

Minutes

Foreign Exchange Joint Standing Committee Legal Sub-Committee

2 November 2017

Location: BNY Mellon, 160 Queen Victoria Street, London EC4V 4LA

Attendees: **Bank of England:** Jonathan Grant (Secretary), Charlotte Pope-Williams
Bank of New York Mellon: Jacqueline Joyston-Bechal
Barclays: Nasia Pachitipallikaropoulou, James Sinclair
Citigroup: Sharon Blackman
CLS: Gaynor Wood
Deutsche Bank: Simon Goldsworthy
Financial Conduct Authority: David Harris, Heather Pilley (Guest Speaker), David Edmunds (Guest Speaker), Samuel Duffett (Guest Speaker)
Freshfields Bruckhaus Deringer: Michael Raffan (Guest Speaker), Emma Rachmaninov (Guest Speaker), Hannah McAslan (Guest Speaker)
Goldman Sachs: Dan Parker (Chair)
HSBC: Harkamal Singh Atwal
JP Morgan: Tamsin Rolls
Morgan Stanley: Barra Little
Natwest Markets: Lorraine Newbold
Standard Chartered: Rakesh Shah
TP ICAP: Simon Helm
XTX Markets: Sunil Samani

Apologies: **Bank of America Merrill Lynch:** Jateen Shah
Natwest Markets: David Cole
UBS: Richard Lamb

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| 1. | Minutes
The minutes of the 18 September 2017 meeting were approved. |
| 2. | Regulatory Update (Michael Raffan and Emma Rachmaninov, Freshfields Bruckhaus Deringer)
Mr Raffan and Ms Rachmaninov gave members a briefing on recent legal developments relevant to FX trading. The first half of their presentation concerned the implications of MiFID 2 ¹ and MiFIR ² for FX activities, including the scope of MiFID 2/MiFIR and the application of MiFID 2/MiFIR to FX Instruments and FX spot and forward transactions. The second half of the presentation concerned other legal development relevant to FX trading, including whether definitional changes under MiFID 2 could impact the application of EMIR requirements and the possible implications of the FX |

¹ Directive 2014/65/EU on markets in financial instruments

² Regulation 600/2014/EU on markets in financial instruments

Global Code for the UK Senior Managers Regime.

3. **EU Benchmark Regulation (Heather Pilley, Samuel Duffett and David Edmunds, FCA)**

Ms Pilley and Mr Duffett gave a presentation to the committee about the EU Benchmarks Regulation³. They spoke about how the Regulation builds on the international work of the International Organization of Securities Commissions (IOSCO) to develop Principles for Financial Benchmarks, and the implications of the Regulation for benchmark administrators, contributors and users. They then summarised the FCA's two recent consultation papers concerning benchmarks: CP17/15 which consulted on how the FCA could use their compulsion powers in respect of LIBOR; and CP17/17, which consulted on handbook changes to reflect the application of the Regulation.

4. **Review of Competition Guidelines**

The Chair referred to the revised draft competition guidelines, which had been reviewed by external competition counsel and circulated prior to the meeting. Members were invited to submit any comments to the Secretary so the revised guidelines could be approved at the next meeting.

5. **Any Other Business**

None.

6. **Next Meeting**

The Secretary stated that the next meeting of the FXJSC Legal Sub-Committee would be held on 25 January 2018 at the offices of XTX Markets.

³ Regulation 2016/1011/EU on indices used as benchmarks in financial instruments and financial contracts