Hi All,

DSB Users who have not yet undertaken testing are encouraged to ensure they conduct sufficient UAT testing in relation to the recent template changes.

REMINDER NOTIFICATION: Secured Overnight Financing Rate (SOFR) PRODUCTION and UAT UPDATE

Audience: All DSB Users

Notification details:

The purpose of this notification is to provide implementation details about changes being made by the DSB to accommodate a new reference rate, Secured Overnight Financing Rate (SOFR), being added to the coding schema in FpML. Further information on the change and the DSB's implementation can be found below.

Background:

The New York Federal Reserve started publishing the Secured Overnight Financing Rate (SOFR) on 3rd April, which has been created as an alternative to the LIBOR rate. Further information about the published rate can be found [here](#).

The International Swaps and Derivatives Association, Inc. (ISDA) have recently announced that they will be adding the "**USD-SOFR-COMPOUND**" reference rate to their Floating Rate Options definitions. ISDA have advised that provided there is no changes to the current draft, ISDA will update the FpML floating rate scheme on publication of the final version of their definitions, which has an expected date of 16th May 2018.

Impact to users:

- The SOFR addition will mean a new value in the FpML (Financial products Markup Language) floating rate index schema, which the DSB currently uses to source its 'Reference Rate', 'Other Reference Rate' and 'Underlying Instrument Index' (CapFloor only) enumeration list for interest rate product definitions

- The International Swaps and Derivatives Association, Inc. (ISDA) has published the pre-publication draft for the **USD-SOFR-COMPOUND** floating rate index, with a tentative release date of 16th May 2018 (**Note:** this pre-publication draft can be subject to change).

- Templates affected:
    - Production: 26 templates will be updated
    - UAT: 34 templates will be updated

Implementation timelines:

UAT Testing Period – 13th to 19th May 2018

PRODUCTION – 20th May 2018*

*__Note:__ the **20th May 2018** is the nearest possible date to the FpML publication date the DSB is able to introduce new functionality, as the DSB is reliant upon system downtime to implement changes. DSB deployment on 20th May is predicated upon two key assumptions (a) no change to the text in the FpML enumeration and (b) a similar risk profile as with the recent SONIA benchmark reform related implemenation, given the short time frames. The DSB will be working with industry to review the current processes so that both the DSB and DSB users have a longer notice period before changes are made in UAT or Production.

Documentation availability:

- JSON Schema - close of business 10th May (via UAT-14-May-2018 GitHub branch)
- DSB Product Definitions – close of business 10th May (via UAT-14-May-2018 GitHub branch)
- DSB Product Definitions - Annex 7 Indices – close of business 10th May (via UAT-14-May-2018 GitHub branch)

Action Required:

1. **DSB Users are requested to upgrade to the new templates and conduct sufficient testing to satisfy the implementation of the revised DSB templates – including testing and consumption of the end of day snapshot files**
    a. **This requires users' UAT environments to be able to accommodate the new DSB templates as early as possible during the test period (13th to 19th May)**
    b. **This requires users' Production environments to be able to accommodate the new DSB templates in time for user on 20th May**

2. **All DSB users (with the ability to create ISINs) are requested to assist with the regression testing of all live DSB templates they currently use and notify the DSB of any issues by cob Wed 16th May 2018 so that we can work to address these with you**

3. **The UAT environment will put into maintenance earlier this weekend and will start at 04:00 AM UTC Saturday 12th May and will finish at the usual time of 12:00 PM UTC Sunday 13th May.**

Impacted Templates:

Template Name	Will be available in UAT on 13th May 2018	Will be available in Production on 20th May 2018
Request.Rates.Swap.Non_Standard.InstRefDataReporting.json	Y	Y
Request.Rates.Swap.Fixed_Float_Zero_Coupon.InstRefDataReporting.json	Y	Y
Request.Rates.Swap.Fixed_Float_OIS.InstRefDataReporting.json	Y	Y
Request.Rates.Swap.Fixed_Float.InstRefDataReporting.json	Y	Y
Request.Rates.Swap.Cross_Currency_Zero_Coupon.InstRefDataReporting.json	Y	Y
Request.Rates.Swap.Cross_Currency_Fixed_Float_NDS.InstRefDataReporting.json	Y	Y
Request.Rates.Swap.Cross_Currency_Fixed_Float.InstRefDataReporting.json	Y	Y
Request.Rates.Swap.Cross_Currency_Basis.InstRefDataReporting.json	Y	Y
Request.Rates.Swap.Basis_OIS.InstRefDataReporting.json	Y	Y
Request.Rates.Swap.Basis.InstRefDataReporting.json	Y	Y
Request.Rates.Option.Non_Standard.InstRefDataReporting.json	Y	Y
Request.Rates.Option.CapFloor.InstRefDataReporting.json	Y	Y
Request.Rates.Forward.FRA_Index.InstRefDataReporting.json	Y	Y
Rates.Swap.Non_Standard.InstRefDataReporting.V1.json	Y	Y

Rates.Swap.Fixed_Float_Zero_Coupon.InstRefDataReporting.V1.json	Y	Y
Rates.Swap.Fixed_Float_OIS.InstRefDataReporting.V1.json	Y	Y
Rates.Swap.Fixed_Float.InstRefDataReporting.V1.json	Y	Y
Rates.Swap.Cross_Currency_Zero_Coupon.InstRefDataReporting.V1.json	Y	Y
Rates.Swap.Cross_Currency_Fixed_Float_NDS.InstRefDataReporting.V1.json	Y	Y
Rates.Swap.Cross_Currency_Fixed_Float.InstRefDataReporting.V1.json	Y	Y
Rates.Swap.Cross_Currency_Basis.InstRefDataReporting.V1.json	Y	Y
Rates.Swap.Basis_OIS.InstRefDataReporting.V1.json	Y	Y
Rates.Swap.Basis.InstRefDataReporting.V1.json	Y	Y
Rates.Option.Non_Standard.InstRefDataReporting.V1.json	Y	Y
Rates.Option.CapFloor.InstRefDataReporting.V1.json	Y	Y
Rates.Forward.FRA_Index.InstRefDataReporting.V1.json	Y	Y
Request.Rates.Swap.Inflation_Basis.InstRefDataReporting.json	Y	N (Template only in UAT)
Request.Other.Swap.Non_Standard.InstRefDataReporting.json	Y	N (Template only in UAT)
Request.Other.Other.Non_Standard.InstRefDataReporting.json	Y	N (Template only in UAT)
Request.Other.Option.Non_Standard.InstRefDataReporting.json	Y	N (Template only in UAT)
Rates.Swap.Inflation_Basis.InstRefDataReporting.V1.json	Y	N (Template only in UAT)
Other.Swap.Non_Standard.InstRefDataReporting.V1.json	Y	N (Template only in UAT)
Other.Other.Non_Standard.InstRefDataReporting.V1.json	Y	N (Template only in UAT)
Other.Option.Non_Standard.InstRefDataReporting.V1.json	Y	N (Template only in UAT)

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