

Financial Markets Lawyers Group Meeting

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

Thursday, May 1, 2014
8:30 am – 10:00 am (New York time)

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

Federal Reserve Bank of New York participants: Christina Getz, David Parkinson, Shawei Wang

SEFs and the FX Market

The group continued its ongoing discussion of FX prime brokerage arrangements on swap execution facilities (“SEFs”). In particular, members of the Dodd-Frank Operational/Implementation Working Group briefed the larger group on their work with outside counsel to draft SEF model rules and a letter to the CFTC in an effort to obtain clarification on acceptable practices for the execution on SEFs of prime brokered transactions.

Dodd-Frank Operational/Implementation Issues

The group revisited its earlier discussion of question 19 of the Commodity Futures Trading Commission’s (CFTC) request for comment on its rules re: swap data recordkeeping and reporting requirements, which deals with prime brokerage swap transactions. Members noted that the International Swaps and Derivatives Association (“ISDA”) PB Working Group would take the lead on drafting a response.

The group also discussed its efforts relating to PB/FX Intermediary (“FXI”) arrangements, particularly its work with outside council to develop implementation steps, best practices, and form notices for such arrangements.

Settlement Finality Legal Opinion Project

The group continued its ongoing discussion on the Basel Committee’s *Supervisory guidance for managing risks associated with the settlement of foreign exchange transactions*. It was noted that because the guidance will be implemented by multiple home country supervisors it may be necessary to obtain clarification across jurisdictions. FMLG members agreed to begin thinking of questions to pose to supervisors about the guidance.

Quadrilateral

FMLG Secretary Shawei Wang briefed the group on the agenda for the July 2014 Quadrilateral Meeting of the European Financial Markets Lawyers Group (“EFMLG”), the Financial Markets Law Committee (“FMLC”), the Financial Law Board (“FLB”), and the FMLG. Members were asked to RSVP as soon as possible.

Administrative Matters

FMLG Secretary Shawei Wang reminded the group about two outstanding administrative matters. First, the group is in the process of selecting an accounting firm. Proposals have been solicited from several firms but the group still has a number of outstanding questions to resolve before making a selection. Second, members were reminded that invoices have been sent to their firms to cover Dodd-Frank related outside counsel fees and other expenses. Members were asked to check internally to ensure that the invoices are paid in a timely manner.

The next meeting of the FMLG will be held on Thursday, June 5, 2014.