

DERIVATIVES SERVICE BUREAU

TECHNOLOGY ADVISORY COMMITTEE

INDUSTRY CONSULTATION 2021 FOR THE 2022 SERVICE PROVISION

23 June 2021

MEMBER FINAL V01

Agenda

- **Governance**
 - Competition Law Reminder
 - Roll call
 - Membership update
- **Industry Consultation**
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Governance I of IV - Competition Law Reminder I of II

The purpose of this protocol is to remind attendees of Derivatives Service Bureau (DSB) Limited (“DSB”) Technology Advisory Committee, that all discussions at such meetings are subject to the application of EU, UK and other applicable national competition law (“Competition Law”).

Individual attendees are responsible for observing the requirements of Competition Law and should make themselves familiar with their legal obligations and their own organization policies.

The DSB is committed to compliance with Competition Law and advises that TAC participants follow the guidance set out below in order to ensure that all meetings remain in compliance with Competition Law.

1. A meeting agenda will be circulated in advance of a meeting. Any objections to, or potential concerns about, the proposed agenda in relation to Competition Law compliance should be raised prior to the meeting if practicable
2. Attendees must stick to the prepared agenda during the meeting and avoid discussion about other topics
3. Attendees must not seek, discuss, communicate or exchange any commercially or other business sensitive information about their organization or relating to competitors (whether before, during or after meetings). This includes, for example, any non-public information relating to prices, costs, revenues, business plans/marketing activities, individual terms and conditions, risk appetite or any other information which is likely to reduce strategic uncertainty in the market (i.e. which might result in less intensive competition than would normally occur)
4. Attendees must not reach any sort of agreement or understanding that is unlawful due to competition law (e.g. unlawful horizontal agreement, unlawful vertical agreement)

Governance II of IV - Competition Law Reminder II of II

5. The TAC Secretariat will take minutes of the meeting, and supply these to each attendee in due course.
6. If the Chair considers that a discussion at the meeting may be inappropriate from a Competition Law perspective, he or she shall raise an objection and promptly bring that part of the discussion to an end. If another attendee, or the DDO, is concerned about a discussion from a Competition Law perspective, he or she shall bring it to the attention of the Chair, who will promptly bring that part of the discussion to an end. If other attendees attempt to continue that discussion, the Chair shall bring the meeting to an end. Every attendee is allowed to immediately leave the meeting in such situations. All such situations must be properly recorded in the minutes.
7. The minutes of the meeting must subsequently be read and approved by the attendees. If any matter discussed is not recorded in the minutes, or is recorded incorrectly, any attendee may raise an objection in writing and request an amendment.
8. Similar principles should be observed for any group email exchanges or other online group discussions operated by DSB, including those pertaining to TAC matters.

We remind attendees that breaching Competition Law has serious potential consequences for them as individuals and their organizations. Such consequences may include heavy fines, liability to pay compensation to affected individuals and businesses and, in certain cases, the imposition of criminal penalties, director disqualification orders and disciplinary action.

Governance III of IV – Roll Call

The DDO will undertake the roll call.

Governance IV of IV - TAC Membership Update

We would like to welcome two new members to the TAC:

- James Colquhoun has joined the TAC as an additional member. James is the Market Regulation Domain Architect at UBS.
- Richard Gee has replaced Kamal Singh as the TAC representative from SIX Group Services AG on the TAC, TAC SSC and TAC CASC. Richard is the Head of Product Provisioning and Delivery.

We would also like to take this opportunity to thank:

- Kamal his valued contribution to TAC forums.

Please note: Both membership changes have already been reviewed and approved by the DSB Board.

Industry Consultation - Introduction

DSB 2021 OTC ISIN Industry Consultation for the 2022 Service Provision

This year the DSB received no responses from industry by the feedback deadline and only one response has been received after the deadline has passed. The response can be viewed [here](#)¹.

The DSB is aware that this is a very busy time for the industry, the DSB itself is running another consultation exercise for the introduction of the UPI service.

