

Meeting Minutes

Federal Reserve Bank of New York
33 Liberty Street
13th Floor, Main Conference Room

Thursday, February 4, 2016
8:30 am – 10:00 am (New York time)

Present: Andrew Alter (by phone), James Brown, David Buchalter, Martha Burke, Sarah Donnelly, Maria Douvas-Orme, Luke Farber, Terence Filewych (by phone), Pamela Hutson (by phone), Robert Klein, Jeff Lillien, Matthew Lillvis, Ricardo Salaman, Lisa Shemie, David Trapani, Hector Velez (by phone), Bryan Woodard (by phone), Lawrence Young, Jill Hurwitz (by phone)

Federal Reserve Bank of New York participants: Lisa Kraidin, Christina Getz, Joyce Hansen, Michael Nelson, Angela Sun

Other participants: Andres Choussy (JPMorgan, by phone), Sanjay Madgavkar (Citi, by phone)¹

GFXD Concerns About Inadvertent Execution/Algorithmic Errors

The group discussed the GFMA Global FX Division (“GXFD”)’s concerns about inadvertent execution/algorithmic errors which result in material excesses over existing trading limits with GFXD representatives Sanjay Madgavkar, Global Head of FX Prime Brokerage at Citi, and Andres Choussy, Head of Derivatives Clearing for the Americas at JPMorgan. The group agreed that it would not be appropriate to participate in addressing these concerns at this time.

Update on Global FX Code

The group was briefed by Foreign Exchange Committee (“FXC”) Secretary Christina Getz on the status of the development of the Global FX Code. The most recent draft of the Code has been circulated to members of the FMLG. The group briefly discussed the draft, including issues surrounding principal and agency trading discussed in recent *Financial News* article on the Code. Certain members of the FMLG were designated to assist the FXC with its review of the draft.

ICOM, IFEMA, FEOMA and IFXCO

David Buchalter, Chair of the Opinions Subcommittee of the FMLG, provided an update on the FMLG’s annual legal opinion update project. The committee has received opinions from nearly all the jurisdictions from which it requested opinions. Mr. Buchalter noted that some of these opinions indicate nonmaterial changes or no changes. The FMLG decided that

¹ Mr. Choussy and Mr. Madgavkar were only present for the portion of the meeting on GFXD concerns about inadvertent execution/algorithmic errors.

these opinions could be placed into final form. Other opinions reflect material changes which committee members are currently in the process of reviewing.

Dodd-Frank Operational/Implementation Issues

FMLG member Robert Klein informed the group that he will continue to check on the status of the briefing call that the group had requested its outside counsel to organize with the SEFs for the purpose of briefing them on the CFTC meeting.

Digital Currencies

FMLG member Ricardo Salaman informed the group that he would like to invite outside counsel to give a presentation on the legal issues raised by digital currencies and block chain technologies. FMLG members expressed interest in moving forward with this proposal.

Administrative Matters

FMLG Treasurer Martha Burke offered a brief update on the group's finances.

Members were presented with minutes from the group's January 7, 2016, meeting and approved them without dissent.

The next meeting of the FMLG will be held on March 3, 2016, at 8:30 a.m.