



State Street Corporation

State Street Financial Center  
One Lincoln Street  
Boston, MA 02111-2900

[www.statestreet.com](http://www.statestreet.com)

July 29, 2019

Association of National Numbering Agencies  
Derivatives Service Bureau  
Via email: [industry\\_consultation@anna-dsb.com](mailto:industry_consultation@anna-dsb.com)

**Re: 2020 Consultation - Industry Consultation Paper 2**

Dear Sir or Madam:

State Street Corporation (“State Street”) appreciates the opportunity to comment on the Association of National Numbering Agencies (“ANNA”) Derivatives Service Bureau’s (“DSB”) Industry Consultation Paper 2 (“consultation”). Headquartered in Boston, Massachusetts, State Street specializes in the provision of financial services to institutional investor clients, such as pension plans, mutual funds, alternative investment funds, central banks, charitable foundations and endowments. This includes the provision of investment servicing, investment management, data and analytics, and investment research and trading. With \$32.754 trillion in assets under custody and administration and \$2.918 trillion in assets under management, State Street operates in more than 100 geographic markets globally (as of June 30, 2019).

State Street is organized as a United States bank holding company, with operations conducted through several entities, primarily its wholly-insured depository institution subsidiary, State Street Bank and Trust Company. Our perspective in respect to this consultation is broadly informed by our State Street Global Markets (“SSGM”) group, which operates two multilateral trading facilities and one systematic internaliser.

As more fully described in the enclosed, we offer our thoughts on aspects of ANNA DSB’s services and functionality, including proposed enhancements. Generally, we do not support the increased costs noted in the consultation, especially those related to services not utilized by all DSB users. Furthermore, as we have articulated in the past, we recommend that fees be based on a firm-wide contracting entity agreement which incorporates both a fixed user fee and a variable charge based on the number of distinct ISINs requested by that entity.



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Please feel free to contact Guy Kirby at [GKirby@StateStreet.com](mailto:GKirby@StateStreet.com) or Victoria Whitfield at [VWhitfield@StateStreet.com](mailto:VWhitfield@StateStreet.com) should you wish to discuss State Street's submission in greater detail.

Sincerely,

Guy Kirby  
Senior Vice President  
SSGM FX Trading, Sales, & Research

Victoria Whitfield  
Managing Director  
SSGM EMEA GlobalLink COO

## 1.1 Appendix 3 - Second Consultation Questions for Industry

### Proposed Format for Industry Responses to the DSB Consultations:

- Consultation responses should be completed using the form below and emailed to [industry\\_consultation@anna-dsb.com](mailto:industry_consultation@anna-dsb.com)
- An option is provided for respondents to stipulate whether the response is to be treated as anonymous. Note that all responses are published on the DSB website and are not anonymized unless a specific request is made
- Where applicable, responses should include specific and actionable alternative solution(s) that would be acceptable to the respondent to ensure that the DSB can work to reflect the best target solution sought by industry (within the governance framework of the utility)
- As with prior consultations, each organization is permitted a single response
- Responses should include details of the type of organization responding to the consultation and its current user category to enable the DSB to analyse client needs in more detail and include anonymized statistics as part of the second consultation report
- Responses must be received by 5pm UTC on Monday 29<sup>th</sup> July 2019
- A webinar to address consultation related queries will take place on Thursday 11<sup>th</sup> July 2019. Register for the webinar [here](#).
- All consultation related queries should be directed to [industry\\_consultation@anna-dsb.com](mailto:industry_consultation@anna-dsb.com)

### Respondent Details

<b>Name</b>	Guy Kirby, Senior Vice President, SSGM FX Trading, Sales, & Research  Victoria Whitfield, Managing Director, SSGM GlobalLink EMEA COO
<b>Email Address</b>	GKirby@StateStreet.com  VWhitfield@StateStreet.com
<b>Company</b>	State Street Corporation
<b>Country</b>	United States
<b>Company Type</b>	Financial
<b>User Type</b>	Power