In light of this, the DSB finds itself in an usual position given a lack of rounded feedback from industry on the technology-related questions.

The questions are important to the future of the DSB and so the DSB is now seeking the TAC's guidance on how to proceed.

Industry Consultation - Milestones

The DSB is currently undertaking its annual OTC ISIN Industry Consultation exercise, the timeline for this was published on Wednesday 17th March, the news article is available [here](#).

Key Milestones:

- 30 Apr 2021 Publication of DSB Consultation Paper (CP)
- 13 May 2021 Webinar
- 31 May 2021 Industry feedback on the CP
- **23 Jun 2021 TAC Industry Consultation Meeting**
- 01 Jul 2021 Final Consultation Report publication
- 10 Aug 2021 DSB 2022 draft Access & Usage Agreement (UA) publication
- 03 Sep 2021 Deadline for industry feedback on proposed UA changes
- 17 Sep 2021 DSB 2022 final UA publication
- 01 Oct 2021 User termination deadline
- 04 Oct 2021 Annual User fees for 2022 calculated
- 06 Oct 2020 2022 User fees published

Technology Topics under Consideration – Overview

The 2021 OTC ISIN Industry Consultation for the 2022 Service Provision contained the following technology-related questions. The table below summarises the questions along with the DSB’s proposed approach for consideration by the TAC:

CPI #	Topic	Proposed Next Steps
Q2	Security Controls – Security Operations Centre	Proceed (€155k Opex)
Q3	Technology Controls – Tools	<ul style="list-style-type: none"> Do not proceed as planned Catalogue current tooling via BAU in 2021 Present findings back to the TAC (€0 Opex)
Q4	Cloud Deployment Maturity	Proceed (€120 Opex)

Technology Topics under Consideration I of VI – Q2 I of II

Question	Supporting Information
<p>Q2 Security Controls – Security Operations Centre</p> <p>The DSB believes it is appropriate to undertake a detailed analysis on the implementation of a Security Operations Centre, either on-site or contracted to a third-party.</p> <p>Should the DSB perform a cost, benefit and risk analysis on the implementation of a Security Operations Centre?</p>	<p>As cyber threats over the course of the pandemic have risen by around 280%, it has become clear that the DSB is at increased risk of cyber threats. Additionally, with cybercriminals using more and more sophisticated hacking software, protection has become an increasingly challenging task with the small team involved.</p> <p>The industry consensus is that a Security Operations Centre is vital to maintaining a solid security posture. Utilising Security Information and Event Management (SIEM) software, with the proper configuration, a Security Operations Centre will help monitor and protect against threats. Cybercriminals are active everywhere globally, and a fully staffed, well equipped Security Operations Centre will help prevent bad actors, both external and internal, from potentially compromising our environments.</p> <p>With this in mind, the Security team would like to carry out a detailed analysis on the implementation of a Security Operations Centre, either on-site or contracted to a third party, to understand the costs, risks and complexity of how we can better monitor, analyse, report and alert on potential forces acting on the company infrastructure</p>

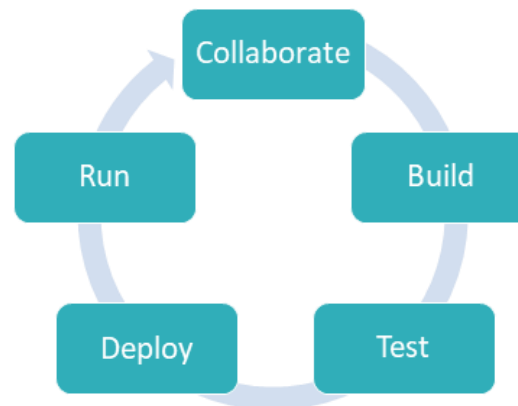
Technology Topics under Consideration II of VI – Q2 II of II

Cost Estimates	Next Steps
<p>Opex: €155k</p> <p>Impact on DSB total costs: 2022 = €155K 2023 onwards = €0</p>	<ul style="list-style-type: none">• Review the DSB's current monitoring, analysis and reporting structure• Provide a gap analysis of our existing SIEM infrastructure against what a Security Operations Centre would provide• Provide analysis on the cost, benefit and risks associated with either:<ul style="list-style-type: none">• Utilising an in-house Security Operations Centre• Utilising a third party to manage the DSB Security Operations Centre

TAC Question: Do the TAC recommend the inclusion of this item in the 2022 OTIC ISIN service proposition to the DSB Board?

