



## Minutes of the Joint Foreign Exchange Committee and Operations Managers Working Group Meeting

Meeting, July 8, 2015

Host: Goldman Sachs

### FXC Attendees:

ADNAN AKANT	Fischer Francis Trees & Watts
ANTHONY BISEGNA	State Street
ROBERT BOGUCKI	Barclays
ROBERT CATALANELLO	Credit Agricole CIB
PETER CONNOLLY	Wells Fargo
JOSE LUIS DAZA	QFR Capital Management
MOHAMMED GRIMEH	Standard Chartered
HARI HARIHARAN	NWI
RUSSELL LASCALA	Deutsche Bank
GIL MANDELZIS	EBS
MICHAEL O'BRIEN	Eaton Vance
REBECCA PATTERSON	Bessemer
SENAD PRUSAC	Morgan Stanley
TROY ROHRBAUGH	JP Morgan Chase
DANIEL SILBER	HSBC
CHRIS TAENDLER	Goldman Sachs
CHRIS VOGEL	Blackrock
PHIL WEISBERG	Thomson Reuters

### OMWG Attendees:

JAMES ANDREWS	JP Morgan
KATHY ANDREWS	Bank of America Merrill Lynch
MICHAEL DEBEVEC	Blackrock
STEPEHEN DOBSON	Deutsche Bank
ROB DUFF	HSBC
ROB EBY	Wells Fargo
ANTHONY GHIBESI	Standard Chartered
COURTNEY GRAHAM	Eaton Vance
JORGE HIDALGO	Barclays
MARK KAUFMAN	JP Morgan
DANIEL LENNON	CLS
TAHIR MAHMOOD	Wells Fargo
RICHARD MALING	State Street
ARIS MORALES	JP Morgan
SUSAN PAGE	Credit Suisse
LUKE POLLOCK	Citigroup
TONY ROCCHIO	Bank of New York Mellon
KEN ROZYCKI	Brown Brothers Harriman
DANIEL SMITH	Morgan Stanley
JAMES WALLIN	Alliance Bernstein



## **Federal Reserve Bank of New York Attendees:**

CHRISTINA GETZ  
JANET HAWKINS  
ANNA NORDSTROM  
JAMIE PFEIFER  
SIMON POTTER  
LISA KRAIDIN, Counsel  
MICHAEL NELSON, Counsel

### 1. Welcome

The FXC Chair, Troy Rohrbaugh, welcomed members from the Foreign Exchange Committee and the Operations Managers Working Group (OMWG). Simon Potter also welcomed members from the FXC and OMWG and discussed the important role that the FXC and OMWG will have in the development and implementation of best practices going forward. He noted that the FXC and OMWG work will continue to focus on best practices and the output of this work will be directed towards the single global code of conduct standards and principles in the FX market under the [BIS Markets Committee working group](#). The best practices work already completed will be an important input into the development of the single global code.

### 2. FXC and OMWG update

The FXC Chair provided an update on the adoption of the proposed changes to the FXC charter that were discussed at the [May FXC meeting](#). The updated charter includes changes to reflect that the current and future work of the Committee will be primarily focused on development and implementation of best practices and that FXC membership will aim to incorporate individuals with trading, operations, legal and compliance perspective and expertise going forward.

The FXC Chair thanked members for their participation in the [FSB FXBG implementation survey](#). Private sector members completed a survey on the status of their progress of the implementation of the FSB recommendations for FX benchmarks. The survey responses will be submitted to the Financial Stability Board secretariat by July 31 and Guy Debelle, chair of the FSB's FX Benchmarks Working Group, will lead work on collating the committees' responses.

James Wallin, co-chair of the OMWG, updated the group on changes implemented for the OMWG at the beginning of the year. The changes related to reducing the number of meetings per year and requiring in-person attendance at meetings, rather than allowing dial-in participation. James Wallin also discussed the continued focus of the OMWG on the impact of regulatory changes on FX operations.

Rob Eby, co-chair of OMWG, provided an update on other work of the OMWG, noting that group remains focused on best practices and recently updated the [60 Best Practices for Management of Operational Risk in Foreign Exchange](#) or the "Sixty Best Practices." Rob Eby also discussed potential future OMWG work around identifying areas in FX operations where manual processes still occur and developing guidelines to reduce operational risk around those processes.



### 3. Update on the FMLG Quadrilateral Meeting

Michael Nelson provided an update on the annual Quadrilateral meeting held in Frankfurt, Germany on June 24 and June 25. The meeting included financial markets lawyers groups sponsored by the European Central Bank, Bank of England, Bank of Japan and Federal Reserve Bank of New York. Topics discussed at the meeting included the legal implications of recent FX market developments such as the legal and liquidity issues following policy action by the Swiss National Bank and the capital markets union in Europe.

### 4. Fair and Effective Markets Review Final Report

Members noted the release of the [Fair and Effective Markets Review Final Report](#) in June. Specific reference to some of the FXC's work was highlighted and members discussed areas of the report regarding the development of standards around FX market conduct and trading practices.

### 5. Market discussion

The Committee discussed developments in Greece and the potential for the country and its creditors to reach an agreement to avert a Greek exit from the euro area. Private sector members noted that price action driven by recent events in Greece was relatively muted. Such members attributed the subdued reaction in financial markets to a reduction in exposure to Greek debt by many market participants over the past few years. Private sector members also discussed the risk of contagion in the event of a Greek exit.

Private sector members discussed the significant decline in the Shanghai Composite Index and the broader implications of the equity market correction. Such members also discussed implication of a slowdown in China's economic outlook for the United States, other developed economies as well as emerging market economics. The Committee discussed their outlook for the path of U.S. monetary policy and the potential impact of events in Europe and China on the timing of potential policy normalization.

### 6. Other business

The next OMWG meeting is scheduled for September 3 at 3:00 PM and hosted by the Federal Reserve Bank of New York.

The next FXC meeting is scheduled for October 1 at 4:00 PM and hosted by Thomson Reuters.