



Minutes of the Foreign Exchange Committee Meeting

Meeting, May 14, 2015

Host: JP Morgan

FXC Attendees:

ADNAN AKANT	Fischer Francis Trees & Watts
ANTHONY BISEGNA	State Street
ROBERT BOGUCKI	Barclays
HARI HARIHARAN	NWI Management
TAHREEM KAMPTON	Microsoft
RUSSELL LASCALA	Deutsche Bank
GIL MANDELZIS	EBS
DAVID PUTH	CLS
PAUL RICHARDS	UBS
TROY ROHRBAUGH	JP Morgan Chase
CHRISTOPHER TAENDLER	Goldman Sachs
KOICHI TAKENAKA	Mizuho
PHIL WEISBERG	Thomson Reuters

Federal Reserve Bank of New York Attendees:

CHRISTINA GETZ
LORIE LOGAN
JAMIE PFEIFER
SIMON POTTER
MICHAEL NELSON, Counsel



1. The Economic Consultative Committee and the Markets Committee Process

Simon Potter updated the FXC on the [statement from the Economic Consultative Committee](#) (ECC) that announced that the Bank for International Settlements (BIS) agreed to set up a working group under the auspices of the Markets Committee (MC) to facilitate the establishment of a single global code of conduct standards and principles in the FX market. He noted that the BIS welcomed the current best practices efforts from regional foreign exchange committees and that the working group will help coordinate and strengthen the efforts agreed to at the [Global Foreign Exchange Committee meeting](#) in Tokyo. Those efforts include work to discuss the scope for further harmonization of the various codes of conduct adopted by the committees and work to examine ways to promote consistent adherence by FX market participants to the Global Preamble and various codes of conduct.

Private sector members discussed the announcement and the benefit of working towards a single global code. Such members questioned the process for the effort and the role of the FXC in regards to the MC working group. Simon Potter noted that the FXC will continue to develop best practice topics and that their work will be a direct input into the global process. He noted the importance of the FXC and market participants in developing effective best practices.

2. FXC Governance

Simon Potter discussed proposed changes to the [FXC charter](#) to reflect that the current and future work of the Committee will be primarily focused on the development and implementation of best practices. The FXC will also continue to provide insight to the FRBNY on FX market conditions. Simon Potter noted that to further support the best practices effort, the charter includes new language that expands FXC membership to incorporate individuals with perspectives and expertise in trading, operations, legal and compliance roles directly on to the Committee.

Private sector members discussed the changes to the charter and also the various range of views and backgrounds of potential members that could be beneficial to the Committee's ongoing work. One way to increase the range of views on the Committee could be to fill future openings with candidates with varying backgrounds. Another way to increase the range of views could be to form a standing working group of compliance managers to complement the existing Operations Managers Working Group. Private sector members also noted that continued collaboration between the FXC and the Financial Markets Lawyers Group will be beneficial for work going forward. Changes to the charter also promote greater consistency between the charters of the FXC and the [Treasury Markets Practices Group](#).

3. FXC Best Practices efforts

The Chair discussed the ongoing FXC best practices efforts and identified topics for the Committee to potentially develop guidance around. The topics were narrowed down from the largest list of potential topics discussed at the [prior FXC meeting](#). Private sector members discussed issues around the topics and various strategies for the Committee to organize to work on such issues.

4. Implementation of FSB recommendations for FX Benchmarks

The Chair indicated that a survey was sent to the FXC in response to the [request from Mark Carney, Chair of the FSB](#), asking that the FXC assist in monitoring market participants' progress in implementing the FSB recommendations for FX benchmark reform. Private sector members acknowledged receiving the survey and their intention to complete the questions and return it to the FXC secretariat.



5. Market discussion

The Committee discussed financial market developments and current themes in the market that are potentially influencing price action in the foreign exchange market. Private sector members discussed the recent weaker-than-expected U.S. economic data and the impact of the data on their outlooks for U.S. monetary policy. Such members also discussed financial market conditions in Europe and particularly the European Central Bank's current asset purchase program and overall stance on monetary policy. Private sector members also discussed weaker-than-expected economic data in China and uncertainty around the current economic environment in China.

6. Other business

The Chair noted that the next meeting is scheduled for July 8 at 4:00 PM and will be the annual joint meeting of the FXC and the OMWG. The meeting will be hosted by Goldman Sachs.