



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

By Teleconference

Thursday, October 7, 2021

8:30 a.m. – 9:30 a.m.

Members present: Sarah Ashkenazi, James Brown, Maria Douvas-Orme, Chinedu Ezetah, Terence Filewych, Jill Hurwitz, Amelia Kaufman, Robert Klein, Matthew Lillvis, Nancy Rigby, Jeffrey Saxon, Lisa Shemie, David Trapani, James Wallin, and Frank Weigand

Federal Reserve Bank of New York (“New York Fed”) participants: James Bergin, Thomas Noone, and Janine Tramontana

Other participants: Mary Breslin (Deutsche Bank), Jeffrey Lillien (Wells Fargo), and Annette Maluenda (Barclays)

FMLG present and future

FMLG Chair Jim Bergin initiated a discussion about the FMLG’s current operations and options for continuing or ending the committee going forward. Members offered views on, among other issues, the FMLG’s purpose, work with the Foreign Exchange Committee (“FXC”), administrative burden, and other industry groups that cover legal issues in the global foreign exchange market. Members offered an historical perspective on the FMLG’s creation and pointed out ways that issues covered by the FMLG differ from other groups. Members also offered suggestions for future areas of focus, including cryptocurrencies (especially central bank digital currencies), and emphasized the value of a diversity of views.

Membership update

Mr. Bergin announced that Syed Ali and Frank Weigand were stepping down from the FMLG, and that Lisa Shemie would continue her service after she moves to a new employer.

Settlement risk: continuation from the Quadrilateral

David Trapani continued a discussion he began at the third session of the 2022 Quadrilateral meeting about changes to settlement risk in the global foreign exchange market. He highlighted that the proportion of trades settled using a payment-versus-payment (“PVP”) method had fallen from 50% in 2013 to 40% in 2019. This occurred at the same time as the percentage of emerging market trading had grown to 25% of global turnover. A discussion ensued about possible expansion of PVP in line with recommendations in the FX Global Code, and about ongoing efforts to include more emerging market currencies in PVP settlement.

Guidance on the FX Global Code

FMLG Secretary Thomas Noone directed members attention to an August 2021 paper about last look published by the Global Foreign Exchange Committee (“GFXC”), and requested feedback on the posture of guidance on the FX Global Code. A discussion ensued on the status of “hold times” in light of the last look paper, the use of guidance as a persuasive authority, recent public comments by former GFXC Chair Guy Debelle, further development of the concept of proportionality, and the treatment of the Code by regulators.

Administrative matters

Ms. Hurwitz gave a brief update on the group’s finances.

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