

**Meeting Minutes**

Federal Reserve Bank of New York  
33 Liberty Street  
13<sup>th</sup> Floor

Thursday, January 5, 2017  
8:30 a.m. – 10:00 a.m. (New York time)

*Present:* Syed Riaz Ali, David Buchalter, Martha Burke, Maria Douvas-Orme, Luke Farber (by phone), Terence Filewych (by phone), Pamela Hutson (by phone), Glade Jacobsen (by phone), Robert Klein, Matthew Lillvis, Jeffrey Saxon, Lisa Shemie (by phone), David Trapani, Bryan Woodard, Greg Todd (by phone), Jill Hurwitz (by phone)

*Federal Reserve Bank of New York (“FRBNY”) participants:* James Bergin, Christina Getz, Michael Nelson, Thomas Noone, Benjamin Snodgrass, Angela Sun

*Other participants:* Michael Kent (Linklaters, by phone), Gerry Harvey (FICC Markets Standards Board, by phone),<sup>1</sup> Mark Yallop (FICC Markets Standards Board, by phone), Jon Roellke (Morgan Lewis), Omar Shah (Morgan Lewis, by phone)<sup>2</sup>

**FICC Markets Standards Board**

Representatives of the Fixed Income, Currencies and Commodities (“FICC”) Markets Standards Board (“FMSB”), including Gerry Harvey, Mark Yallop, and Michael Kent, provided the group with an overview of the FMSB’s work, in particular its work on FX issues.

One member inquired about guidelines on surveillance and training in wholesale markets that were issued by the FMSB, and which appear to cover FX activities. A discussion ensued regarding whether these guidelines apply specifically to FX activities. It was noted that these guidelines differ from FMSB standards, which all FMSB members are expected to comply with. The FMSB representatives asked the group to raise any conflicts between the guidelines and the Code to their attention.

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<sup>1</sup> Mr. Kent, Mr. Harvey, and Mr. Yallop were only present for the portion of the meeting on the FICC Markets Standards Board.

<sup>2</sup> Mr. Roellke and Mr. Shah were only present for the portion of the meeting on the legal opinion on FX Code Adherence.

## **Legal Opinion on FX Code Adherence**

Mr. Filewych reported on the work of an ad hoc subcommittee that had engaged Morgan Lewis to provide antitrust advice on issues relating to adherence to the Code. Morgan Lewis partner Jon Roellke gave a brief presentation to the group on relevant antitrust principles and provided some preliminary advice to the group based upon his initial review of Code adherence-related issues.

## **Annual Review of FMLG Charter and Antitrust Guidelines**

FMLG Secretary Thomas Noone distributed copies of the FMLG Charter and the FMLG Antitrust Guidelines (“Guidelines”) to the group. Mr. Noone also read an antitrust reminder, in which he instructed the group to review the Guidelines and share them with members of their institutions involved in FMLG matters, and highlighted certain conduct that the group should avoid under the Guidelines.

## **FX Code Update**

Foreign Exchange Committee (“FXC”) Secretary Christina Getz updated the group on the number and nature of the comments that were received on the last round of feedback on the next phase of the Code. Ms. Getz also announced that there would be another, final opportunity for feedback on a “fatal flaw” draft of the third phase of the Code in February 2017. One member asked about the timetable for publication of the proposals for adherence to the Code and related materials. Ms. Getz stated that the adherence package would be published in May 2017.

## **2017 Legal Opinion Jurisdictions**

David Buchalter, Chair of the FMLG Documentation and Legal Opinions Working Group (“Opinions Working Group”), announced that an outstanding opinion that had been requested for the 2016 legal opinions project had been received and would be finalized in the next couple of weeks. Mr. Buchalter reminded the group that at the last meeting, the group had discussed various alternatives to the annual legal opinions project. Acting Chair Michael Nelson requested that the Opinions Working Group formally recommend an alternative approach to the annual legal opinions project.

## **2017 Quadrilateral**

Mr. Nelson announced that the 2017 Quadrilateral Meeting of the FMLG, the European Financial Markets Lawyers Group, the Financial Markets Lawyers Committee (“FMLC”), and

the Financial Law Board would take place in the summer of 2017. He asked members to consider possible dates. Mr. Nelson also announced that the meeting, which has taken place over several days in years past, would be abbreviated to one day.

### **Administrative Business**

FMLG Treasurer Martha Burke offered a brief update on the group's finances.

Members were presented with minutes from the group's December 1, 2016, meeting and approved them.

### **Agenda items for February 10, 2017, FMLC Call**

Mr. Noone solicited agenda topics from the group for the next call with the FMLC. The group agreed to add Brexit, fallback valuation mechanisms, and margin rules for uncleared swaps to the agenda.