

# FOREIGN EXCHANGE JOINT STANDING COMMITTEE

Wednesday 27<sup>th</sup> June 2007

## MINUTES

### **Committee Members Attending**

Paul Fisher	Bank of England, Chair
Marcus Browning	Citi
Rob Loewy	Bank of China
Matthew Spicer	Credit Suisse
Andrew Brown	HSBC
Richard Gladwin	Lehman Bros
Richard Gill	Bank of New York
Michael Kahn	State Street
Kazuki Fukunaga	Bank of Tokyo Mitsubishi UFJ
Darren Coote	UBS
Phil Weisberg	FXAll
Brian Welch	ACT
Alex Merriman	BBA
Stewart Lloyd-Jones	WMBA
Jacqueline Joyston-Bechal	Bank of England, Secretary, Legal subgroup
Sumita Ghosh	Bank of England, Secretariat
Mika Inkinen	Bank of England, Secretariat

### **Other attendees**

David Bailey	FSA
Martin Zinkin	Lehman Brothers
Angus Greig	Deutsche Bank and Chief Dealers Group
Danny Wise	Barclays and Chief Dealers Group
Jamie Thorsen	BMO and New York & Canadian Foreign Exchange Committees
James O'Connor	Bank of England

### **Apologies**

Christiane Mandell	Bank of America
Ivan Ritossa	Barclays
Henri Foch	BNP Paribas
Leigh Meyer	Citi
Heather Pilley	FSA
Harry Culham	Merrill Lynch
Peter Nielsen	RBS
Marcus Nysten	SEB
Darren Coote	UBS
James Potter	Tullet Prebon

**1. Apologies for absence and welcome to the meeting**

The chair welcomed Richard Gill from the Bank of New York to his first meeting and announced the appointment of Harry Culham from Merrill Lynch to the committee. He also welcomed Jamie Thorsen of the Bank of Montreal as a representative from the US and Canadian Foreign Exchange Committees and Martin Zinkin from Lehman Brothers as a guest speaker.

**2. Minutes of the 16 May 2007 meeting and matters arising**

The minutes of the previous meeting, 16 May 2007, were agreed. There were no matters arising.

**3. Algorithmic Trading: Presentation by Martin Zinkin – Lehman Brothers**

Martin Zinkin presented on the topic of FX market automation. The presentation covered the impact of algorithmic trading on market liquidity and dynamics, the development of algorithmic trading, and the consequences of automation. (Automated trading being used for a variety of purposes. These included best execution across platforms as well as for programme trading). Contrasts were drawn between developments in the FX Market and the Equities market. The presentation was followed by a discussion with the committee.

**4. Update on Overseas Committees**

Jamie Thorsen, a member of the US and Canadian Foreign Exchange Committee (FXC) explained that a number of buy-side firms had expressed an interest in joining the FXC and that a new retail sub committee was being formed. There had been concern expressed about the possible impact from a regulatory point of view on the FX markets if retail sector market participants were subject to mis-selling of any FX products. The FXC's compliance committee meeting will be held on 19 July 2007 to discuss these and related issues.

## **5. Update on sub-groups**

### **-Legal Sub-group**

Jacqueline Joyston-Bechal (JJB) gave an update on Legal Sub-Group activity. Susan Revell, a senior lawyer from Morgan Stanley, has been appointed as the new Chair of the group to replace David Bloom. JJB discussed the Quadrilateral meeting held in London on 19 June between the FMLC, FMLG, EFMLG and the FLB. The EFMLG are looking at FX under MIFID in the hope of achieving a harmonisation of the UK approach across Europe. The NIPS Code publication has been delayed following some comments from LIBA on the wording surrounding responsibilities over mandates. The Legal Sub-Group meets on 28 June.

## **6. Regulatory Update**

There were no regulatory issues raised.

**The next meeting of the FXJSC will be held on  
Wednesday 12 September 2007 at UBS**

**FXJSC Secretariat**

**June 2007**