



FOREIGN EXCHANGE COMMITTEE CHARTER

Effective Date: April 11, 2018

The Foreign Exchange Committee (“FXC” or the “Committee”) is a private-sector organization sponsored by the Federal Reserve Bank of New York (“New York Fed”).

Objectives

The FXC is a group of market professionals expected primarily to support the integrity, efficiency, and resiliency of the global foreign exchange market and to provide guidance and leadership to this market through the development and implementation of best market practices; through enhancing the broader public’s knowledge and understanding of the foreign exchange market via publications and other efforts; through close collaboration with comparable committees sponsored by central banks and monetary authorities outside the United States and including the participation in the Global Foreign Exchange Committee . Another role of the FXC is to provide insight to the New York Fed on FX market conditions.

Membership and Governance

The Committee is intended to be constituted in such a manner as to ensure fair presentation and consideration of all points of view and interests in the wholesale market at all times. The composition of the Committee can include banks, other dealers, foreign exchange brokerage firms, other financial entities who transact in the foreign exchange market, key market infrastructure providers, and representatives of the New York Fed who serve as *ex officio* members. In addition, the Committee aims to include professionals who can provide expertise in areas such as trading, operations, law, and compliance. A list of members is available on the FXC’s website.¹

In general:

1. Members are chosen with regard to the firm for which they work, their job responsibilities within that firm, their market stature, and their ongoing role in the market. Members should have a broad knowledge of the foreign exchange market and should be in a position to speak for their respective institutions. Selection of participants remains flexible to reflect changes as they occur in the foreign exchange market.

¹ See http://www.newyorkfed.org/fxc/members/members_current.html

2. If a member moves to a role that is no longer relevant to their participation in the Committee, or if they change firms, they will no longer participate in the Committee
3. The membership term is two calendar years. A member may be renominated for additional terms; however, an effort will be made to maximize participation in the Committee by including individuals from a range of institutions eligible for membership.
4. Responsibility for choosing members rests with the New York Fed. The Membership Subcommittee, chaired by a New York Fed official, provides input on membership issues. The Committee will generally consist of no more than twenty-five members.
5. In choosing members and as sponsor of the FXC, the New York Fed's Markets Group takes into account whether a member's firm has taken or plans to take appropriate steps, based on the size and complexity of its activities and the nature of its engagement in the FX market, to adopt the principles of the FX Global Code.

The FXC will have a chair and a secretariat. The New York Fed will designate the Committee's chair, who will not be a New York Fed official, and who will have a normal term of no more than three years. The chair will be responsible for conducting meetings, helping to guide the Committee's agenda, representing and communicating the views of the FXC as a whole, and overseeing projects to ensure that they are completed appropriately and in a timely manner. The secretariat will be staffed by the New York Fed, with several responsibilities including maintaining the official repository of FXC documents, including agendas, minutes and public communications. A New York Fed attorney will be present at all FXC meetings.

Member Responsibilities

The FXC is composed of individuals from institutions that participate actively in the foreign exchange markets as well as other financial markets worldwide. As senior officers of such institutions, Committee members have achieved stature within both their own institutions and the marketplace and have acquired expertise that is invaluable to attaining the Committee's objectives. In joining the Committee, these individuals expand their focus beyond their own institutions to encompass the entire market. The members' continuous communication with the markets worldwide generates information that is necessary to the Committee's deliberations on market issues or problems. Each member must be an effective communicator and problem solver with a commitment to raise and, when possible, resolve market and industry issues. Effective individual participation is critical if the collective effort is to be successful.

Each member is expected to:

1. attend all meetings in person;

2. function as a communicator to the Committee and to the marketplace on matters of mutual interest, bringing issues and information to the Committee, contributing to discussion and research, and sounding out colleagues on issues of concern to the Committee;
3. present the concerns of his or her own institution to the Committee; in addition, to reflect the concerns of a market professional as well as the constituency from which his or her institution is drawn or the professional organization on which he or she serves;
4. recognize and support opportunities to improve the efficiency and integrity of the marketplace; to build support for the FX Global Code and the development of new or revised recommendations and publications by engaging with his or her member firm's executive management and colleagues;
5. participate in Committee work and to volunteer the resources of his or her institution to support the Committee's projects and general needs; in addition, sell-side members will be assessed periodically, to cover outside legal counsel, accountant, bank account or similar fees as arise in connection with Committee projects; and
6. reaffirm adherence to the Charter and to the Committee's Antitrust Guidelines at least annually.

Procedures

Meetings:

1. The Committee will meet at least six times per year. The meetings will follow a specified agenda; however, the format of the discussion will be informal. In addition to regularly scheduled meetings, a meeting of the Committee may be requested at any time by five or more members.
2. Members are expected to attend all meetings in person. Alternates cannot be sent to meetings. Meetings of the Committee will be held either at the New York Fed or at other member institutions, or elsewhere as agreed by the Committee.
3. The secretariat will keep minutes of each meeting to include, at a minimum: (i) a list of attendees; (ii) a brief description of the topics discussed; and (iii) resolutions or other decisions reached, as necessary. Draft minutes will be circulated to members as soon as practicable following each meeting. Members may register objections to the draft minutes by notifying the secretariat. The Committee will adopt final minutes after addressing any objections that

have been raised. The secretariat shall keep a copy of all adopted minutes, and shall publish final minutes on the FXC website.²

Working Groups:

1. Standing working groups may include an Operations Managers Working Group and other groups as needed. These working groups will be composed of market participants with an interest and expertise in projects assigned by the Committee, but membership decisions rest with the New York Fed. Meeting agendas and summaries will be posted to the FXC website for any standing working groups.
2. Committee members will be designated as working group liaisons. The liaison's role is primarily one of providing guidance to the working group members and fostering effective communication between the working group and the Committee. In addition, a New York Fed representative will be assigned as an advisor to each working group.
3. The Committee may designate additional *ad hoc* or standing working groups to focus on specific issues. Depending on the agenda of items to be discussed, the Committee may choose to invite other institutions to participate in working groups and otherwise in discussions and deliberations.

Recommendations and Publications:

Any recommendation the Committee wishes to make on market-related topics will be discussed and decided upon by the Committee. Any recommendation or issue paper agreed to by the Committee will be distributed not only to member institutions, but also to the broader public, via the Committee's website or other means.

² See <http://www.ny.frb.org/fxc/meetingagenda/>

Antitrust and Confidentiality Guidelines

1. The Committee has adopted Antitrust Guidelines. Members are expected to follow those Guidelines and to ensure that their deliberations and communications do not violate either the spirit or the letter of state and federal antitrust laws. A representative of the New York Fed's Legal Department will attend all Committee meetings to assist in this effort.
2. Participation by New York Fed staff members is subject to the New York Fed's Code of Conduct and Policy 1.2 ("Communicating with the Public") as well as the Federal Open Market Committee (FOMC) Policy on External Communications of Federal Reserve System Staff and other rules. Staff members are prohibited from discussing material non-public or confidential supervisory information with members of the Committee. Opinions expressed or statements made by New York Fed staff in the course of the Committee's activities are solely those of the participant and do not necessarily reflect the views of the New York Fed or the Federal Reserve System. FXC recommendations and publications represent the views of its private-sector members.