Technology Topics under Consideration III of VI – Q3 I of II

Question	Supporting Information
<p>Q3 Technology Controls – Tools</p> <p>The DSB is proposing to undertake a detailed review of their Enterprise tooling estate. Increasing the DSB’s capability for automation, orchestration and controls both preventative and detective within the service.</p> <p>Should the DSB perform a review of the current toolset and identify any areas where services could and should be enhanced or improved?</p>	<p>The DSB is working very closely with industry on many matters and a key area of focus is how our industry manages controls and associated risks. With this mind, the DSB Technology team are proposing to carry out a detailed review of our enterprise tooling in an effort to understand how we can better mitigate risk by improving visibility and transparency.</p> <p>Controls should be multi-layered and predominantly fall into the following categories:</p> <ol style="list-style-type: none"> 1. Directive – Written user guidance on what should and should not be done 2. Preventative – Technology controls that restrict what a user can do 3. Detective – Manage and monitor controls 1 & 2 to ensure policy is adhered to <p>This Consultation question focuses on “Preventative – Technology controls that restrict what a user can do” and “Detective – Manage and monitor controls 1 & 2 to ensure policy is adhered to.” The review will aim to cover the entire technology lifecycle as depicted below.</p>



Technology Topics under Consideration IV of VI – Q3 II of II

Cost Estimates	Next Steps
Opex: revised €0k for 2022	<ul style="list-style-type: none">• Recommendation to the TAC is for the DSB to catalogue the tooling via BAU in 2021• Return the topic to the TAC with a more focused proposal

TAC Question: Do the TAC agree with the proposed approach in relation to this question?

Technology Topics under Consideration V of VI – Q4 I of II

Question	Supporting Information
<p>Q4 Cloud Deployment Maturity</p> <p>The DSB is proposing to undertake a detailed review of its cloud deployment and the roles and responsibilities of its Service Provision Partner (SPP). This is due to a number of outages experienced, and service improvement opportunities missed by the SPP, which require a more detailed review.</p> <p>Should the DSB perform a detailed technical review of its cloud infrastructure deployment and the role of its Service Provision Partner?</p>	<p>Cloud technologies are evolving fast with enhanced functionality and new services arriving daily. AWS, the DSB's Cloud Infrastructure Service Provider released over 1000 major enhancements and 12 brand new services in 2020.</p> <p>These new services are very focused on improving usability, security, performance, scalability and cost efficiencies, all of interest to a lean and growing organisation such as the DSB.</p> <p>Although our Service Provision Partner (SPP) manages our day-to-day infrastructure deployment in AWS, the SPP has not identified and proactively proposed any improvements to our existing deployment in the last 18 months, even though there have been significant enhancements by AWS.</p> <p>We are proposing a very detailed review of how our application infrastructure has been deployed in AWS. This compliments the multi-cloud review which is very focused on the application and operational complexities of operating in a multi-cloud environment.</p> <p>A well-managed and securely deployed cloud infrastructure is a significant aspect in ensuring Technology controls are managed effectively.</p>

Technology Topics under Consideration VI of VI – Q4 II of II

Cost Estimates	Next Steps
Opex: €120k Impact on DSB total costs: 2022 = €120 2023 onwards = €0	<ul style="list-style-type: none">• Provide a detailed review of our current cloud deployment• Provide a review of our SPP service in relation to its contractual obligations• Provide a detailed cost benefit analysis of any proposed change

TAC Question: Do the TAC recommend the inclusion of this item in the 2022 OTIC ISIN service proposition to the DSB Board?

