

# DERIVATIVES SERVICE BUREAU

TECHNOLOGY ADVISORY COMMITTEE – INDUSTRY CONSULTATION I REVIEW MEETING

18 June 2019

MEMBER FINAL V01

## Agenda

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# Introduction

## **DSB Industry Consultation**

The Chair has requested two additional TAC meetings to be scheduled in 2019 to tie-in with the two rounds of the DSB's Industry Consultation process,

The objectives of this first meeting is to validate the DSB's assessment of the feedback received in relation to the technology-related questions in the consultation paper and to provide insight and additional questions which can be fed into the second round of the consultation process. The following slide summarises the key milestones associated with the consultation process leading to the publication of the 2020 fees.

## Milestones

The DSB is currently undertaking a further industry consultation exercise, the timeline for this was published on Monday 4<sup>th</sup> March, the full notification is available [here](#).

### Key Milestones:

- 09 May 2019 Publication of 1<sup>st</sup> DSB 2020 Consultation Document (CPI)
- 05 Jun 2019 Deadline for CPI Feedback
- 17 Jun 2019 Publication of TAC Meeting Pack
- 18 Jun 2019 **TAC Industry Consultation Meeting (1)**
- 05 Jul 2019 Publication of 2<sup>nd</sup> DSB 2020 Consultation Document (CP2)
- 29 Jul 2019 Deadline for CP2 Feedback
- 01 Aug 2019 Publication of TAC Meeting Pack
- 07 Aug 2019 **TAC Industry Consultation Meeting (2)**
- 19 Aug 2019 Publication of DSB 2020 Final Consultation Report

## Topics under Consideration - Overview

The DSB conducted a consultation on the 2020 User Agreement, and included technology related questions on:

- Functionality (4 questions)
- Data Submission Enhancements (2 questions)
- Service Levels (4 questions)
- Service Availability (1 question)
- Cyber Security (5 questions)

15 responses available at <https://www.anna-dsb.com/2020-user-fee-and-user-agreement-consultations/>:

- 4 trading venues (Bloomberg, State Street, 2 x Anonymous)
- 4 sell-side investment firms (4 x Anonymous)
- 5 trade associations (BVI, AIMA, EFAMA, EVIA, ISDA)
- 1 buy-side investment firm (Citadel)
- 1 vendor (Reference Data Services)

## Topics under Consideration - Functionality

Question	Response Summary	Proposed Next Steps
I.1 CFI generation service	Majority in favour of further investigation	Further consultation.
I.5 GUI Functionality	Majority in favour of further investigation	Further consultation.
I.6 Additional Enhancements	Mixed response. Some interest in backward compatibility and version tracking enhancements	Further consultation.

## Topics under Consideration – Functionality

Question	Response Summary
<p><b>Q1.1 CFI Generation Service</b></p> <p>Should the DSB investigate the provision of a service that supports the creation, search and publication of CFI codes for all products in scope of EMIR?</p> <p>Given the wider product scope of EMIR vs MiFID, the DSB envisions such a CFI service to be independent of the existing ISIN generation service.</p> <p><b>Next step: Further consultation.</b></p>	<p>Yes=8 (4 x sell-side; 2 x association; 1 x TV; 1 vendor) No=4 (2 x association; 2 x TV)</p> <p><u>Comments in Favour</u></p> <ol style="list-style-type: none"> <li>1. We envisage the DSB to become ultimately the “golden source” reference data base for all derivatives. Allocation of CFI codes by a central source could improve the automation and distribution to the reporting entities thereby contributing to the data quality in respect to the EMIR reporting (2 x associations)</li> <li>2. The ability to search all CFI codes may be useful to us. From a technical perspective we would prefer improved CFI coverage as part of the existing ISIN generation service. CFI generation can lead to matching breaks and so we are most keen to ensure avoiding any such breaks is avoided (1 x sell-side)</li> <li>3. Yes, this functionality would be useful to us (1 x TV)</li> <li>4. Creation of CFI code from a centralised source like DSB, would mean having a consistent and standardised CFI structure. DSB could also consider extending this utility to all asset classes (1 x vendor)</li> <li>5. Industry should strive for improvements in CFI consistency across all MiFID II and EMIR products. We support ANNA DSB as golden source of CFI across different Regulations (EMIR &amp; MiFID) (1 x sell-side)</li> <li>6. Yes, there is a demand for an API for CFI code generation, without impacting the existing ISIN generation process and without the creation of unnecessary ISINs to purely support the CFI service (1 x sell-side)</li> <li>7. Yes, that should benefit lot of big enterprises (1 x sell-side)</li> </ol>

