REPORT OF WORKS-IN-PROGRESS

The Foreign Exchange Committee's current projects span a wide array of topics and concerns. All, however, reflect efforts to enhance market participants' knowledge and to facilitate the operation of the foreign exchange market. The Committee's most recent initiatives include:

- Barrier Options

  In early January, the Committee responded to member concerns about divergent practices for confirming barrier options by initiating a review of market procedures. The Committee prepared a short survey and distributed it to its member institutions and other entities that have an important presence in the barrier options market. Once the final survey results are received and analyzed, the Committee may propose revisions to its best practice guidelines and may also endorse revised legal documentation related to the use of these specialized instruments.

- Preparing for Y2K

  Over the past year, the Committee has been responsive to opportunities and initiatives that would support the foreign exchange community as it prepares for the uncertainties of Y2K. For example, the Committee recently welcomed a member's suggestion that the market might benefit from measures that would moderate transaction volume and payments during the first week of the year 2000.

  The Committee recognizes that the unprecedented nature and scope of Y2K make planning particularly difficult. Given the risks involved, Y2K preparedness is being addressed at many levels in most organizations, ranging from individual contributions to efforts by large-scale collaborative groups. The Committee anticipates that it could serve the foreign exchange market by

  a) continuing to offer best practice recommendations as necessary;

  b) drawing upon the experiences of the European Union to formulate contingency plans; and

  c) coordinating efforts among working groups of the Committee, such as the Operations Managers and Risk Managers groups, by working with the Financial Markets Lawyers Group and collaborating with other related industry groups.