

Meeting Minutes

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

Thursday, January 8, 2015
8:30 am – 10:00 am (New York time)

Present: Andrew Alter (by phone), James Brown (by phone), Martha Burke, Victoria Cumings, Maria Douvas, Luke Farber, Pamela Hutson (by phone), Robert Klein, Jeff Lillien, Jill Hurwitz (by phone), Ricardo Salaman, Lisa Shemie, Garland Sims

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

FXC Workstreams

The group discussed the status of four different workstreams in which members are currently engaged with the Foreign Exchange Committee (“FXC”). The first of these involves the development of a statement to be issued jointly by foreign exchange committees in eight jurisdictions urging market participants to implement the recommendations contained in the *Final Report on Foreign Exchange Benchmarks* issued by the Financial Stability Board (“FSB”) in September. The second of these involves the expansion of the *Global Preamble* issued jointly by eight foreign exchange committees in 2014. FMLG members are also involved in the FXC’s efforts to revise and combine the group’s various Best Practice documents. Finally, it was noted that the FMLG and FXC have made substantial progress in their update to the *Recommendations for Non-Dealer Participants*.

OTC Derivatives Reform

As an administrative matter, the group concluded that calls of the Dodd-Frank Operational/Implementation Working Group no longer need to occur weekly. Going forward, calls will take place on a monthly or as-needed basis.

The group briefly discussed the report on the clearing of non-deliverable forwards (“NDFs”) issued by the Commodity Futures Trading Commission (“CFTC”) Foreign Exchange Markets Subcommittee (“FEM”) to the CFTC Global Markets Advisory Committee (“GMAC”) in December.

EMTA: Fallback Re-Examination

Leslie Payton Jacobs, senior counsel of the Emerging Markets Trade Association (“EMTA”), joined the group via teleconference to discuss EMTA’s reevaluation of its Disruption Fallbacks for NDFs. Ms. Jacobs informed members that EMTA has formed a working

group to examine EMTA's current method for calculating indicative survey fallbacks for various non-deliverable currencies. She promised to keep the FMLG updated on the working group's progress.

ISDA: FX Documentation Committee

FMLG Member Ruth Laslo informed the group that the Operations Confirmations Working Group of the International Swaps and Derivatives Association's ("ISDA") FX Documentation Committee is exploring disruption events for deliverable currencies. FMLG members agreed to reach out to contacts on the working group.

Legal Opinion Update Project

Gary Sims, Chair of the Opinions Subcommittee of the FMLG, provided an update on the 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. Mr. Sims noted that the project continues to be on schedule with only one opinion still outstanding. Members should receive copies of the opinions at the February meeting.

Administrative Matters

FMLG Treasurer Martha Burke offered an update on the group's end-of-the-year finances for 2014.

FMLG Secretary Nancy Liao noted the FMLG is working with Wegner CPAs, the group's accounting firm, to prepare Form 1099s for the domestic firms that performed services for the group in 2014.

Members briefly discussed the scheduling of another quarterly discussion forum with the Financial Markets Law Committee ("FMLC") and decided to try and set up a call sometime in March.

Members were presented with minutes from the group's December 11, 2014 meeting and approved them without dissent.

Finally, FMLG Secretary Nancy Liao announced to the group that she will be stepping down as FMLG Secretary. She introduced her successor, Lisa Kraidin, who will take over the position going forward.

The next meeting of the FMLG will be held on February 5, 2015, at 8:30 a.m.