



October 29, 2010

The Foreign Exchange Committee has updated its “Guidelines for Foreign Exchange Trading Activities.” The revised document will provide clearer guidance for ensuring that accurate contact lists are maintained and available, with the goal of improving the efficiency of the dispute-resolution process for prime brokerage trades executed on electronic brokerage platforms.

The following language has been inserted under the “Electronic trading with brokers” subsection of the “Electronic Trading” section of the Guidelines:

- Electronic Communication Networks (ECNs) should take responsibility for creating and maintaining accurate lists of prime broker contact information for each institution trading on their electronic brokerage platform in the name of a prime broker. The ECNs should put in place an efficient process to ensure that information related to each institution’s sponsoring prime brokers is kept reasonably current through reminders to the relevant prime brokers for updates.
- Prime brokers should make every effort to support the ECNs by providing them with current prime brokerage contact information on a timely basis. These prime broker contacts should be appropriately trained personnel readily available (twenty-four hours a day, six days a week) to adequately address trade disputes related to their clients’ activities. These prime broker contacts should have appropriate resources, including access to other appropriate personnel, and professional skill to respond to questions and make determinations, within a reasonable time, about the accuracy and validity of trades and whether such trades were executed within prevailing market levels.

Best,

Jeff Feig
Chair
Foreign Exchange Committee