth Laslo (by phone), Deanna Masters, David Miller (by phone), Ricardo Salaman, Lisa Shemie, Alex Sykopetritis (for Joanna Perkins, by phone)

Federal Reserve Bank of New York participants: Michael Nelson, David Parkinson, Jamie Pfeifer, Nancy Schnabel, Janine Tramontana, Shawei Wang

Forum on FX-related Dodd-Frank Reforms for the Buy-Side

The meeting started at the end of the Agenda with a discussion of a Forum on the Dodd-Frank Act and the Foreign Exchange Market that the FXC is planning largely for buy-side participants. It is expected that the topics to be covered would include an Overview of FX products in scope, Cross-Border Guidance, the End-User Exemption, External Business Conduct Standards, Swap Documentation Requirements, Central Clearing, Swap Execution Facilities and Trade Reporting.

Dodd-Frank Operational/Implementation Issues

The group discussed its progress on addressing a variety of Dodd-Frank operational and implementation issues including FX trade reporting, pre-trade mid, confirmation strawman, swap trading relationship documentation, and the CFTC's external business conduct rules and electronic executions.

EMTA Discontinuation of Fixing Surveys

The group briefly discussed EMTA's proposal to discontinue the EMTA ARS Industry Survey Rate later this year. The group was informed that EMTA had already scheduled a call to discuss the proposal for the following day.

BCBS Supervisory Guidance

The group discussed the [final supervisory guidance](#) on managing risks associated with the settlement of FX transactions recently issued by the Basel Committee on Banking Supervision. It was noted that the guidance is intended for bank supervisors and that it will be up to supervisors in each jurisdiction to determine how and when to implement the guidance. The Basel Committee intends to assess supervisors on implementation in 2015.

CLS: Currency Splitting

The group was briefed on issues surrounding the CLS system's split of large value instructions into several smaller ones in order to process them more efficiently for settlement. On occasion, one or more matched pairs of instructions resulting from the split may settle while other pairs resulting from the split might not. The group was asked whether CLS should consider revisiting and raising awareness of this issue and proposing possible solutions to address it. Members agreed to think about the issue and discuss it further at the next meeting.

Updates

In light of time constraints, updates on IFEMA/FEOMA were tabled to next month's meeting. An update on the 60 Best Practices was provided. Final comments have been received and the feedback will be incorporated into a new draft which will be recirculated.

The next meeting of the FMLG will be held on Thursday, April 4, 2013.