Select if response should be anonymous

CP2 Q#	QUESTION FOR CONSULTATION	PARTICIPANT'S RESPONSE
<b>FUNCTIONALITY</b>		
1	<p><u>CFI Codes for EMIR</u></p> <p>Given the approach set out above, the cost estimates provided by the DSB in this consultation, and bearing in mind that these costs would be shared across the DSB's user base as per the DSB's existing fee model, do you believe it is appropriate for the DSB to provide a CFI service to act as the golden source of CFI codes for all EMIR Level III products, or should such a service be left to commercial operators?</p>	<p>The DSB's ISIN service originated as a result of MiFIR requirements. Proposing a new CFI service that is required for EMIR and spreading the cost to the existing MiFIR user base does not seem appropriate. Instead, the cost should be apportioned to those individual users who require access to the CFI functionality.</p>
2	<p><u>Mapping to MiFID II Taxonomy</u></p> <p><b>2(a):</b> Do you concur with the DSB's proposal to perform the analysis for MiFID II Taxonomy mapping?</p>	<p>Yes, we concur with the DSB's proposal.</p>
	<p><b>2(b):</b> If you answered "yes" to the question above, do you want the DSB analysis to address all products under MiFID II RTS-2 scope or just OTC derivatives in scope of the DSB?</p>	<p>We believe that all products under MiFID II RTS-2 scope should be addressed.</p>
3	<p><u>Default values in ISIN Templates</u></p> <p>Do you concur with the DSB's proposal to utilise the DSB Challenge Process and existing PC secretariat resourcing to manage default value population within the product templates?</p>	<p>Yes, we concur with the DSB's proposal.</p>

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4	<p><u>Underlying Identifiers</u></p> <p>Do you concur with the DSB's proposal to utilise existing PC secretariat resources to manage requests for additional underlying data such as US equities?</p>	Yes, we concur with the DSB's proposal.
5	<p><u>GUI Enhancements</u></p> <p>Do you concur with the DSB's proposal to implement a minimal set of search filters targeting occasional users?</p>	<p>No, the cost estimates for the proposed filters are too high. We do not see a proportionate benefit to their development and therefore, oppose the cost estimate.</p> <p>We recommend a more refined analysis of the underlying costs followed by review by the TAC / PC to determine next steps. We also urge analysing the ongoing run cost of the filters beyond the initial build out cost.</p>
6	<p><u>Other Technical Enhancements</u></p> <p>Do you concur with the DSB's proposal to utilise existing TAC resources to address the identified concerns as part of the DSB's business as usual resourcing?</p>	Yes, we concur with the DSB's proposal.
<b>DATA SUBMISSION ENHANCEMENTS</b>		
7	<p><u>Tool for Proprietary Index Submissions</u></p> <p>Do you concur with the DSB's proposal to take no further action on a tool to enhance the proprietary index submission process?</p>	
8	<p><u>SLA for Proprietary Index Submissions</u></p> <p>Do you concur with the DSB's proposal to keep unchanged the SLA for proprietary index submissions?</p>	

CP2 Q#	QUESTION FOR CONSULTATION	PARTICIPANT'S RESPONSE
9	<p><u>Automated User Submission Process for Proprietary Indices</u></p> <p>Do you concur with the DSB's proposal to investigate the provision of an automated user submissions process as part of the DSB's business as usual resourcing and prioritisation?</p>	
10	<p><u>Machine-Readable Format for Proprietary Indices</u></p> <p>Do you concur with the DSB's proposal to investigate the automated provision of the full of list proprietary indices in a machine-readable format as part of the DSB's business as usual resourcing and prioritisation?</p>	
11	<p><u>LEI for CDS Single Name</u></p> <p>Do you concur with the DSB's proposal for the build of the LEI-ISIN mapping service for CDS single names?</p>	<p>While we support the use of LEIs, we oppose the DSB's proposal given the high cost involved without any benefit to those users not engaged in CDS activities.</p>
12	<p><u>Validation of CDS Single Name</u></p> <p>Do you concur with the DSB's proposal to examine the number of CDS SN ISINs that have been incorrectly created and work with the PC to determine next steps, if any?</p>	
13	<p><u>Supplemental Data for ISIN-LEI Mapping</u></p> <p>Do you concur with the DSB's proposal to perform initial analysis to further explore the supplemental data examples cited by users as part of the DSB's business as usual resourcing and prioritisation?</p>	<p>Yes, we concur with the DSB's proposal to perform an initial analysis.</p>

