ANNA-DSB

Technology and Operations Consultation Paper 1
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As buy side we see ourselves generating ISINs only in rare cases. Most time we expect this is done via the various venues, facilities or sell side counterparties. However we will in any case consume the data and map the ISIN, CFI and FiSN in time to our internal data.

Q1: The DSB proposes to allow the creation of ISINs for OTC Derivatives through the website. Do you think that ISIN generation should be possible over the web? If not, please describe your reasoning and provide evidence to support your points. the business use case to support your need.

ISIN creation should be possible via web and bulk creation in a batch as well.

Q2: The DSB proposes to use 0500 UTC to define the start of a new day. Do you think that this time is correct as the starting point for the new subscriptions for ISINs? If not, please explain your reasoning with evidence.

We have good experience to start the day in a global environment before the exchange in Tokyo is opening. So 0100 UTC would be our choice to start the day

Q3: The DSB will roll at the end of each day to perform housekeeping tasks etc. This means that all subscriptions and connections will need to be re-established each day. Does this model affect any key business requirements from the industry? If so, please explain including business use cases and any other evidence.

We agree

Q4: The file download service permits users to retrieve all the ISINs created to-date. This data is split by asset class (as defined above in the 'file download' process description) and by date. Is this categorization sufficient to meet the industry's needs? If not, please explain, including business use cases and any other evidence.

There should be a way to retrieve one full file with all ISINS as well.

Q5: Are there processes / use-cases that the DSB has not proposed above but are important to allow the industry to meet the regulatory requirements for ISINs for OTC derivatives? If so, please describe the business use case and explain and evidence why it is necessary.

To keep internal data up to date capability of a full download is emphasized

Q6: Do you know any products that cannot be represent using a JSON record? If so, please provide evidence to support your point.

We do not object to the use of JSON which is an open, text-based data exchange format. Like XML, it is human-readable, platform independent, and enjoys a wide availability. We appreciate the smaller footprint compared to some XML flavours.

Q7: As stated above, the DSB will provide access to the set of JSON templates through the File Download service. Will you require access to the templates via FIX or any other method? If so, please describe your requirement and provide evidence as to why it is necessary.

The solution should allow also smaller and medium sized market participants automated but standardized access to the service at all times. Therefore we do not object to the use of JSON which is an open, text-based data exchange format. Like XML, it is human-readable, platform independent, and enjoys a wide availability. At this stage as we do not know the exact member requirements we would welcome every option, including SFTP but not limited to FIX and FpML.

Q11: Do you think the above approach for on-boarding stakeholders onto the

UAT platform allows the industry sufficient scope to test and validate their connectivity and functionality before the regulatory deadline? If not, please suggest an alternative approach and why you consider it more suitable.

Yes, if the platform vendors had sufficient time to test the service.

Q12: How many FIX connections / COMPIDs does your organization expect to establish with the DSB?

we plan for intraday connection via trading platforms and end of day via SFTP.

Q13: Currently, the DSB is not planning to conduct a coordinated UAT with multiple market participants interacting with the system simultaneously. Do you think a coordinated test would have value? If so, would you consider being part of such a test? Please explain your reasoning and what combination of tests you think would be important to conduct in such a scenario.

Yes. Special test cases and a parallel run would make sense.

Q14: Do you agree with the assumptions made to infer the total number of messages sent by the DSB? If not, please explain your reasoning and provide evidence where possible.

No comment.

Q15: Do you agree that the cloud is the most appropriate approach for infrastructure implementation for the DSB? If not, please detail your objections and provide evidence where possible.

With the cloud approach taken by DSB come certain cyber risks security which need to be properly addressed.

Q16: As stated above, the DSB is initially planning to use two or more datacentres located in different countries in Europe. Do you have any specific objections or concerns with this approach? If so, please detail your points and provide evidence where possible.

After Brexit data centers should be located in continental Europe, and at least 40 km apart from each other.

Q17: Is there a scenario where 1000ms is not a low enough latency threshold for the DSB to respond with an ISIN? If so, please provide the detail, including the business use case and the process steps to highlight the point at which the latency affects events.

From a buyside perspective the ISIN DSB needs to be near real time only. The suggested latency threshold is fine as long as it does not lead to a ramp up of events.

Q18: Is there a scenario where a maximum time-lag of 1 minute to respond to a burst affects the ability of the market participant to proceed with its trading activity? If so, please provide the scenario detail.

From a buyside perspective the ISIN DSB needs to be near real time only. One minute is near time enough.

Q19: Are there other performance and throughput variables that you feel aren't listed here and that will have a significant impact on cost or the service quality? If so, please list and describe them and their effect.

