

# MEMBERSHIP SUBCOMMITTEE REPORT

**T**he Membership Subcommittee advises the Federal Reserve Bank of New York on potential candidates for Committee membership, makes recommendations regarding Committee assignments, and considers changes to the Committee's organizational structure. Given the rapid evolution of the foreign exchange market, the Subcommittee also evaluates the composition of the Committee to ensure the fair representation of all interests in the market at all times. In recent years, the Committee has added representatives from the electronic broking community and from foreign exchange dealers other than banks and investment banks. As part of the Committee's ongoing efforts to establish more formal links with other market constituencies, in 1997 the Subcommittee discussed whether at some point members of the customer community—such as sophisticated corporations or hedge funds—should be considered for membership. At present the Committee agreed to invite representatives from non-intermediaries to individual meetings when their perspective could make a valuable contribution to the Committee's work.

In January 1997, the Committee approved a revised "Document of Organization" that includes several changes to its organizational structure. As part of this reorganization, the Committee disbanded its standing subcommittees in risk management, market structure, and trading practices, and decided to organize instead around adhoc working groups formed in response to particular issues as they arise. The Committee maintained the Membership Subcommittee as its only standing subcommittee.