



F M L G | F I N A N C I A L M A R K E T S L A W Y E R S G R O U P

Meeting Minutes

Wells Fargo & Co.

150 E 42nd Street

24th Floor

Thursday, September 6, 2018

8:30 a.m. – 10:00 a.m. (New York time)

Present: Syed Riaz Ali (by phone), Sarah Ashkenazi, David Buchalter (by phone), Martha Burke, Terence Filewych, Jill Hurwitz (by phone), Glade Jacobsen (by phone), Robert Klein (by phone), Matthew Lillvis, Nancy Rigby (by phone), Jeffrey Saxon, Lisa Shemie, David Trapani, and Bryan Woodard

Federal Reserve Bank of New York (“FRBNY”) participants: Christina Getz, Michael Nelson, and Thomas Noone

Other participants: Chinedu Ezetah (Citigroup, by phone)

Charter revisions

FMLG Secretary Thomas Noone opened a discussion of proposed revisions to the Articles of Association. FMLG Chair Michael Nelson asked members to consider the proposed changes before the October meeting, when they would vote on the revisions.

EU benchmark regulation and administrator registration

Terence Filewych reported that the benchmark rate sources for eight currencies are published by a local administrators that have not received approval or an exemption from EU regulators in order to be used in currency contracts involving covered EU counterparties after January 2020. The lack of approval could lead to a market fragmentation in non-deliverable forward contracts that incorporate those benchmark rates. Mr. Filewych reviewed possible public sector and private sector solutions. Members discussed the relative merits of the various solutions, the solutions most likely in some jurisdictions, the lack of transparency into others, and the involvement of various trade associations. Mr. Nelson suggested that the New York Fed pursue informal conversations with foreign central banks responsible for the affected currencies.

Universal stay protocol

FMLG Treasurer Martha Burke updated the members on a proposed statement from the FMLG and FXC informing market participants about a Universal Stay Protocol to be published by the International Swaps and Derivatives Association. Members discussed how the statement would be received by various segments of the market. Mr. Nelson advised that the FMLG should publish the letter after the Foreign Exchange Committee (“FXC”) had a reasonable amount of time to consider whether it would join as a co-author.

FXC legacy best practices

FXC Secretary Christina Getz updated the members on the FXC’s review of best practices that the FXC and FMLG issued prior to the publication of the FX Global Code. Members discussed what language should accompany documents moved to an on-line archive, and possible misperceptions about “archiving” documents that remain helpful to market participants. In particular, members cautioned that some documents address issues that arise infrequently and are not covered by the FX Global Code—for example, prior statements about barrier options.

2019 Quadrilateral update

Mr. Noone asked members for ideas for the agenda for the 2019 Quadrilateral, and how the FMLG could best communicate the importance of attending the meeting to member firms. A brief discussion followed.

August 2018 revisions to FX Global Code

Ms. Getz summarized changes to the August 2018 edition of the FX Global Code. Members discussed the examples of pre-hedging in light of the criminal charges brought in *United States v. Johnson*, which is on appeal to the United States Court of Appeals for the Second Circuit. FMLG members requested that the discussion of that case continue at the next meeting.

Opinion project update

David Buchalter, Chair of the FMLG Documentation and Legal Opinions Working Group (“Opinions Working Group”), provided the group with an update on the status of the opinion project. Twenty-four opinions were final, and three were under review. An opinion from one jurisdiction remained outstanding.

Administrative matters

Ms. Burke gave a brief update on the group's finances.

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