## Topics under Consideration – Functionality

Question	Response Summary
<p>Q1.1 CFI Generation Service</p> <p>... continued ...</p> <p style="color: #2e7d32; font-weight: bold;">Next step: Further consultation.</p>	<p>Yes=8 (4 x sell-side; 2 x association; 1 x TV; 1 vendor)            No=4 (2 x association; 2 x TV)</p> <p><u>Comments Against</u></p> <ol style="list-style-type: none"> <li>1. Industry participants are currently using Market Data companies as their main source of reference data. The addition of data sources will exacerbate the data quality challenge (1 x TV)</li> <li>2. The response currently provided is sufficient for industry needs. By consulting on additional service requirements without costs and assessing impact on user type fees, the exercise loses substance. The possible outcome that service enhancements are requested by a separate user population to that which provides the funding distorts the logic behind any responses and outcomes (1 x association)</li> <li>3. As both CFI and ISIN are instrument details and both EMIR and MiFIR cater to the same jurisdiction, we do not believe there is any significant advantage in segregating CFI and ISIN generation (1 x TV)</li> <li>4. There might be interest in a CFI classification service but we do not see this as a core part of DSB's mission. If this gets developed it should be funded completely independently (1 x association)</li> </ol>



## Topics under Consideration – Functionality

Question	Response Summary
<p>Q1.5 GUI Functionality</p> <p>b) Should the DSB investigate the enhancement of its web-based GUI to allow non-technical users to search for ISINs by any attribute across any product template?</p> <p style="color: #2e7d32;">Next step: Further consultation.</p>	<p>Yes=6 (3 x sell-side; 2 x TV; 1 x association) No=3 (2 x TV; 1 x vendor)</p> <p><u>Comments in Favour</u></p> <ol style="list-style-type: none"> <li>1. Yes, the DSB should develop such service as proposed. (2 x associations)</li> <li>2. We support making search queries more user-friendly to require less technical knowledge (1 x sell-side)</li> <li>3. It would be useful to enhance the GUI to simplify access to the required regulatory information (1 x sell-side)</li> </ol> <p><u>Comments Against</u></p> <ol style="list-style-type: none"> <li>1. We have no issues with the current functionality (1 x vendor)</li> <li>2. The search functionality reflects the complexity of the subject matter which is as expected (1 x TV)</li> <li>3. The DSB’s primary user base is API- based and enhancing GUI will not add proportionate benefits (1 x TV)</li> </ol>

## Topics under Consideration – Functionality

Question	Response Summary
<p>Q1.5 GUI Functionality cont.</p> <p>c) please provide examples of queries you would need to perform through the GUI.</p> <p>d) Is the existing DSB GUI performing to industry expectations?</p> <p>e) Are there any additional functions to add to the existing GUI features?</p> <p>Next step: Further consultation.</p>	<p>Comments=7 (3 x sell-side; 2 x TV; 1 x association; 1 x vendor)</p> <p><u>Comments:</u></p> <ol style="list-style-type: none"> <li>1. Searches are usually executed using ISINs (1 x association; 1 x TV)</li> <li>2. Allow users to identify instruments by MiFID II taxonomy (1 x sell-side)</li> <li>3. Add more filters ( e.g. asset class etc) (1 x sell-side)</li> <li>4. Add Bulk look up functionality (1 x sell-side; 1 x vendor)</li> <li>5. User should be able to use certain combinations of attributes to search all ISINs (1 x TV)</li> <li>6. When searching for ISIN A, the set of results shows all derivatives ISINs which contain ISIN A as underlying first. The last result is the actual ISIN A. We would expect the results set to display ISIN A at the top. (1 x TV)</li> <li>7. Creation/update date could also be one of the available search parameters (1 x TV)</li> <li>8. “Creation Date”, “First Trade Date” and “Last Update Date” would be helpful additions (1 x association)</li> <li>9. Identify MiFID II Sub Asset Classes at an instrument level (1 x sell-side)</li> </ol>

