

**Minutes of the Canadian Foreign Exchange Committee
Meeting #87**

**Held at 11:00 a.m., Tuesday, 5 May 2015
Ottawa**

Present: Firas Askari, BMO Capital Markets
John Glover, Barclays Capital Canada
Michele Hardeman, State Street Global Markets
Jason Henderson, HSBC Bank Canada
Adam Howard, BAML Canada
Moti Jungreis, TD Bank
James Kemp, CIBC World Markets
Simon Labrosse, National Bank Financial
Russ Lascale, Deutsche Bank
Clifton Lee-Sing, Department of Finance
Jack Linker, Thomson Reuters America
Brendan Luxton, Scotiabank
Ed Monaghan, RBC Capital Markets
Paul Chilcott, Bank of Canada (Chair)
Harri Vikstedt, Bank of Canada
Eric Tuer, Bank of Canada
Rob Ogrodnick, Bank of Canada (Secretary)

Regrets: C.J. Gavsie, BMO Capital Markets
Gil Mandelzis, EBS Dealing Resources

The meeting was hosted at the Bank of Canada.

87.1 Adoption of Agenda

The Committee adopted the agenda, as written.

87.2 Report of the Membership Subcommittee (MSC)

The Chair informed the Committee that the MSC¹ had met on May 4th and had dealt with a number of outstanding membership changes (see below). Work was also

¹ The members on the MSC include Paul Chilcott (Chair), C.J. Gavsie, Moti Jungreis and Ed Monaghan, (with C.J. having replaced Jeff Feig who had stepped down from CFEC and Moti having replaced Barry Wainstein who had retired).

being undertaken on buy-side representation and a few other remaining membership issues.

[**Secretary's Note:** The MSC made the following decisions:

- Andrew Grosso is the member for Citigroup, replacing Jeff Feig.
- James Kemp is the member for CIBC World Markets, replacing Harry Culham.
- Simon Labrosse is the member for National Bank, replacing Laurent Ferreira
- Brendan Luxton is the member for Scotiabank, replacing Barry Wainstein.
- The terms of a number of members on the Committee that had expired were renewed.
- Ed Monaghan's term on the MSC was renewed.]

87.3 Tour de table – FX, Financial and Economic Developments

The discussion on current financial market and economic developments is not reported in the minutes.

87.4 Report on 23 March Global FX Committee Meeting

The Chair and Ed Monaghan updated the Committee on the discussions and decisions at the 23 March 2015 global meeting of FX committee representatives in Tokyo. The minutes of that meeting have been posted on the "Minutes" page of the CFEC website (<http://www.cfec.ca/minutes.html>).

87.5 Approval of updated Guiding Principles for Conduct in the Canadian Foreign Exchange Market

The document on *Guiding Principles for Conduct in the Canadian Foreign Exchange Market (Guiding Principles)*, first adopted by CFEC in December 2013, has been updated to reflect the new global FX committee guidance endorsed by CFEC and seven other FX committees on 30 March 2015 (*Global Preamble: Codes of Best Market Practice and Shared Global Principles*) and also the FSB's *FX Benchmarks Final Report*. The expanded *Global Preamble* provides more detailed, globally harmonized guidance on ethical behaviour and standards of conduct, covering topics such as personal conduct, confidentiality and market conduct, and policies for execution practices. CFEC agreed that, after a short period for any final feedback, the updated *Guiding Principles* should be posted on the CFEC website.

87.6 FSB Request for a Status Report on CFEC Members' Implementation of the FX Benchmarks Report Recommendations

In March 2015, FSB Chairman Mark Carney wrote to CFEC (and seven other national FX committees) to ask for their assistance in monitoring market participants' progress in implementing the recommendations of the *FX Benchmarks Final Report*. The FSB is looking for a report, by end-July, on the implementation of the recommendations as at 30 June 2015. The report will be a consolidated one, summarising the input from all the FX committees. The Chair said that the Bank of Canada would send CFEC members a list of questions to facilitate the construction of the response to the FSB and meetings with CFEC member banks would be arranged in June.

87.7 Other Business

A brief update on the ongoing review of the setting of the Bank of Canada's noon and closing rates was provided, with the Chair and Harri Vikstedt noting that it was hoped that the results of the review would be announced soon.

Mr. Vikstedt reported that the Bank of Canada is reviewing the qualitative survey of the banks on the FX hedging practices of their corporate and institutional customers.

The next CFEC meeting will be held on 7 October 2015 in Toronto.

CFEC Luncheon with the Governor and Governing Council (12:45 – 2:00 pm)

After the meeting, CFEC met with the Governor and other members of the Governing Council.