Minutes of the Operations Managers Working Group
Meeting, March 4, 2015
Host: Federal Reserve Bank of New York

OMWG Attendees:

Katherine Andrews  Bank of America Merrill Lynch
Jodie Burns  Thomson Reuters
Paul Christakos  UBS
Stephen Dobson  Deutsche Bank
Rob Duff  HSBC
Robert Eby  Wells Fargo
John Ferraiuolo  Barclays
Anthony Ghibesi  Standard Chartered
Jorge Hidalgo  Barclays
Mark Kaufman  JP Morgan
Daniel Lennon  CLS
Richard Maling  State Street
Allison Measso  Credit Suisse
Luke Pollock  Citi
Tony Rocchio  Bank of New York Mellon
Ken Rozycki  Brown Brothers Harriman
Daniel Smith  Morgan Stanley
Eisso Vandermeulen  ICAP
James Wallin  Alliance Bernstein

Federal Reserve Bank of New York Attendees:

Christina Getz
Jason Miu
Joy Zhu
Lisa Kraidin, Counsel

Guest:

Jeff Lillien  Deutsche Bank
1. Antitrust guidelines review

Counsel circulated and discussed the Foreign Exchange Committee’s (FXC) antitrust guidelines as part of the standard procedure for the first Operations Managers Working Group (OMWG) meeting of the year. Counsel highlighted particular behaviors that are inappropriate and unlawful for the Group – such as efforts to limit access to the market.

2. Best practices effort

A member from each working group in the FXC best practices effort gave an update on the progress of each group. The effort involves updating and consolidating the current various best practices documents, some of which were drafted years ago, into a single comprehensive document of best practices.

Ken Rozycki updated the OMWG on the working group reviewing the Execution-to-Settlement Recommendations for Non-dealer Participants. He noted areas where the document needed updates to include developments related to regulations around Know Your Customer and Anti-Money Laundering activities. The working group continues to develop draft language with input from the members of the Financial Markets Lawyers Group (FMLG).

3. Topics of focus in 2015

The OMWG discussed topics of focus for 2015 with the primary focus on the best practices effort. Private sector members also suggested additional topics to focus on including the impact of the implementation of Dodd-Frank and EMIR regulations on operations, developments in compression of FX transactions, and areas to potentially incorporate automated solutions to manual processes to reduce operational risk.

4. FXC and FMLG updates

Christopher Vogel and Peter Connolly, FXC liaisons to the OMWG dialed-in for this portion of the meeting to provide an update on the February FXC meeting. They noted that the FXC discussed the best practices effort, liquidity in the FX market in the context of the policy action by the Swiss National Bank in January 2015 and other developments in the FX market. Counsel provided an update to the group on the issues discussed at the January and February FMLG meetings. Jeff Lillien, FMLG member, attended this portion of the meeting and gave an update on recent developments relating to disruption events for deliverable currencies.

5. Market discussion

Dan Lennon gave an update on ongoing work at CLS, including adding the Mexican peso to the CLS same day settlement service by 2016, adding the Hungarian forint as a CLS eligible currency by 2015, and beginning work to launch a compression service in partnership with Tri-Optima in 2015.

6. Other business
The next OMWG meeting will be held on Thursday, April 30 at 3:00 PM and hosted by the Federal Reserve Bank of New York.