

Minutes

Foreign Exchange Joint Standing Committee Legal Sub-Committee

19th November 2019

Location: Goldman Sachs, Plumtree Court, 25 Shoe Lane, London EC4A 4AU

Attendees: **Bank of England:** Jonathan Grant (Secretary), Paul Avanzato

Goldman Sachs: Dan Parker (Chair)

Bank of England: David Edmunds (Guest Speaker)

Citigroup: Sharon Blackman

Deutsche Bank: Simon Goldsworthy

Financial Conduct Authority (FCA): David Harris, Parma Bains, Laura Navaratnam

HSBC: Harkamal Singh Atwal

JP Morgan: Tamsin Rolls

LCH: Diane Bouwmeester, Paddy Boyle, Owen Taylor

RBS/Natwest Markets: Stephanie Cayer

Standard Chartered: Rakesh Shah

TP ICAP: Simon Helm

XTX Markets: Sunil Samani

Apologies: **Bank of America Merrill Lynch:** Jateen Shah

Barclays: Nasia Pachiti Pallikaropoulou

CLS: Gaynor Wood

Morgan Stanley: Nimisha Kanabar

RBS/Natwest Markets: Baljit Saini

UBS: Richard Lamb

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1.	Introduction and Minutes
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The minutes of the 10 September 2019 meeting were approved.

2.	Global FX Committee and FX Global Code
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David Edmunds of the FXJSC Secretariat provided an overview of the Global FX Committee (the 'GFXC') meeting to be held on 4 and 5 December 2019 in Sydney. Key discussion topics would include the GFXC's 3-year review of the FX Global Code (the 'Code'), updates from the GFXC's working groups, and FX benchmarks. The focus of the 3-year review would be determined by the feedback provided to the GFXC by each of the local FX Committees, including the London FXJSC, and the responses received to the 2019 GFXC FX Global Code Survey. A summary of this feedback had been prepared by the GFXC Chair and would facilitate the GFXC's discussion in Sydney. The aim would be to agree a work-plan for conducting the review during 2020.¹

Sunil Samani of XTX Markets provided an update on the GFXC Working Group's draft 'Report on the Role

¹ See GFXC materials published following the meeting : <https://www.globalfxc.org/agendas.htm>

of Disclosures and Transparency on Anonymous E-Trading Platforms', the purpose of which was to identify issues of transparency in disclosures between users of electronic FX-trading platforms. The output of the Report once finalised would inform discussion of E-trading platform disclosures in the context of the Code's 3-year Review.

3. **LCH and the FX Markets**

Diane Bouwmeester, LCH General Counsel and Group Head of Compliance, and colleagues Paddy Boyle and Owen Taylor provided an overview of LCH as a central clearing counterparty and its role in the FX markets. This included an explanation of the legal, regulatory and contractual framework under which LCH operates; a description of its FX clearing service, 'ForexClear'; regulatory drivers towards clearing such as the EU 'uncleared margin' rules under the European Market Infrastructure Regulation ('EMIR'); and recent trends including growth in non-deliverable forwards clearing and the emergence of clearing in deliverable products such as FX swaps and FX options.

4. **FCA Policy Statement 19/22 – Guidance on Crypto-assets**

Parma Bains and Laura Navaratnam of the FCA provided an overview of the FCA's Feedback and Final Guidance on Cryptoassets (Policy Statement 19/22, July 2019). This included the context of the UK Cryptoassets Taskforce's October 2018 report; the development of the FCA's Consultation Paper and analysis of market feedback; categorisation of cryptoassets as security tokens, e-money tokens or unregulated tokens; types of cryptoassets which fall within the FCA's regulatory perimeter; and expected future workstreams to include conducting a 'consumer survey', consultation on unregulated tokens, and use of regulatory 'sandboxes' as a safe product testing environment for firms interested in this field.

5. **Any Other Business**

The next meeting will be on 11th February 2020.