

Meeting Minutes

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

Thursday, March 5, 2015
8:30 am – 10:00 am (New York time)

Present: James Brown, Martha Burke, Victoria Cumings, Sarah Donnelly, Jill Hurwitz (by phone), Pamela Hutson (by phone), Robert Klein, Jeff Lillien, Jill Hurwitz (by phone), Ricardo Salaman, Lisa Shemie, Garland Sims, Gregory Todd, Bryan Woodard (by phone), Lawrence Young

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

FXC Workstreams

The group discussed the status of two workstreams in which members are currently engaged with the Foreign Exchange Committee (“FXC”). The first of these involves the expansion of the *Global Preamble* issued jointly by eight foreign exchange committees in 2014. The working group is consolidating comments from the various committees with a goal of finalizing the document at the Global Meeting of Foreign Exchange Committees in Tokyo on March 23, 2015.

FMLG members are also involved in the FXC’s update of its *Recommendations for Non-Dealer Participants*. Although the project was originally scheduled to conclude by the end of March, it now appears that it will take a few months longer. This will allow the group to ensure that the updated *Recommendations* fit into the FXC’s larger *Best Practices* update.

Dodd-Frank Operational/Implementation Issues

The group briefly discussed its earlier work on the topic of prime brokerage on swap execution facilities (“SEFs”). Members are still in the process of following-up on the status of this issue.

ISDA: FX Documentation Committee

The group revisited the topic of the Operations Confirmations Working Group of the International Swaps and Derivatives Association’s (“ISDA”) FX Documentation Committee work on disruption events for deliverable currencies. Members agreed to set up a working group and to hold a call with representatives from ISDA as well as from the Emerging Markets Trade Association (“EMTA”) for further discussion.

FMLG Chair Joyce Hansen briefly discussed the 2014 Resolution Stay Protocol issued by ISDA last fall. Regulators from six major jurisdictions, including the U.S., committed to developing new regulations in their jurisdiction to promote broader adoption of the protocol’s

stay provisions. Ms. Hansen noted that the FMLG may want to coordinate with ISDA to ensure that the FXC Master Agreements comply with the protocol.

BRIC + Turkey BCBS Guidance Project Update

FMLG Members Victoria Cumings and Jeff Lillien reported on the efforts of the Global FX Division (“GFXD”) of the Global Financial Markets Association (“GFMA”) to address settlement finality requirements under the Basel Committee’s *Supervisory guidance for managing risks associated with the settlement of foreign exchange transactions*. As part of its efforts, GFXD has reached out to local counsel in Brazil, Russia, India, and China (“BRIC + Turkey”) for estimates on the cost of producing legal opinions on settlement finality under local law., FMLG members working on the project will keep the larger group apprised of progress.

Legal Opinion Update Project

Gary Sims, Chair of the Opinions Subcommittee of the FMLG, announced his retirement from the Bank of New York Mellon and from the FMLG. The group will need to select a new chair of the Opinions Subcommittee for the next legal opinion update project set to begin in the fall.

Administrative Matters

The group briefly discussed the next Quarterly Call with the Financial Markets Law Committee (“FMLC”), currently scheduled for March 30. Members agreed to consider discussion topics and get back to FMLG Secretary Lisa Kraidin with input.

The group also discussed the 2015 Quadrilateral Meeting of the European Financial Markets Lawyers Group, the Financial Law Board, the FMLC, and the FMLG.

FMLG Treasurer Martha Burke offered an update on the group’s finances.

Ms. Kraidin noted that the FMLG, working with Wegner CPAs, the group’s accounting firm, has issued 1099s for the domestic firms that performed services for the group in 2014. Work continues on the group’s Form 990 which will be ready for filing in April.

Ms. Kraidin revisited the antitrust guidelines for the FMLG that were circulated at the prior month’s meeting. Members offered comments which Ms. Kraidin agreed to consider before recirculating the guidelines via email for final approval and adoption.

Members were presented with minutes from the group’s February 5, 2015 meeting and approved them without dissent.

The next meeting of the FMLG will be held on April 2, 2015, at 8:30 a.m.