No comments at this stage.

Q20: Are there market participants who must access the DSB outside of the hours specified above to meet the industry's immediate requirement? If so, please explain for what purpose and why this must take place outside those hours.

Retrieving the bulk data should be possible at all times. Some partners or affiliates dealing with such data might operate out of different time zone.

Q21: If the view is to extend the availability hours to allow global access, we may need to extend the system hours to 24 x 5.5. This will increase the support cost of the utility. Please specify and demonstrate any business use cases that require the DSB, in this first phase, to be running and supported for 24 x 5.5.

As many global businesses run on 23 h 5 days it would make sense to have during those trading hours the service available. That way ISINS could be created even before general trading in Europe opens.

Q22: Are there other availability variables that you feel aren't listed here and that will have a significant impact on cost or the service quality? If so, please list and describe them and their effect.

The solution should allow also smaller and medium sized market participants automated but standardized access to the service at all times. While BVI supports the standard since a long time, not many German buyside firms currently use FpML at this stage as typical derivative users in our industry consider the standard demanding and difficult to implement.

Q23: Do you think the DSB being implemented in the cloud will prevent your ability and/or willingness to connect to the service? If so, please explain and evidence your reasoning.

The cloud solution should allow also smaller and medium sized market participants automated but standardized access to the service at all times. Uptake depends on the security assessment in line with regulatory requirements on outsourcing IT functions into the cloud.

Q24: The DSB intends to execute 1,2 and 5 before launch and then conduct 3 on an annual basis. Do the you think this provides a sufficient test of the system's defences against penetration? If not, please explain your reasoning and provide references to industry standards or best practices to support your response.

No comments at this stage.

Q25: In addition, the DSB will execute a quarterly vulnerability scan or after any significant change. Do you think this frequency provides a sufficient test of the system's defences against penetration? If not, please explain your reasoning and provide references to industry standards or best practices to support your response.

No comments at this stage.

Q26: Are there other security variables that you feel aren't listed here and that will have a significant impact on cost or the service quality? If so, please list and describe them and their effect.

No comments at this stage.

Q27: The DSB is also investigating alternative connection types:

□ Leased line

□ Access via third party networks such as BT Radianz

□ Direct Cross-connect

Please indicate if any of these other options would be preferable to your institutions.

As long as it is secure in terms of cyber security access via internet is fine. Leased lines for guaranteed bandwidth sound very expensive on a global level, and may only be an option for large global organizations and vendors**.**

Q28: If you are considering a third-party network, which vendors are you considering? Please note that answers to this question will NOT be published –

this question is to inform the DSB regarding any possible prioritization of third-party network connectivity.

No comments at this stage.

Q29: Are there other connectivity variables that you feel aren't listed here and that will have a significant impact on cost or the service quality? If so, please list and describe them and their effect.

No comments at this stage.

Q30: Is 7 years' audit log retention sufficient to meet your company data retention policy needs? If not, please explain why they should be stored for longer and provide evidence to your reply.

In general regulation e.g. in Germany and Italy require 10 years holding period for commercial documents.

Q31: Is 7 years' audit log retention too long and therefore incurring unnecessary costs? If so, please explain why a shorter period is sufficient and provide evidence to your reply.

We respectfully disagree with a shorter period than 10 years, cf Q30.

Q32: Currently, ISINs will be retained permanently and be available in the same way as a brand new ISIN. Is there an age at which an ISIN can be archived away from the main data set? If so, please explain your reasoning and the access requirement for such an archive.

No comments at this stage.

Q33: Are there other aspects of storage requirements that you feel aren't listed here and that will have a significant impact on cost or the service quality? If so, please list and describe them and their effect.

No comments at this stage.

Q34: Is a recovery time of 4 hours sufficiently fast enough for you to meet your requirements for obtaining OTC Derivative ISINs? If not, please detail the business cases that evidence this.

Yes.

Q35: There will be an annual internal system failover test. Should there be a separate failover test with the industry to enable participants to test their failover procedures? If so, please indicate how often this should occur.

A once a year test is preferable. Only with a combined fail over the handshake can be tested as well.

Q36: Are there other disaster recovery aspects that you feel aren't listed here and that will have a significant impact on cost or the service quality? If so, please list and describe them and their effect.

No comments at this stage.

Q37: Is the additional cost (at most double) appropriate, considering the risks of not providing this level of resiliency?

No comments at this stage.

Q38: Given the objective to use at least two geographical locations for the system, do you have any specific locations that should not be considered? If so, please explain why and provide evidence where possible.

No comments at this stage.