

Financial Markets Lawyers Group Meeting

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

Thursday, October 3, 2013
8:30 am – 10:00 am (New York time)

Present: Andrew Alter, James Brown, Martha Burke, Sarah Donnelly, Maria Douvas, Luke Farber, Pamela Hutson, Jill Hurwitz (by phone), Robert Klein, Ruth Laslo (by phone), Jeff Lillien (by phone), Joanna Perkins (by phone), Ricardo Salaman, Lisa A. Shemie, Garland Sims, Bryan Woodard (by phone)

Federal Reserve Bank of New York participants: Christina Getz, Joyce Hansen, Michael Nelson, David Parkinson, Jamie Pfeifer, Shawei Wang

SEFs and the FX Market

The group discussed the arrival of the CFTC's swap execution facility (SEF) final rulemaking October 2 compliance date. In particular, the group focused on continued concerns regarding the interaction between FX prime brokerage arrangements and SEFs. The group agreed to continue work on a best practices document for FX contract execution on multilateral platforms.

Dodd-Frank Operational/Implementation Issues

The group discussed its progress on addressing issues surrounding FX trade reporting. It was noted the government shutdown has made it difficult to discuss these issues with the CFTC.

FXC/FMLG Administrative Matters

The group was briefed on the need for an assessment in the new year to cover its annual legal opinion update project and possible additional outside counsel fees.

Legal Opinion Update Project

The group briefly discussed the FMLG's annual effort to collect updated opinions with respect to the enforceability of the netting provisions of the International Currency Options Market Master Agreement, the International Foreign Exchange Master Agreement, the Foreign Exchange and Options Master Agreement, and the International FX and Currency Option 2004 Master Agreement Terms and Terms Agreement from 34 jurisdictions around the world. Gary Sims, as Chair of the Opinions Subcommittee of the FMLG, requested volunteers to help review the opinions. Four members volunteered to assist with the review.

PB Clearing Paper

A representative from the FXC discussed that group's draft paper on FX transactions in clearing and in prime brokerage arrangements. Members noted that the document would need updating to include SEFs and developments in other jurisdictions. It was decided to table the document for the next meeting of the FMLG.

Updates

Members discussed the current status of efforts to adapt IFEMA and FEOMA for Dodd-Frank.

The next meeting of the FMLG will be held on Thursday, November 7, 2013.