

**Meeting Minutes**

Federal Reserve Bank of New York  
33 Liberty Street  
13<sup>th</sup> Floor

Thursday, October 6, 2016  
8:30 am – 10:00 am (New York time)

*Present:* Syed Riaz Ali, Christian Artmann, James Brown, David Buchalter, Martha Burke, Sarah Donnelly, Maria Douvas-Orme, Luke Farber (by phone), Terence Filewych, Jill Hurwitz (by phone), Pamela Hutson (by phone), Robert Klein, Matthew Lillvis, Tracy Ross (by phone), Jeffrey Saxon, Lisa Shemie, Hector Velez<sup>1</sup>

*Federal Reserve Bank of New York (“FRBNY”) participants:* Christina Getz, Michael Nelson, Tom Noone, Angela Sun

**Bank Recovery and Resolution Directive Amendments**

Mr. Trapani informed the group that CLS Bank International has made certain amendments to its rules to address issues related to the Bank Resolution and Recovery Directive. FMLG Acting Chair Michael Nelson asked the group whether their firms have reviewed the rule amendments. Members said they would follow up internally at their firms.

**FX Code Update**

Ms. Douvas-Orme, who represents her firm on the Foreign Exchange Committee (“FXC”) in addition to the FMLG, updated the group on the latest developments to the FX Global Code (the “Code”), including differences between the first phase of the Code and the draft of the second phase of the Code. Mr. Nelson solicited volunteers for working groups that would provide feedback on the draft. Mr. Nelson also provided an update on the adherence workstream.

Members mentioned that the FICC Markets Standards Board (“FMSB”) has also published a draft standard covering conduct in the FX market. One member suggested that FMLG members that are also FXC members coordinate a call with the FMSB on these issues.

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<sup>1</sup> Mr. Velez is no longer a member of the FMLG, as of October 24, 2016.

## **Electronic Trading Disruptions**

Mr. Nelson asked the group whether the FMLG should look at the issue of electronic trading disruptions at trading venues, or whether this topic is already adequately addressed by the Code. One member requested that the topic be put on hold until members have had a chance to review the latest draft of phase 2 of the Code. One member said that the issue of electronic trading disruptions at trading venues is not currently addressed by the Code.

## **Implementation of New Margin Rules for Uncleared Swaps**

The group discussed questions that members have regarding the application of the new margin rules to FX products. One member mentioned that the Global FX Division of the Global Financial Markets Association (“GFXD”) has hosted calls on these issues and invited members of the FMLG to participate in these calls. One member requested that regulators make a clear statement on these issues.

## **CLE Proposal**

FMLG Secretary Thomas Noone asked members whether they would be interested in participating in training at upcoming FMLG meetings for CLE credit. Members welcomed the idea.

## **Administrative Matters**

Members were presented with minutes from the group’s September 8, 2016 meeting and approved them with one change.

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

Mr. Nelson informed the group about the amount of the next membership assessment and asked the group about areas of the FMLG’s work that could benefit from the use of outside counsel.

## **New Business**

Mr. Nelson solicited topics from the group for the next agenda and announced that the FMLG is looking for new members.