



Works in Progress for 2010

During 2009, members of the Foreign Exchange Committee and its Buy-Side Subcommittee participated in three work streams, addressing foreign exchange market structure, risk management in foreign exchange, and Foreign Exchange Committee communications.

The efforts of the work stream on foreign exchange market structure culminated in the November 2009 release of *Overview of the OTC Foreign Exchange Market: 2009* on the Committee's website. The document highlights elements of the market structure that helped support the foreign exchange market's operation during the recent financial turmoil. It also identifies opportunities for further improvement.

In 2010, efforts of the other work streams remain active. The work stream on risk management in foreign exchange has reviewed current best-practice guidance and noted opportunities to refine guidance in light of lessons learned during the recent period. The Committee expects to draft and publish updated language accordingly. In addition, the Foreign Exchange Committee communications work stream has provided a set of recommendations for improving the Committee's external and internal communications going forward.

Finally, as legislative proposals on regulatory reform continue to take shape in the United States and abroad, Committee members will stay abreast of these developments and work to provide effective guidance in support of a robust and efficient global foreign exchange market.

Efforts of the Working Groups

The Chief Dealers Working Group will continue to support publication of the Survey of North American Foreign Exchange Volume. The group will also assist the Committee by providing relevant and timely best-practice guidance on foreign exchange trading activities.

The Operations Managers Working Group will review the current set of best practices for managing operational risk in foreign exchange. Additionally, it will continue to promote efforts to further increase automation and straight-through processing of foreign exchange option confirmations, consistent with commitments being made to the supervisors of major dealers in over-the-counter derivatives.