Minutes of the Meeting 1
Meeting of the Moscow FX Joint Standing Committee
SRO NFA - ACI Russia

Moscow 19 April 2018

Meeting format: individual open voting on the agenda items.

Venue: Moscow, Bolshoy Sergievsky pereulok, 10

Participating members of the Meeting of The Moscow FX Joint Standing Committee (The Committee) SRO NFA - ACI Russia:

1. Romanchuk Sergey (Metallinvestbank) - Chairman
2. Alexandrova Tatiana (BCS)
3. Antipova Svetlana (ATON)
4. Vidov Pavel (FC "INTRUST")
5. Egorov Evgeny (Bank Vesta)
6. Kapranova Veronika (Central Bank of Russia)
7. Kozinetz Vladimir (Rolf, Association of Corporate Treasurers)
8. Kozlov Ilia (AIM Capital)
9. Lyakh Valery (Central Bank of Russia)
10. Masharov Evgeny (Association of forex dealers)
11. Morozov Kirill (Rosneft)
12. Mokhnacheva Maria (PhosAgro)
13. Sabaev Allan (Gazprombank)
14. Salashenko Anton (Bank "FC Otkritite")
15. Skabelin Andrey (Moscow Exchange)
16. Shepilov Sergey (Raiffeisen Bank)

External (non-member) invitees:

1. Avdeev Alexey - Thomson Reuters
2. Bashmakova Elena - Thomson Reuters
3. Mesheryakov Vadim - VTB
4. Chadin Alexander - Association of Corporate Treasurers

Total number of Council members - 27, number of participants present - 16 people. Additionally, 3 members have granted a power of attorney to the Chairman, Romanchuk Sergey.

A total of 19 numbers voted; this exceeds 2/3 of the total number of the Council members. The quorum requirement is therefore met.
AGENDA

1. Key tasks and goals of The Committee.
4. Compiling the Russian SOC registry (Statement of Commitment).
5. A requirement to develop a national code of professional ethics for the FX market participants.
6. Passing ACI exams (FX Global Code, DC, OC), at SRO NFA.

DISCUSSION

Item 1. Essential tasks and goals of The Committee

In the opening remarks The Committee’s Chairman, Sergey Romanchuk, reiterated the following: background of The Committee establishment, selected vital tasks and goals in the context of the global process of developing uniformed principles and guidelines of operating on the FX market.

Bank of Russia representative, Valery Lyakh, expressed his readiness to participate in the Committee work and to collaborate and interact with the market to receive market participants' feedback and to increase their interest and involvement in the carried out work. He also suggested to include testing of the new practices of the FX market operations by a limited number of The Committee members among The Committee tasks.

RESOLUTION:

1.1. To take note of the information on the essential tasks and goals of the Committee.

1.2. To invite The Committee members to express their suggestions on the Council's essential tasks and goals for inclusion in the next Council meeting agenda.

Voting: for - 19; against - 0; abstained - 0.

Item 2. Membership in The Global FX Committee

The meeting participants were informed of the current work of The Global FX Committee and on the intention by the Russian side to participate in the global process of forming the unified practices and rules of operation in the FX market, as approved by the first deputy chairman of Bank of Russia, Sergey Shvetsov.

RESOLUTION:

2.1. To appoint Valery Lyakh, the Director of Department for Countering Malpractice at the Central Bank of Russia as The Committee Deputy Chairman.

2.1. To appoint The Committee Chairman, Sergey Romanchuk, and The Committee Deputy Chairman, Valery Lyakh as representatives to the Global Foreign Exchange Committee (GFXC).
Voting: for - 19, against - 0; abstained - 0.

**Item 3. Endorsement of The FX Global Code**

The discussion focused on the issue of applicability of the principles of the FX Global Code (further Code) to different categories of the FX market players and monitoring tools and mechanisms to ensure that the market participants, who adhered to the Code, are complaint with it.

It was proposed that for the time being The Committee will use complaints and appeals from clients and counterparties as a mechanism to monitor the participants’ Code compliance. Furthermore, it was proposed to develop Self-Regulatory Organisations (SROs) standards based on the Code principals to regulate the SROs members’ compliance. Some participants expressed an opinion that the practice of the Council working with complaints and appeals might contradict the current regulatory law. During the discussion, the similarities of certain Code principles with the current SRO NFA ethics standards were also pointed out.

Additionally, the harmonization of the Code principles with the Russian practices, as well as a possibility for the Russian representatives to the Global Committee to participate in the decisions on the Code changes was discussed.

**RESOLUTION:**

3.1. To include the report by Valery Lyakh on the development of the national standards of the professional ethics in the agenda of the next Committee meeting.

3.2. To recommend that The Committee members and all interested FX market participants:
   a) analyze the possibility of bringing their trading practices in the FX market following the principles of the Code;
   b) study Russian and English text versions of the Code and produce a list of questions and remarks for the next meeting.

Voting: for - 19; against - 0; abstained - 0.

**Item 4. Compiling the Russian SOC registry (Statement of Commitment)**

The meeting participants expressed their views on the potential reputational risk and uncertainty of legal consequences of being included in the registry and concluded the suggestion to be premature.

**RESOLUTION:**

4.1. To defer the compiling of the Russian registry list.

Voting: for - 19; against - 0, abstained - 0.

**Item 5. A requirement to develop a national code of professional ethics for FX market participants**

The meeting participants concluded that the proposed suggestion to create a working group for the development of SRO NFA standards for the FX market operations on the basis of the Code is premature. It was suggested to postpone the discussion on this question until the next meeting and to
discuss it when taking into account the information from the upcoming report by Valery Lyakh.

**RESOLUTION:**

5.1. To defer the discussion on the question of the need to develop the national code of professional ethics for the FX market participants until the next Council meeting.

Voting: for - 19; against - 0, abstained - 0.

**Item 6. Passing ACI exams (FX Global Code, DC, OC) at SRO NFA**

Thomson Reuters representative, Elena Bashmakova, spoke about the key features of the exam in regards of the tested material and the exam setup. The participants discussed the need of translating the exam questions into Russian and the problem with the lack of currently available resources to conduct such translation.

**RESOLUTION:**

6.1. To instruct SRO NFA Executive Director to query the market participants' management as to their interest in staff studying at SRO NFA to pass the ACI exam.

Voting: for - 19; against - 0, abstained - 0.

The Moscow FX Joint Standing Committee Chairman

Sergey Romanchuk

19.04.2018