



F M L G | F I N A N C I A L M A R K E T S L A W Y E R S G R O U P

Meeting Minutes

Federal Reserve Bank of New York

33 Liberty Street

13th Floor

Thursday, December 7, 2017

4:30 p.m. – 6:00 p.m. (New York time)

Present: Sarah Ashkenazi, James Brown, David Buchalter, Martha Burke, Maria Douvas-Orme, Luke Farber, Terence Filewych, Christina Getz, Jill Hurwitz, Pamela Hutson, Glade Jacobsen (by phone), Robert Klein, Jeffrey Saxon, Lisa Shemie, David Trapani, Frank Weigand, Bryan Woodard

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

FX Code Update

Christina Getz, the Foreign Exchange Committee (“FXC”) Secretary, informed the group that the Global Foreign Exchange Committee (“GFXC”) met on November 14 to discuss the feedback it received from the FX Global Code (“Code”) survey on “last look” practices in the FX market and has decided to make some changes to Principle 17 of the Code. Ms. Getz shared a draft of the GFXC’s revisions to Principle 17 with the group. She informed the group that, while the GFXC plans to finalize these revisions in the near future, the GFXC has commissioned further work on “cover and deal” trading arrangements and disclosures regarding last look on anonymous e-trading platforms.

Third party payments (FX Code Principle 52)

The group discussed whether Principle 52 of the Code on third party payments provides firms with sufficient guidance. One member suggested that the group consider drafting a paper with further guidance on the issue. FMLG Acting Chair Michael Nelson suggested that members send examples of scenarios raising third party payments issues to FMLG Secretary Thomas Noone, who can then aggregate them for discussion at the next meeting.

Opinion project update

Mr. Buchalter, Chair of the FMLG Documentation and Legal Opinions Working Group (“Opinions Working Group”), reminded members that the FMLG has decided to streamline its approach to the legal opinions project and said that the Opinions Working Group has agreed on a form of letter to send to counsel in each jurisdiction requesting a streamlined opinion. Mr. Buchalter said that the Opinions Working Group will aim to receive the opinions by the end of January 2018.

Benchmark reform in EU

The group continued its discussion from previous meetings of the application of the EU Benchmarks Regulation (“Regulation”) to foreign exchange benchmarks, particularly in light of the Emerging Markets Traders Association (“EMTA”)’s upcoming phase-out of its indicative surveys as fallback rate sources for certain currencies. The group focused its discussion on issues relating to Asia-Pacific benchmarks.

Best practices consolidation

Mr. Noone provided the group with an update on the status of the group’s review of the FXC’s and FMLG’s best practices. Mr. Noone explained that the best practices have been grouped into categories based on suggested actions. Mr. Noone asked members to volunteer to update those best practices that need updating, reminding members that the group can engage outside counsel where necessary.

Quadrilateral update (June 7-8, 2018)

Mr. Noone announced that the 2018 Quadrilateral, which is being hosted by the European Financial Market Lawyers Group, will take place in Frankfurt, Germany on June 7–8, 2018.

Administrative Matters

Members were presented with minutes from the group’s November 2, 2017, meeting and approved them.

Mr. Nelson reminded members that several of their firms still have their periodic assessment outstanding.

Mr. Nelson announced that Pamela Hutson would be leaving the group following this meeting. Beginning in 2018, Nancy Rigby, also from U.S. Bank, will join the FMLG. Mr. Nelson also announced that Angela Sun of the FRBNY had been promoted to Staff Attorney.

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

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