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14	<p><u>Mapping of Index Names to Underlying Identifiers</u></p> <p>Do you concur with the DSB's proposal to perform the business and technical analysis on the mapping of index names to underlying identifiers?</p>	<p>Yes, we concur with the DSB's proposal to perform the analysis.</p>
15	<p><u>Data Review Process</u></p> <p>Do you concur with the DSB's proposal to work with the PC to review each of the requests for additional underlying data made above on a case by case basis as part of its business as usual operations?</p>	
<b>SERVICE LEVELS</b>		
16	<p><u>Bulk ISIN Creation</u></p> <p>Do you concur with the DSB's proposal to drop further analysis on bulk ISIN creation?</p>	<p>Yes, we agree with the DSB's proposal.</p>
17	<p><u>Searchable On-Line Utility</u></p> <p>Do you concur with the DSB's proposal to work with the TAC and PC to agree an appropriate design and functionality as part of its business as usual operations?</p>	<p>Yes, we concur with the DSB's proposal.</p>
18	<p><u>Phone-Based Support</u></p> <p>Do you concur with the DSB's proposal to drop further investigation on phone support?</p>	<p>Yes, we support the DSB's proposal to drop further investigation on phone support. As previously noted in our response to a prior ANNA DSB consultation, we believe that the focus should be placed on reducing the time needed to respond to email requests from users rather than phone-based helpdesk support.</p>
19	<p><u>Proactive AUP Monitoring</u></p> <p><b>19(a):</b> Do you concur with the DSB's proposal to implement the core functionality?</p>	<p>No, we do not support the DSB's proposal due to the costs involved.</p>

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	<b>19(b):</b> Do you concur with the implementation of the API functionality?	No, we do not support the implementation of the API functionality due to the costs involved.
<b>SERVICE AVAILABILITY</b>		
20	<u>Downtime Window</u> Do you concur with the DSB's proposal to change the DSB's downtime hours to between 00:30AM Sunday UTC and 12:30PM Sunday UTC?	Yes, we have no concerns with the proposed change.
<b>CYBERSECURITY</b>		
21	<u>GUI Multi-Factor Authentication</u> Do you concur with the DSB's proposal to implement a minimal MFA solution for the GUI?	Yes, we concur.
22	<u>Secure SDLC</u> Do you concur with the DSB's proposal to move forward with analysis of Secure SDLC?	Yes, we concur.
23	<u>ISO 27001/2 for Cyber Breach Risk</u> Do you concur with the DSB's proposal to move forward with the analysis phase for the implementation of the ISO27001/27002 framework?	Yes, we concur.
24	<u>ISO 27018 for PII Breach Risk</u> Do you concur with the DSB's proposal to take no further action?	Yes, we support the DSB's proposal to take no further action.
25	<u>On-Boarding of CISO</u> Do you concur with the DSB's proposal to on-board a part-time CISO with a full-time security engineer?	Yes, we concur.
<b>FEES AND USER AGREEMENT</b>		



