

Foreign Exchange Joint Standing Committee - Legal Sub-committee: Terms of Reference

Date adopted: 18 September 2017

The Foreign Exchange Joint Standing Committee – Legal Sub-committee (the “Legal Sub-committee”) was established by the Foreign Exchange Joint Standing Committee (“FXJSC”) to provide expert advice on the legal aspects of the wholesale foreign exchange market in the UK (the “FX Market”). The Legal Sub-committee is comprised of senior in-house lawyers from institutions active in the FX Market, infrastructure providers, industry associations and the relevant UK public authorities.

The Legal Sub-committee will:

- Meet to discuss legal issues and developments that may have a direct or indirect impact on the FX Market. Report to the FXJSC and the FXJSC Operations Sub-committee, as appropriate, on their potential or actual implications for market practices and, where appropriate, propose potential responses to them.
- Provide the FXJSC and the FXJSC Operations Sub-committee with legal support on topics being considered by the FXJSC or the FXJSC Operations Sub-committee.
- Advise the FXJSC on legal matters related to the objectives of the Global Foreign Exchange Committee (GFXC)¹, including those related to promoting and maintaining the Foreign Exchange Global Code (the ‘Code’) as well as facilitating adherence to the Code in the UK.
- Liaise, where appropriate, with other similar legal committees covering both the foreign exchange and other financial markets, both in London and in other financial centres

The Secretariat of the Legal Sub-committee will:

- Produce minutes of the Legal Sub-committee’s meetings. These will be reviewed and confirmed by members at the next meeting and will be published on the Bank of England website shortly after. The Secretariat is provided by the Legal Directorate of the Bank of England.

¹ <http://www.globalfxc.org/>

Membership and Procedures

- The Legal Sub-committee shall comprise experienced senior in-house lawyers from institutions active in the FX Market, infrastructure providers, representatives from industry associations and the relevant UK public authorities (of which the FCA shall have a standing invitation to attend as a member).
- The Legal Sub-committee is typically chaired by a member of the committee appointed by the FXJSC. The Chair and the Secretariat of the Legal Sub-committee have a standing invitation to attend meetings of the FXJSC.
- Membership of the Legal Sub-committee shall be determined by the Chair and the Secretariat in consultation with the Chair of the FXJSC to ensure the FX Market is represented through the membership of its committees.
- Members are invited to contribute with a view to furthering the interests of the FX Market, rather than representing the interests of their individual institutions. Membership is dependent on individuals having relevant expertise to be able to contribute to discussions, committing their own time, and providing adequate resources to support the objectives of the Legal Sub-committee.
- Generally membership is on an individual rather than on an institutional basis. Therefore, a member who steps down cannot automatically pass on their seat to a replacement within their institution.
- Where relevant, members are expected to come from firms that conduct their FX Market activities in a manner consistent with the principles of the Code, and demonstrate their commitment by using the Statement of Commitment provided in Annex 3 of the Code.²
- The Legal Sub-committee aims to meet at least quarterly. Members should aim to attend all Legal Sub-committee meetings. They should contact the Secretariat if they are unable to attend a meeting. Each member may nominate an alternate who can participate in contingency arrangements if needed. However, alternates should not normally attend meetings, unless by prior arrangement with the Chair and the Seretariat.
- Members of the Legal Sub-committee should be mindful of the competition law guidelines provided to all members.

² Existing members' firms will be expected to demonstrate their commitment before end-May 2018 (reflecting a transition period of 12 months following the Code's publication).