AOB

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

Appendices

- A – TAC Committee Members
- B – TAC Meeting Schedule

Appendix A - TAC Committee Members

Institution	Category	First Name	Last Name	Position / Title
Asset Control	Industry	Martijn	Groot	VP, Marketing and Strategy
Bloomberg	Industry	Chris	Pulsifer	Software Development Manager
BVI	Industry	Felix	Ertl	VP, Legal
CFETS	Industry	Yan	Hui	RMB Derivatives Research & Development Manager
CFMMC	Industry	Huang	Lu	IT & Senior Economist
China Securities Internet System	Industry	Billy	Chen	Monitoring Centre Director
Citigroup	Industry	Souvik	Deb	VP, Regulatory Reform
Deutsche Bank AG	Industry	Amit	Bairagi	Product Owner
DTCC	Industry	Warren	Rubin	Director, Repository and Derivatives Services
EFAMA	Industry	Vincent	Dessard	Senior Policy Advisor
FIX	Industry	Lisa	Taikitsadaporn	FIX Global Technical Committee
HSBC	Industry	James	Cowie	Americas Product Owner - Regulatory Reporting
Independent Expert	Industry	James	McGovern	Enterprise Architect & Security Leader
Independent Expert	Industry	Jim	Northey	ex officio as ISO TC 68 Chair Elect
ISDA	Industry	Alan	Milligan	Head of Data & Digital Solutions
JP Morgan	Industry	Nadav	Krispin	VP, Software Engineering
LSEG	Industry	Aanya	Madhani	Senior Business Development Manager, TRADEcho
Morgan Stanley	Industry	Abhinav	Koul	Financial Instrument Reference Data Architect
Rabobank	Industry	James	Brown	Delivery Manager, IT Systems
Refinitiv	Industry	Artur	Grajek	Content Technology Design Authority
SEB	Industry	Henrik	Martensson	Markets CTO Office
SIX Group Services AG	Industry	Richard	Gee	Head of Product Provisioning and Delivery
SmartStream	Industry	Rocky	Martinez	CTO
Standard Chartered Bank	Industry	Anthony	Brennan	Data Solutions Lead
State Street Bank	Industry	Kimberly	Cohen	MD - Business Technology Solutions
Tahoe Blue Ltd	Industry	Jefferson	Braswell	Founding Partner
UBS	Industry	James	Colquhoun	Market Regulation Domain Architect
BGC Partners	TV	Jimmy	Chen	Development Manager
Refinitiv MTF	TV	Zintis	Rullis	Senior Technical Specialist
State Street FX Connect	TV	Rajkamal	Roka	Head of FX Regulatory Reform
Tradeweb	TV	Elodie	Cany	Director, Technology Product Development

Observers

Organisation	Name	Position / Title
CFTC & ROC	Robert Stowsky	IT Specialist
ESMA	Olga Petrenko	Senior Officer, Markets
FCA	Paul Everson	Senior Associate – Market Oversight
JSDA	Eiichiro Fukase	Counsellor to the Chairman (for Fintech, Financial Products and Global Regulation)

DSB TAC Sponsor:	Marc Honegger DSB Board Member
DSB TAC Chair:	Chris Pulsifer Bloomberg
Designated DSB Officer:	Andy Hughes DSB Management Team
DSB TAC Secretariat:	Will Braithwaite DSB Infrastructure Architect
	Yuval Cohen DSB Technical Architect

Appendix B - TAC Meeting Schedule

The following shows the TAC meeting dates & times:

Date	Description	Time
Wednesday 7th April 2021	2021 Meeting 1	1pm BST (12pm UTC, 2pm CET, 8am EST)
Wednesday 23rd June 2021	2021 Industry Consultation	1pm BST (12pm UTC, 2pm CET, 8am EST)
Wednesday 3rd November 2021	2021 Meeting 2	1pm GMT (1pm UTC, 2pm CET, 8am EST)