

Amid Increasing User Numbers, DSB Calculates Final Fees

Sign-Ups for Free, Open Data Service Double in Last Three Weeks

15 January 2018 – 12 noon UTC

London, UK – The Derivatives Services Bureau, the global utility for creation of International Securities Identification Numbers (ISINs) for over-the-counter derivatives, has finalized fees for the current user contracts running from 2 October 2017 to 31 December 2018. The calculations reflect the overall growth in fee-paying users from 78 to 103 firms over the last three weeks. The greatest revenue impact was the increase from 66 to 78 Power Users. At the same time, the number of users opting to access the DSB’s free, open data services has leapt by 93 percent.

A large number of investment firms have subscribed to the DSB’s free data services, which enable OTC ISIN lookups and downloads. In addition, some trading venues, which originally discussed subscribing multiple MTFs / OTFs as fee-paying Power Users with the DSB, have so far contracted significantly lower numbers.

“Whilst we are delighted with the large uptake of the DSB’s free, open data services, we are mindful that the smaller-than-expected number of users contributing to the DSB’s cost recovery results in an increase in individual user fees.” notes Emma Kalliomaki, DSB managing director. “We believe that all the user numbers will continue to grow. We are continuing to receive new inquiries for the DSB paid-for services from firms that are just realizing they will be creating OTC ISINs, and we expect new users with the increase in systematic internalizers later in the year.”

User fees recover the DSB overhead costs. The total annual overhead upon which the cost-recovery fees were calculated is €9.2m, which is 4.8 percent higher than the €8.8 million previously stated. The additional sum reflects development and operating costs identified in Q4 2017 by regulatory imperative and industry requests.

The fee calculation was based on the contracts in force as of 5 January and the user categories those contracts represent. Excess revenues caused by additional contracts signed after 5 January will go to defraying user fees for the next contract year.

User Numbers

The difference between the preliminary annual fees compared to the final annual fees are as follows:

User Type	Contracted firms 5 Jan 2018	Preliminary Annual fees	Final annual fees
Registered	205	free	free
Infrequent	15	€3,000	€3,000
Standard	10	€22,000	€37,500
Power	78	€65,000	€112,500

The current proportion of cost-recovery payments by business sector is as follows:

Sector	#Firms	Total Value	% Cost Recovery
Investment Banks	56	€4,942,500	54%
Trading Venues	32	€3,009,000	33%

Other sectors including Asset Management and Data Management	15	€1,243,500	13%
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“The proportionately higher participation of banks, relative to trading venues in the cost recovery, validates the design of the OTC-ISIN as internally useful for business operations beyond satisfying reference data reporting obligations under MiFID II,” said Kalliomaki. “In 2018, we will continue our collaborations with industry to ensure the DSB receives appropriate guidance on industry’s evolving needs.”

Later this year, the DSB will reopen the fee model consultation with the industry. The objective will be to refine the cost-recovery model for 2019, considering the data and usage patterns established in 2018.

Please click [here](#) for the full text of the DSB press release

Kind Regards,
DSB Secretariat