

Meeting Minutes

Federal Reserve Bank of New York
33 Liberty Street
13th Floor

Wednesday, June 2, 2016
8:30 am – 10:30 am (New York time)

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

Federal Reserve Bank of New York (“FRBNY”) participants: Lisa Kraidin, Christina Getz, Michael Nelson, Benjamin Snodgrass, Angela Sun

Update on Global FX Code

Foreign Exchange Committee Secretary Christina Getz and FRBNY Staff Attorney Benjamin Snodgrass updated the group on the latest developments to the Global FX Code (the “Code”). Mr. Snodgrass informed the group that the first phase of the Code had been published and that work on the second phase of the Code has begun. He also informed the group that the Foreign Exchange Working Group secretariats are considering ways in which to promote adherence to the Code. The group discussed ways to promote adherence to the Code, including outreach efforts and the possibility of drafting a template for certain disclosures recommended by the Code. The group also discussed potential legal issues.

ISDA: FX Documentation Committee

Mr. Lillien informed the group about a phone call with representatives from the International Swaps and Derivatives Association (ISDA) in which participants discussed initiating a process to amend the Multilateral Master Confirmation Agreement for Non-Deliverable Forward FX Transactions in conjunction with certain disruption events for deliverable currencies. Mr. Lillien stated that he flagged a potential legal issue during the call which had previously been raised in conversations with ISDA, and which the two groups had previously sought to engage outside counsel to review. Mr. Lillien raised a cost issue for the

group to consider. The group discussed and came to an agreement on how to address the cost issue.

ICOM, IFEMA, FEOMA and IFXCO

FMLG Secretary Lisa Kraidin provided an update on the FMLG's annual legal opinion update project. Members received CDs containing a copy of all of the opinions, which will be updated once an outstanding opinion is received. The group discussed the results of a legal opinion usage survey that was conducted among FMLG members and agreed to phase out opinions that are being used by no more than one firm. The group also considered alternatives to updating the opinions on an annual basis.

Quadrilateral

FMLG Acting Chair Michael Nelson strongly encouraged all FMLG members to attend the Quadrilateral Meeting of the FMLC/FMLG/FLB/EFMLG to be hosted by the FMLC in London this July. Ms. Kraidin reminded members of the topics that they would be presenting.

Mr. Lillien raised disruptions to electronic trading as a potential addition to the Quadrilateral agenda. Mr. Nelson agreed that the topic could be proposed as an addition to the Quadrilateral agenda and suggested that the group also discuss this issue at the next FMLG meeting.

Administrative Matters

Mr. Nelson announced that Lisa Shemie, who previously represented JPMorgan Chase & Co. on the FMLG, will be rejoining the FMLG as counsel to stock exchange operator BATS Global Markets. Mr. Nelson added that the group is being diversified to include more non-dealers.

Mr. Lillvis asked the group whether there were any further updates on an issue that the group had previously been working on relating to FX prime brokerage transactions on SEFs. Mr. Klein informed the group that there have been no further developments following the distribution of a closing memo on the issue provided to the FMLG by outside counsel. Mr. Klein noted that it appears that some prime brokerages have become active on SEFs without further rule amendments by SEFs.

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

Members were presented with minutes from the group's May 4, 2016 meeting and approved them without dissent.