## Topics under Consideration – Functionality

Question	Response Summary
<p><b>Q1.6 Additional enhancements</b></p> <p>a) Do you think that the DSB service should be reviewed in order to examine any additional technical enhancements that could be made to facilitate enhanced and/or more efficient integration?</p> <p>b) Could you provide any details of the changes that might improve the system and what benefits would accrue?</p> <p>Next step: Further consultation.</p>	<p>Yes=4 (2 x sell-side; 2 x TV) No=4 (2 x TV; 1 x sell-side; 1 x association)</p> <p><u>Comments in Favour</u></p> <ol style="list-style-type: none"> <li>1. Yes – backwards compatibility of breaking template changes to ensure smoother transition period in production (1 x sell-side)</li> <li>2. Ability to process double indices or double currencies regardless of the ordering in the request (1 x TV)</li> <li>3. Consistent tracking of schema versions so that programmatic systems can track status (1 x TV)</li> <li>4. A small transitional period where changes to templates remain backwards compatible in production. This will ensure any misalignments in the release cycles do not cause outages in the service (1 x sell-side)</li> <li>5. You need to provide alternate environment where backward compatibility is possible and end users can migrate at their own pace. A thing which has been brought to notice for more than a year now (1 x sell-side)</li> </ol> <p><u>Comments Against</u></p> <ol style="list-style-type: none"> <li>1. MiFID TVs do not support technical enhancements that serve to increase costs to users. Funding model is distorts the logic behind any responses and outcomes (1 x association)</li> <li>2. The existing template-based mechanism works satisfactorily. It can prove disruptive to our existing flows due to re-work on coding and integration. Note: Comment is in absence of technical detail (1 x TV)</li> </ol>

## Topics under Consideration – Service Availability

Question	Response Summary	Proposed Next Steps
4.1 Change of operating hours	Majority in favour	Further consultation.

## Topics under Consideration – Service Availability

Question	Response Summary
<p>Q4.1 Change of operating hours</p> <p>Should the DSB’s downtime hours be change to between 00:30AM Sunday UTC and 12:30PM Sunday UTC?</p> <p>Next step: Further consultation.</p>	<p>Yes=4 (3 x TV; 1 x Sell-side) No=1 (1 x Sell-side)</p> <p><u>Comments</u></p> <ol style="list-style-type: none"> <li>1. As Sunday up time of 12:30 UTC is too late for start of day for applications which are global in nature (1 x sell-side)</li> <li>2. Keeping the downtime within one trading day of most DSB users will avoid previously discussed end of Saturday issues (1 x TV)</li> <li>3. No strong view, and should be managed via the TAC (1 x Sell-side)</li> <li>4. We are agnostic to this proposed change (2 x TV).</li> </ol>

## Topics under Consideration – Cybersecurity

Question	Response Summary	Proposed Next Steps
5.1 GUI Multi-factor authentication	Majority in favour	Further consultation.
5.2 Secure SDLC	Unanimous feedback in favour	Further consultation.
5.3 ISO 2700X (cyber-security)	Majority in favour	Further consultation.
5.4 ISO 27018 (PII info-security)	Mixed feedback, given minimal PII storage within DSB	Propose to drop.
5.5 Addition of Chief Info-Sec Officer	Majority in favour	Further consultation.

## Topics under Consideration – Cybersecurity

Question	Response Summary
<p>Q5.1 GUI Multi-factor authentication</p> <p>Should the DSB GUI support multi-factor authentication to match best practice cyber-authentication guidelines?</p> <p>Next step: Further consultation.</p>	<p>Yes=6 (2 x sell-side; 2 x TV; 1 x association; 1 x vendor) No=2 (2 x TV)</p> <p><u>Comments in Favour</u></p> <ol style="list-style-type: none"> <li>1. Cost/benefit should be assessed and options provided to participants via consultation. Password expiry function should be supported (1 x TV)</li> <li>2. MFA would create a secure environment. It requires self-provisioning to lower help desk calls (1 x vendor)</li> <li>3. Probably, though not GUI users (1 x sell-side)</li> <li>4. The DSB GUI should support federated authentication/single sign on (1 x sell-side)</li> <li>5. We support the DSB moving in this direction (1 x association)</li> <li>6. The DSB should already have implemented cybersecurity best practices within existing costs (1 x TV)</li> <li>7. We would support a new methodology whereby different layers of authentication are required depending on GUI usage (ISIN Search vs ISIN Creation) (1 x sell-side)</li> </ol> <p><u>Comments Against</u></p> <ol style="list-style-type: none"> <li>1. The cost-recovery would be too great and the user experience sub-optimal (1 x TV)</li> <li>2. We do not believe that GUI-based activity forms a significant portion of DSB industry interaction. As such, we do not support investing in MFA on DSB GUI. (1 x TV)</li> </ol>

