

**2021 Quadrilateral Conference Minutes – First Session**

*by video conference*

Thursday, March 4, 2021

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

On March 4, 2021, the Financial Markets Lawyers Group (“FMLG”) hosted the first session of the 2021 Quadrilateral Conference (“Quadrilateral”), an annual meeting of the FMLG, the Financial Markets Law Committee (“FMLC”), the Financial Law Board (“FLB”), and the European Financial Markets Lawyers Group (“EFMLG”). An agenda and a list of participants are available on the FMLG’s public website.

FMLG Chair Michael Nelson welcomed all participants to the Quadrilateral, especially members of the FMLC, FLB, and EFMLG. FMLG Secretary Thomas Noone reviewed conference procedures.

The first panel addressed transitions from Inter-Bank Offered Rates (“IBORs”) to other benchmark rates. FMLG member Martha Burke served as moderator. Presentations covered recent work by the Federal Reserve Bank of New York’s Alternative Reference Rate Committee (“ARRC”) to facilitate a smooth transition away from USD London Inter-Bank Offered Rate (“LIBOR”); legislation reforming legacy contracts governed by New York law; developments in the eurozone relating to benchmark reform of the Euro Overnight Index Average (“EONIA”) and the Euro Interbank Offered Rate (“EURIBOR”); and the market developments in Japan. A question-and-answer session followed, which included discussion of potential federal and state legislative solutions in the United States, litigation risks in the US and eurozone, and near-term challenges for market participants in the US, eurozone, and Japan.

The second panel addressed a variety of cross-border issues affecting derivatives and FX markets. FMLG member Lisa Shemie moderated the discussion. Panelists shared observations on the European Union’s banking regulations and third-country equivalence; post-Brexit equivalence for central counterparties (“CCPs”) and other market participants; recognition of third-country CCPs by the European Securities and Markets Authority (“ESMA”); various political and economic considerations in constructing an optimal framework for equivalence; and disclosure regulations related to sustainable finance and their effects on buy-side firms.

The third panel addressed the risks and regulation of digital currencies, especially central bank digital currencies. FMLG member Jeffrey Saxon served as moderator. The basis for the panel discussion was a paper entitled “Regulating Digital Currencies: Towards an Analytical Framework.” Its author, Professor Steven Schwarcz of Duke Law School, provided an overview of his paper before taking questions from the panelists, who also offered insights on the different approaches taken by US, UK, and EU authorities.

Mr. Noone concluded the first session of the Quadrilateral by thanking presenters and other participants for joining. The next session of the Quadrilateral will take place on Thursday, June 3, 2021 at 8:00 a.m. (New York time).

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