



Minutes of the Foreign Exchange Committee

Meeting, March 26, 2014

Host: HSBC

ADNAN AKANT	Fischer Francis Trees & Watts
ANTHONY BISEGNA	State Street
TIM CARRINGTON	RBS
JOSE LUIS DAZA	QFR Capital Management
DANIEL GLEIZER	Banco Itau BBA
HARI HARIHARAN	NWI
MOTI JUNGREIS	TD Bank
RUSSELL LASCALA	Deutsche Bank
REBECCA PATTERSON	Bessemer
SENAD PRUSAC	Morgan Stanley
DAVID PUTH	CLS
PAUL RICHARDS	UBS
TROY ROHRBAUGH	JP Morgan Chase
DAVID RUSATE	GE
DANIEL SILBER	HSBC
KOICHI TAKENAKA	Mizuho
CHRIS VOGEL	Blackrock
PHIL WEISBERG	Thomson Reuters
JOSE LUIS YEPEZ	Citigroup

Federal Reserve Bank of New York Attendees

CHRISTINA GETZ
JAMIE PFEIFER
SIMON POTTER
MICHAEL NELSON, Counsel



1. Membership update

The FXC Chair, Troy Rohrbaugh, noted that candidates had been asked to join the FXC, effective this meeting. Those members –Russell Lascala of Deutsche Bank, Senad Prusac from Morgan Stanley and Jose Luis Yopez from Citigroup—introduced themselves to the Committee.

2. Update on FXC workstreams

Rebecca Patterson provided an update on the group examining the FX liquidity landscape. Ms. Patterson posed several questions related to FX liquidity for the Committee to consider in future discussions on this topic, such as how to measure liquidity in the FX market and how liquidity has changed over time. Private sector members considered the questions and some noted the various ways that they characterize liquidity at their respective firms. Such members discussed the format and potential audience for the ultimate output from this workstream and agreed to continue discussion of the topic at future meetings.

3. Member presentation on Guidelines for Foreign Exchange Trading Activities

Phil Weisberg reviewed the FXC [Guidelines for Foreign Exchange Trading Activities](#) with the group, walking through the various sections of the document. Private sector members noted that certain areas have a significant level of detail, while others have a more high-level focus. Such members discussed what the appropriate level of detail is for a best practice document.

The group noted more specific topics that merit further discussion, such as order handling, hedging, disclosure policies, and use of social media in the industry. The Committee agreed that the handling of orders would not be addressed in the near-term given ongoing enforcement developments in the FX market around that topic. The Committee also agreed that any modifications or updates should be informed by a global perspective and represent both sell-side and buy-side market participants.

4. FX market impact of SEFs

The Chair facilitated discussion on the potential FX market impact of SEFs. Private sector members discussed their experiences with the implementation of SEFs in interest rate and credit market products to begin discussion of the potential impact of SEFs in the NDF market. Such members noted operational difficulty in the implementation of SEFs in credit products, primarily driven to technical issues and the need for increased coordination among market participants. Private sector members are looking ahead to various important developments on the subject, including the timing of the Made Available for Trade (MAT) determination for NDFs.

5. Market discussion

Private sector members discussed recent market developments including reactions to the March FOMC meeting and press conference. Such members also discussed potential financial market implications of an escalation of the dispute between Russia and Ukraine, and economic sanctions against Russia. Additionally, private sector members discussed the economic outlook for China and positioning in emerging markets.



6. Other business

David Puth informed the group on two items pertaining to CLS. The first item was that CLS continues to work towards adding the Russian ruble to the universe of currencies settled through CLS in November. The second item was to make the Committee aware of a pending Supreme Court case about technology patents involving CLS.

The next meeting for the FXC is scheduled for Wednesday, May 21 at 4:00 PM and will be hosted by Standard Chartered.