

# Minutes

## Foreign Exchange Joint Standing Committee Legal Sub-Committee

25 January 2018

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Location: XTX Markets, 14–18 Handyside Street, London N1C 4DN

Attendees: **Bank of England:** Jonathan Grant (Secretary), Charlotte Pope-Williams, Edward Kent  
**Bank of New York Mellon:** Mark Compton  
**Barclays:** Nasia Pachitipallikaropoulou, James Sinclair  
**Citigroup:** Sharon Blackman  
**Clifford Chance:** Simon Crown (Guest Speaker)  
**CLS:** Gaynor Wood  
**Financial Conduct Authority (FCA):** David Harris, Nick Bertram (Guest Speaker), Mhairi Jackson (Guest Speaker), Samuel Duffett (Guest Speaker), Daniel Measor (Guest Speaker)  
**Goldman Sachs:** Dan Parker (Chair)  
**HSBC:** Harkamal Singh Atwal  
**JP Morgan:** Tamsin Rolls  
**Morgan Stanley:** Barra Little, Nimisha Kanabar  
**Standard Chartered:** Rakesh Shah  
**XTX Markets:** Sunil Samani

Dialled in: **Bank of America Merrill Lynch:** Jateen Shah  
**UBS:** Richard Lamb

Apologies: **Bank of New York Mellon:** Jacqueline Joyston-Bechal  
**Deutsche Bank:** Simon Goldsworthy  
**NatWest Markets:** David Cole  
**TP ICAP:** Simon Helm

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**Minute  
no.**

**Minute**

1.

**Minutes**

The minutes of the 2 November 2017 meeting were approved.

2.

**Competition Guidelines**

Subject to two small changes, the Competition Guidelines were approved and will be tabled on the agenda at the FXJSC Main Committee Meeting on 6 February 2017 for approval, before being published on the website.

3.

**FX Global Code (Edward Kent and Charlotte Pope-Williams, Bank of England)**

Ms Pope-Williams provided an update on the main Global Foreign Exchange Committee (**GFXC**) meeting which took place on 14 November 2017. She discussed the main topics that were addressed at the GFXC meeting,

namely: Last Look, GFXC decision-making, associate GFXC membership, public registers and general updates from local Foreign Exchange Committees. She noted that the topic of Last Look gave rise to some of the most engaged discussion during the GFXC meeting. Mr Kent gave an update and explanation as to how the GFXC arrived at the publication of Last Look guidance on 19 December 2017. He provided a brief chronology of the evolution of principle 17 of the Global FX Code. The remainder of his presentation focussed on the discussions around the wording of principle 17. He concluded by summarising the GFXC's workstreams for 2018 which include, amongst other matters, further consideration of 'cover and deal', disclosures and negative pre-hedging examples.

4. **FCA Consultation CP17/37 on Industry Codes of Conduct (Daniel Mearor, Mhairi Jackson, Nick Bertram and Sam Duffett, Financial Conduct Authority)**

Ms Jackson explained the FCA's aims underlying its consultation paper. She highlighted that the consultation made proposals about the FCA's general approach to supervising and enforcing their Senior Managers & Certification Regime rules for authorised firms' unregulated activities, including those covered by industry codes of conduct. The FCA guest speakers highlighted that this was not an enforcement-led initiative but an initiative undertaken with the aim of driving up standards. Ms Jackson encouraged attendees to provide feedback on the FCA's proposals through the consultation process.

5. **MIFID 2 Update (Simon Crown, Clifford Chance)**

Mr Crown observed that MiFID 2 implementation has been relatively smooth. Mr Crown noted that there had been low take up of LEIs in third countries and that on occasion ISIN creation had been an issue and flagged, in particular, the issue of duplicate ISINs. There had also been some queries about research unbundling. Mr Crown highlighted that there had been some voluntary take up of MIFID 2 principles in third countries. Mr Crown also noted that PRIIPs<sup>1</sup> had come into application around the same time as MIFID 2 and that there is currently some uncertainty about the identification of the manufacturers and distributors of financial products under PRIIPs.

6. **Any Other Business**

None

7. **Next Meeting**

The Secretary stated that the next meeting of the FXJSC Legal Sub-Committee would be held on Tuesday 24 April 2018.

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<sup>1</sup> Packaged Retail and Insurance-based Investment Products Regulation (Regulation (EU) No 1286/2014)