



Minutes of the Foreign Exchange Committee Meeting

Meeting, October 13, 2016

Host: Barclays

FXC Attendees:

ADNAN AKANT	Fischer Francis Trees & Watts
ANTHONY BISEGNA	State Street
ROBERT BOGUCKI	Barclays
JOSE LUIS DAZA	QFR Capital Management
MARIA DOUVAS	Morgan Stanley
ROBERT EBY	Wells Fargo
HARI HARIHARAN	NWI
RUSSELL LASCALA	Deutsche Bank
DENIS MANELSKI	Bank of America Merrill Lynch
MICHAEL O'BRIEN	Eaton Vance
DAVID PUTH	CLS
TROY ROHRBAUGH	JP Morgan
JODI SCHENCK	Citi
CHRIS TAENDLER	Goldman Sachs
CHRIS VOGEL	Blackrock
PHIL WEISBERG	Thomson Reuters

Federal Reserve Bank of New York Attendees:

CHRISTINA GETZ
BINU JOHNSON
ANNA NORDSTROM
SIMON POTTER
JAMIE PFEIFER
BENJAMIN SNODGRASS, Counsel



1. FXC Compliance Workshop

The FXC hosted a Compliance Workshop on September 20 at the Federal Reserve Bank of New York. Compliance professionals from buy-side and sell-side firms and market infrastructure providers attended the event. The workshop focused on relevant compliance topics such as FX risk mitigation frameworks including the three lines of defense framework. Workshop attendees discussed approaches to implementation of the three lines of defense model and how that implementation varies across institution types. Another workshop topic included how to manage compliance risk in the FX market. Workshop attendees discussed how their institutions manage compliance risk through various channels such as trading desk setups, training of staff, addressing conflicts of interest and escalating suspicious activity.

2. Update on the work sponsored by the BIS' Markets Committee Foreign Exchange Working Group

Private sector members discussed feedback on draft materials related to the second phase of [ongoing work](#) to develop a new FX Global Code. They discussed feedback that emerged during their review of topics in the risk management and compliance, governance, execution and prime brokerage sections of the draft. Private sector members provided comments for consideration in the next draft. The Committee remains engaged in the Global FX Code development process and will provide feedback on draft materials as appropriate going forward.

3. Market Discussion

Private sector members discussed events in the FX market such as the sharp price action in the British pound against the US dollar at the start of the Asian trading session on October 6. They discussed various factors that could have contributed to the price action and indicated that there was not one clear cause for the move. Some factors included the triggering of stop-loss orders and barrier option levels, algorithmic-based trades that perhaps exacerbated the volatility, retail driven flows and thin liquidity conditions at the time of the event.

4. Other business

The next FXC meeting is scheduled for December 15 at 12:00 PM and will be hosted by JP Morgan.