

Minutes

Foreign Exchange Joint Standing Committee Legal Sub-Committee

10 September 2019

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

Attendees: **Bank of England:** Jonathan Grant (Secretary), Paul Avanzato
Bank of England: Grigoria Christodoulou (Guest Speaker)
Goldman Sachs: Dan Parker (Chair)
Financial Conduct Authority (FCA): David Harris
CLS: Gaynor Wood
RBS/Natwest Markets: Baljit Saini
Bank of America Merrill Lynch: Jateen Shah
Deutsche Bank: Simon Goldsworthy
HSBC: Harkamal Singh Atwal
Standard Chartered: Rakesh Shah
UBS: Krishna Somaiya
XTX Markets: Sunil Samani

Dialled in: **Barclays:** Nasia Pachiti Pallikaropoulou
Citigroup: Sharon Blackman

Apologies: **Morgan Stanley:** Nimisha Kanabar
LCH: Diane Bouwmeester
JP Morgan: Tamsin Rolls
TP ICAP: Simon Helm
UBS: Richard Lamb

Minute no.	Minute
------------	--------

1.	Introduction and Minutes
----	---------------------------------

The minutes of the 18 June 2018 meeting were approved.

2.	FX Global Code – 3-year Review update
----	--

Grigoria Christodoulou of the FXJSC Secretariat reported that the GFXC had begun planning for a three-year review of the FX Global Code, which was scheduled to take place in 2020. The GFXC would solicit feedback from a wide range of market participants, including the FXJSC in the UK, in preparation for the review. Key topics proposed by FXJSC members for the review included further guidance on disclosures and initiatives that could help support further buy-side engagement with the Code. It was agreed that the Legal Sub-Committee (**LSC**) could assist in the review process if each LSC member firm submitted to the LSC Secretariat its 'top three' areas of the Code which, in their view, the review should focus upon.

3. **CLS and the FX Markets**

Gaynor Wood, General Counsel of CLS, gave an overview of the role of CLS in the global FX markets. This included an explanation of the legal, regulatory and contractual framework under which CLS operates; its three main business lines (settlement, processing and data); the importance of the principle of 'finality' of funding and payments; and the impact of Brexit. Reference was made to key documentation publicly available on the CLS web page which contains CLS's regulatory information and its Principles for Financial Market Infrastructures Disclosure.

4. **FCA - Brexit and FX**

David Harris of the FCA gave a presentation covering measures being taken by H.M.Treasury and the FCA to prepare for the UK's exit from the EU, looked at from an FX perspective. This included the onshoring approach to preserving the current regulatory perimeter as it relates to existing EU-derived legislation; an overview of FCA's Brexit Policy Statement 19/5 and amendments to the FCA Handbook; and the application of onshored rules to firms operating under the UK's temporary permissions regime post-Brexit.

5. **Any Other Business**

The Secretary invited members to propose agenda items for future meetings of the FXJSC Legal Sub-Committee.

The next meeting will be on 19th November 2019.