## Topics under Consideration – Cybersecurity

Question	Response Summary
<p>Q5.2 Secure SDLC</p> <p>Should the DSB’s Software Development Life Cycle (SDLC) be extended to embed security considerations throughout the SDLC?</p> <p>Next step: Further consultation.</p>	<p>Yes=7 (3 x sell-side; 3 x TV; 1 x association)            No=0</p> <p><u>Comments in Favour</u></p> <ol style="list-style-type: none"> <li>1. Yes, given risk of cyber attacks disrupting Production environment (1 x TV; 1 x association)</li> <li>2. This makes sense as long as it does not impact delivery (1 x sell-side)</li> <li>3. Must be run on a most cost effective basis (1 x TV)</li> <li>4. The DSB should already have implemented cybersecurity best practices within existing costs (1 x TV)</li> </ol>



## Topics under Consideration – Cybersecurity

Question	Response Summary
<p>Q5.3 ISO 2700X</p> <p>Should the DSB explore adopting the ISO 2700X standard as its framework for addressing information security risks?</p> <p>Next step: Further consultation.</p>	<p>Yes=6 (4 x TV; 1 x sell-side; 1 x vendor) No=1 (1 x association)</p> <p><u>Comments Against</u></p> <ol style="list-style-type: none"> <li>No, MiFID TVs do not see the use case (1 x association) Currently DSB users would only use login/password, which can show email address that include name/surname/company name. Apart from this, DSB isn't holding any kind of PII, however implementing ISO 27001 just for this alone doesn't seem justifiable.</li> </ol> <p><u>Comments in Favour</u></p> <ol style="list-style-type: none"> <li>Security incident management should align with industry recognized framework (e.g. NIST) (1 x sell-side)</li> <li>Needs to be beneficial across multiple areas and not just email address protection (1 x TV)</li> <li>DSB should adopt ISO 2700X (1 x vendor)</li> <li>While not essential, we would not oppose this as long as this is run on a most cost effective basis.</li> <li>The DSB should already have implemented cybersecurity best practices within existing costs (1 x TV)</li> </ol>

## Topics under Consideration – Cybersecurity

Question	Response Summary
<p>Q5.4 ISO 27018</p> <p>Should the DSB explore adopting the ISO 27018 standard as its framework for addressing data breach risks on Personally Identifiable Information?</p> <p><b>Next step: Propose to drop.</b></p>	<p>Yes=5 (3 x sell-side; 1 x vendor; 1 x TV) No=4 (3 x TV; 1 x association)</p> <p><u>Comments Against</u></p> <ol style="list-style-type: none"> <li>1. MiFIR TVs do not see the use case currently. As long as ANNA DSB is aligned to GDPR, ISO/IEC 27018 might not provide a lot of additional benefit (1 x association)</li> <li>2. The nature of personal data is not sensitive and hence it will not be our topmost priority. Therefore, we would not support the proposal (1 x TV)</li> <li>3. Any additional benefit will likely be outweighed by rising cost of usage for all DSB members, especially considering the small amount of PII DSB stores (1 x TV)</li> </ol> <p><u>Comments in Favour</u></p> <ol style="list-style-type: none"> <li>1. Framework for security incident management should align with industry recognized framework (e.g. NIST) (1 x sell-side)</li> <li>2. Yes, Implement the ISO standard (1 x vendor)</li> <li>3. DSB should already have implemented cybersecurity best practices within existing costs (1 x TV)</li> </ol>

