



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 Video Conference

Thursday, February 3, 2022

8:30 a.m. – 9:30 a.m.

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

Federal Reserve Bank of New York (“New York Fed”) participants: James Bergin, Catherine Kung, Thomas Noone, Rosanne Notaro, Sanja Peros, M. Benjamin Snodgrass, Joseph Torregrossa, and Jennifer Wolgemuth

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

Annual antitrust reminder

FMLG Secretary Thomas Noone reminded members to review the FMLG’s Articles of Association and the New York Fed’s Antitrust Guidelines for Members of the Federal Reserve Bank of New York’s Advisory and Sponsored Groups (“Guidelines”), copies of which are available on the [FMLG’s public website](#). He asked members to raise any concerns about anti-competitive conduct either directly to New York Fed staff or through the Bank’s integrity hotline (1-877-52-FRBNY or 1-877-523-7269).

Stablecoin regulation

Steven L. Schwartz, the Stanley A. Star Distinguished Professor of Law & Business at Duke Law School, presented a paper entitled “[Regulating Global Stablecoins: A Model-Law Strategy](#).” The paper compares two approaches for regulating the cross-border use of stablecoins: international treaty and a model law. It argues that a model law is the more advantageous path, and proposes key features for the design of such a law. In the discussion that followed Professor Schwartz’s presentation, members asked questions and offered views on various issues, including the relationship of private (commercial) and public (regulatory) law, the

status of cryptocurrencies as “legal tender,” the relationship of stablecoins and central bank digital currencies, the monetary policy consequences of runs and other disruptions in widely-used stablecoins, and the risks of stablecoins displacing fiat currency in emerging markets.

Ukraine

Terence Filewych led a discussion of developments in the global foreign exchange market related to a possible Russian invasion of Ukraine and drew attention to [December 2020 guidance from the International Swaps and Derivatives Association, Inc. \(“ISDA”\)](#) about addressing sanctions issues in standard industry documentation. Members discussed news reports about the scope of potential legislation and sanctions that would limit currency trading, especially dollar-ruble transactions.

Disruption events

Jeffrey Lillien then introduced a related discussion about the further development of market standards relating to disruption events in deliverable currencies. Members raised, among other issues, the conversion of spot contracts to swaps, the application of margin requirements, other products eligible for conversion (*e.g.*, physically-settled forward contracts), the criteria for declaring a disruption event, and fallback rate sources. Members noted that other industry groups, including ISDA, Global Financial Markets Association (“GFMA”), and the Emerging Markets Traders Association (“EMTA”) are critical stakeholders in a broader industry discussion.

Future FMLG topics

FMLG Chair James Bergin continued a discussion from the previous meeting about topics of interest for the FMLG in 2022.

Quadrilateral update

Mr. Noone reported that the European Financial Markets Lawyers Group (“EFMLG”) had requested suggestions for the agenda of the 2022 Quadrilateral meeting—an annual gathering of the FMLG, the EFMLG, and its sister groups the Financial Markets Law Committee in London and the Financial Law Board in Tokyo. He asked members to suggest ideas and to volunteer as speakers.

Administrative matters

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

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