

# Minutes

## FOREIGN EXCHANGE JOINT STANDING COMMITTEE OPERATIONS SUB-COMMITTEE

12 September 2017

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Location: Bank of England, Threadneedle Street, EC2R 8AH

Attendees: **Association of Foreign Banks:** Nigel Brigden

**Bank of Tokyo Mitsubishi:** Kerry Peacock

**Bank of New York Mellon:** Jon Goddard

**Barclays:** Duncan Lord

**Cobalt:** Andy Coyne (Guest speaker)

**Citigroup:** Daniel Horgan

**CLS:** Amolak Roopra (Guest representative)

**Deutsche Bank:** Darran Olive

**Financial Conduct Authority:** Derek Young (Alternate)

**Goldman Sachs:** John Blythe (Deputy Chair)

**HSBC:** Trevor Evans (Deputy Chair)

**Insight Investment:** Gavin Platman

**Investment Association:** David Broadway

**JPMorgan Chase:** Phil Glackin

**RBC:** Isabelle Dennigan (Chair)

**Record Currency Management:** Joel Sleigh

**Societe Generale:** Will Deighton

**SWIFT:** Joe Halberstadt

**Bank of England:** Jennifer Ashton, Grigoria Christodoulou, Thomas Lynch (Secretariat), James Manchester (Secretariat), Jonathan Keane (Legal), Andrejus Pustelnikovas (Guest speaker)

Apologies: **Bank of England:** Jonathan Grant

**CLS:** John Hagon

**FCA:** Monica Rodriguez-Sanchez

**UK Finance:** Andrew Rogan

Minute no.	Minute	Action owner and due date
1.	<p><b>Welcome and apologies for absence</b> (<i>Chair – Isabelle Dennigan, RBC</i>)</p> <p>Apologies were received from Jonathan Grant (Bank of England), John Hagon (CLS), Monica Rodriguez-Sanchez (FCA) and Andrew Rogan (UK Finance). The Chair welcomed guest speaker Andy Coyne (Cobalt).</p> <p>The Chair noted that Nancy Riyad (UBS) and Steve Miller (BAML) had stepped down from the Sub-committee and that Colin Parry (UBS) would be joining the Sub-committee.</p>	
2.	<p><b>Presentation from Cobalt</b> (<i>Andy Coyne – Cobalt</i>)</p> <p>Andy Coyne delivered a presentation on shared post trade infrastructure. In particular he outlined how concepts such as blockchain and shared distributed ledger infrastructure could be used to help overcome some industry challenges, by providing greater transparency, and improving conduct. It was also discussed how such concepts could be used to reduce costs to FX post trade.</p>	
3.	<p><b>Minutes of 3 May 2017 meeting and matters arising</b> (<i>Chair – Isabelle Dennigan, RBC</i>)</p> <p>The minutes of the May 2017 meeting were agreed. There were no further matters arising.</p>	
4.	<p><b>Committee administration</b> (<i>FXJSC Secretariat – Bank of England</i>)</p> <p><b>a. 2018 meetings</b></p> <p>The Secretariat noted that four three-hour Sub-committee meetings will be scheduled for 2018. The meeting details would be sent to all members before the 13 November meeting.</p> <p><b>b. Terms of Reference</b></p> <p>The Secretariat noted that the Sub-committee’s Terms of Reference had been reviewed to reflect the expectation of FX Global Code adherence for FXJSC members after an agreed upon transition period.</p> <p>The update Sub-committee Terms of Reference were agreed by members.</p> <p>The Secretariat noted that the Sub-committee’s Terms of Reference, membership list and minutes will be published on the FXJSC website going forward.</p>	<p><b>ACT FXJSC Secretariat –</b> to send meeting details for 2018 to members.</p>
5.	<p><b>Sub-committee composition</b> (<i>Chair – Isabelle Dennigan, RBC</i>)</p>	

Members discussed the sub-committee's composition with the view to ensure that it remained representative of the FX industry in the UK. Members concluded that the composition was appropriate but would continue to monitor.

6. **Infrastructure Resiliency** (*Jon Goddard, BoNY*)

Jon Goddard noted that a sub-working group of the FXJSC Operations Sub-committee were the authors of the FX Settlement Crisis Management playbook, and summarised the document's objective and its scope. Members discussed the potential benefits of producing a further resiliency playbook on cyber-attack, using the FX Settlement Crisis Management playbook as a baseline. It was agreed that it would be beneficial to liaise with the Bank of England's Sector Resiliency team.

**ACT FXJSC Secretariat –**  
to liaise with  
the Sector  
Resiliency  
team.

7. **RTGS extended settlement day feedback** (*Andrejus Pustelnikovas, Bank of England*)

Andrejus Pustelnikovas noted that the CHAPS operational day had been extended by 100 minutes in June 2016, and outlined some of the intended benefits from this change. He was interested to hear about members' experiences since the extended settlement day.

It was noted that while the extension has not affected the timings of FX trades, it allowed more FX trades to settle during the day and benefitted their treasury functions.

8. **Update on the Global Foreign Exchange Committee** (*Grigoria Christodoulou, Bank of England*)

Grigoria Christodoulou provided an update on developments around the FX Global Code following its publication in May 2017, and the newly established Global Foreign Exchange Committee (GFXC). Key priorities for the GFXC this year included considering market feedback received on certain last look practices; conducting a survey to measure the baseline level of awareness and adoption of the FX Global Code by Market Participants; and developing further the Committee's membership and outreach arrangements.

9. **Education and Outreach**

Will Deighton provided an update on the recent ECB Operations Managers Working Group meeting, noting a focus on MIFID II and the applications of blockchain technology.

David Broadway and Nigel Brigden provided written updates from the Investment Association and Association of Foreign Banks, respectively,

ahead of the meeting which were shared with the Sub-committee.

10. **MIFID II general discussion** (*Chair – Isabelle Dennigan, RBC*)

Members noted that the introduction of MiFID II in early 2018 remained a significant area of focus for them. They expressed the wish to receive more information from the FCA around the post-execution client reporting requirements and the application of Legal Entity Identifiers (LEIs).

11. **Any other business** (*Chair – Isabelle Dennigan, RBC*)

The Chair noted that if members had any ideas for presentations, to forward them to the Secretariat to consider for future meetings.

The next meeting of the FXJSC Operations Sub-committee will be held on 13 November 2017 at the Bank of England.