

Meeting Minutes

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

Thursday, November 6, 2014
8:30 am – 10:00 am (New York time)

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

Federal Reserve Bank of New York participants: Christina Getz, Joyce Hansen, Nancy Liao, Michael Nelson, David Parkinson

Quarterly Discussion Forum with the FMLC

Members were reminded that the group will be holding a call with the Financial Markets Law Committee (“FMLC”) on Thursday, November 13, 2014 at 8:30 a.m. to discuss, among other things, the clearing of non-deliverable forwards and the proposed margin requirements for uncleared swaps.

FSB Final Report on Foreign Exchange Benchmarks

The group discussed the *Final Report on Foreign Exchange Benchmarks* published by the Financial Stability Board (“FSB”) at the end of September 2014 (the “Benchmark Report”). Members reviewed certain recommendations in the Benchmark Report, and agreed that they appear broadly drafted and may permit different interpretations depending on applicable facts and circumstances.

Update on the *Recommendations for Non-Dealer Participants*

Christina Getz, the Secretary of the Foreign Exchange Committee (“FXC”) and the Operations Managers Working Group (“OMWG”), briefed members on FXC and OMWG efforts to update the *Recommendations for Non-Dealer Participants* (the “*Recommendations*”). Certain members of the FXC and OMWG have made preliminary updates to a number of the *Recommendations*, and those updates have been reviewed by FMLG volunteers. The same FXC and OMWG members intend to finish updating the next portion of the *Recommendations* later this month. The same FMLG volunteers will have the opportunity to provide written and verbal comments on such updates in December 2014.

SEFs and the FX Market

The group revisited its data collection efforts in response to questions raised by the Commodity Futures Trading Commission’s (“CFTC”) Division of Market Oversight (“DMO”)

on trade non-acceptances or affirmative rejections by prime brokers. FMLG Secretary Nancy Liao and FXC and OMWG Secretary Christina Getz informed the group that they anticipate continuing to work with the OMWG to refine certain data collection parameters.

Dodd-Frank Operational/Implementation Issues

The group did not have topics to discuss under this heading.

Trade Associations

The group discussed the possible role of the International Swaps and Derivatives Association (“ISDA”) in undertaking a legal opinion project on the enforceability of electronic confirmations. The group also discussed the Ukrainian Hryvnia (“UAH”) guidance issued by the Emerging Markets Trade Association. FMLG member Maria Douvas informed the group that she had no update to offer on the request for changes to the ISDA Master FX Novation and Cancellation Protocol. Additionally, FMLG member Ruth Laslo stated that she had no update to offer on the ISDA FX Confirmations Working Group and the Deliverable Currency Disruption Events Questionnaire.

ICOM, IFEMA, FEOMA and IFXCO Legal Opinion Update Project

Gary Sims, Chair of the Opinions Subcommittee of the FMLG, noted that the annual project to collect updated opinions with respect to the enforceability of the netting provisions of the International Currency Options Market Master Agreement (“ICOM”), the International Foreign Exchange Master Agreement (“IFEMA”), the Foreign Exchange and Options Master Agreement (“FEOMA”), and the International Foreign Exchange and Currency Option Master Agreement (“IFXCO”) from 34 jurisdictions around the world is on schedule and generally on-budget.

Administrative Matters

Representatives from the group’s accounting firm, Wegner CPAs, dialed into the meeting. They presented the group with its third quarter financial statements. Members reviewed the statements and approved them without dissent. The Wegner’s representatives then left the meeting.

Members were presented with minutes from the group’s October 4, 2014 meeting and approved them without dissent.

The FMLG’s former Secretary, Shawei Wang, joined the meeting to present a copy of the group’s Form 1024 filing. After a brief discussion, the Form 1024 was approved without dissent. Members were also presented with an updated version of the Articles of Association. The updated Articles were adopted without dissent.

The next meeting of the FMLG will be held on Thursday, December 11, 2014 from 4:30 pm to 6:00 pm.