## Topics under Consideration – Cybersecurity

Question	Response Summary
<p>Q5.5 Addition of Chief Information Security Officer</p> <p>Should the DSB explore adding a new role of Chief Information Security Officer to its management team?</p> <p>Next step: Further consultation.</p>	<p>Yes=5 (3 x TV; 1 x sell-side; 1 x vendor) No=2 (1 x TV; 1 x association)</p> <p><u>Comments in Favour</u></p> <ol style="list-style-type: none"> <li>1. DSB should review and propose the solution based on identifying any gaps (1 x TV)</li> <li>2. A CISO needs to be added for compliance with new security regimes (1 x vendor)</li> <li>3. Yes. It would be beneficial given the pivotal role played by DSB in OTC markets (1 x TV)</li> <li>4. Yes, although this doesn't seem to be large enough to be a full-time role. More detail would be required to understand why this cannot be absorbed into existing headcount (1 x TV)</li> <li>5. This option should be explored to give users greater comfort in the DSB's cybersecurity processes. DSB should also consider adding additional technology risk support team members to support in answering user queries. Today we struggle to receive responses to our firm mandated technology risk questionnaires due to a lack of resourcing on the DSB side. The impact of any resource addition (CISO or other) on end user fees should be taken into consideration (1 x sell-side)</li> </ol> <p><u>Comments Against</u></p> <ol style="list-style-type: none"> <li>1. Given the nature of the data, MiFIR TVs do not see the use case for a CISO (1 x association)</li> </ol>

# AOB

- TAC information: <https://www.anna-dsb.com/technology-advisory-committee/>

# Appendices

- TAC Committee Members
- TAC 2019 Meeting Schedule

# Committee Members

Institution	Category	First Name	Last Name	Position / Title
Citigroup	SI	Souvik	Deb	VP, Regulatory Reform
Credit Suisse	SI	Prem	Ananthkrishnan	IT
HSBC	SI	James	Cowie	GFI Regulatory Reporting Manager
JP Morgan	SI	Eugene	Eltsofin	VP, IT Software Engineering
Lloyds Bank	SI	Stephen	Pond	FI E-Trading & Rates Pricing Dev Manager
Morgan Stanley	SI	Shari	Lines	Financial Instrument Ref Data Architect
Rabobank	SI	James	Brown	Delivery Manager, IT Systems
SEB	SI	Henrik	Martensson	Markets CTO Office
Standard Chartered Bank	SI	Andrew	Poulter	Sabre Development Manager
State Street Bank	SI	Kimberly	Cohen	MD - Business Technology Solutions
UBS	SI	Tony	Chau	IB CTO for Regulatory Initiatives
BGC Partners	TV	Jimmy	Chen	Development Manager
Bloomberg LP	TV	Chris	Pulsifer	Software Development Manager
Nex	TV	Ziv	Yankowitz	VP - Research and Development
State Street FX Connect	TV	Tony	Flamand	Head of Regulatory Reform
Thomson Reuters MTF	TV	Zintis	Rullis	Senior Technical Specialist
Tradeweb	TV	Elodie	Cany	Director, Technology Product Development
Asset Control	Other Industry	Martijn	Groot	VP - Product Management
Simplitem	Other Industry	Aanya	Madhani	Head of Product Development
SIX Group Services AG	Other Industry	Stephan	Schaub	Senior Architect
SmartStream	Other Industry	Rocky	Martinez	CTO
Thomson Reuters Data	Other Industry	David	Bull	Head of FI Content Management
BVI	Other Industry	Felix	Ertl	VP, Legal
EFAMA	Other Industry	Vincent	Dessard	Senior Policy Advisor
FIX	Other Industry	Lisa	Taikitsadaporn	FIX Global Technical Committee
Investment Association	Other Industry	David	Broadway	Investment Operations Lead
ISDA	Other Industry	Karel	Engelen	Senior Director
Independent Expert	Other Industry	Jim	Northey	ex officio as ISO TC 68 Chair Elect

DSB Sponsor:

Marc Honegger  
DSB Board Member

Chair:

David Broadway  
Investment Association

Designated DSB Officer:

Sassan Danesh  
DSB Management Team

Observers	Name	Position / Title
ESMA	Olga Petrenko	Senior Officer, Markets
FCA	Paul Everson	Senior Associate – Market Oversight
JSDA	Eiichiro Fukase	General Manager

## TAC 2019 Meeting Schedule

The following shows the agreed meeting dates & times for 2019:

- Wednesday 13<sup>th</sup> March 2019 1pm GMT (1pm UTC, 2pm CET, 8am EST)
- Tuesday 18<sup>th</sup> June 2019 1pm BST (12pm UTC, 2pm CEST, 8am EDT)
- Wednesday 7<sup>th</sup> August 2019 1pm BST (12pm UTC, 2pm CEST, 8am EDT)
- Wednesday 9<sup>th</sup> October 2019 1pm BST (12pm UTC, 2pm CEST, 8am EDT)