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26	<p>The current timeline for determination of annual fees is the first working day of December (DSB Charges Policy – paragraph 2.4<sup>1</sup>). Communication of the fees is published two days following the fee determination i.e. within the first week of December.</p> <p>When do you need the annual fees for the following year to be communicated?</p>	<table border="1"> <tr><td>July</td><td></td></tr> <tr><td>August</td><td></td></tr> <tr><td>September</td><td></td></tr> <tr><td>October</td><td></td></tr> <tr><td>November</td><td>X</td></tr> <tr><td>December (unchanged)</td><td></td></tr> <tr><td>No opinion</td><td></td></tr> </table>	July		August		September		October		November	X	December (unchanged)		No opinion	
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August																
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November	X															
December (unchanged)																
No opinion																
27	<p>The current cost recovery model results in DSB fees being set in way that incorporates adjustments related to the following year's service provision, based on industry consultation feedback and input from both industry committees.</p> <p>By bringing the fee determination period forward, the DSB may need to allow for some level of build &amp; run related uplift. This is because the outcome of industry consultation may not be known at the time of fee determination if the timeline is brought forward.</p> <p>What level of cost adjustment should be accommodated?</p>	<table border="1"> <tr><td>0-4%</td><td>X</td></tr> <tr><td>4-8%,</td><td></td></tr> <tr><td>8-12%,</td><td></td></tr> <tr><td>No opinion</td><td></td></tr> </table> <p>We do not, as a general matter, support cost adjustments and therefore recommend that they be kept to a minimum.</p>	0-4%	X	4-8%,		8-12%,		No opinion							
0-4%	X															
4-8%,																
8-12%,																
No opinion																
28	<p>Industry consensus in 2018 resulted in the DSB making no changes to the way in which user fees were determined for 2019.</p> <p>Do you believe this should remain the case?</p>	<table border="1"> <tr><td>Yes</td><td></td></tr> <tr><td>No</td><td>X</td></tr> <tr><td>No opinion</td><td></td></tr> </table> <p>No, we believe there should be a fee discount for entities requesting multiple or group wide agreements.</p>	Yes		No	X	No opinion									
Yes																
No	X															
No opinion																

<sup>1</sup> [https://www.anna-dsb.com/download/dsb-charges-policy\\_v3-1\\_2019\\_final/](https://www.anna-dsb.com/download/dsb-charges-policy_v3-1_2019_final/)

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29	<p>The current fee model is designed to ensure that all users of the service, irrespective of size or whether a multi-faceted organisation, can reasonably access the services under fair and equitable terms. Based on this model, the applicable annual fee is applied to each user who executes the DSB Access and Usage Agreement regardless if they have an existing agreement/s in place. Please note, any amendment to the fee model including discounted fees for those users with multiple agreements means the revenue reduction will need to be recovered by the user base to ensure cost recovery of the service.</p> <p>Do you believe a fee discount should be made available for entities requesting multiple or group wide agreements?</p> <p>If yes, above, what level of discount should be applicable?</p>	<table border="1" data-bbox="895 436 1433 842"> <tr><td>No</td><td></td></tr> <tr><td>Yes, 15%</td><td></td></tr> <tr><td>Yes, 20%</td><td></td></tr> <tr><td>Yes, 25%</td><td></td></tr> <tr><td>Yes, 50%</td><td>X</td></tr> <tr><td>No opinion</td><td></td></tr> <tr><td>Other</td><td></td></tr> </table> <p>Yes, we believe it is reasonable to provide fee discounts for entities requesting multiple or group wide agreements.</p>	No		Yes, 15%		Yes, 20%		Yes, 25%		Yes, 50%	X	No opinion		Other	
No																
Yes, 15%																
Yes, 20%																
Yes, 25%																
Yes, 50%	X															
No opinion																
Other																
30	<p>Please provide any additional user fee related feedback you wish to provide.</p>	<p>As noted in State Street's response to previous consultations, State Street supports an alternative fee model whereby fees are based on a contracting entity agreement (including an entity's branches and subsidiaries). Specifically, we propose a fee model that includes a fixed user charge in addition to a variable charge based on the number of distinct ISINs an institution has asked to be created.</p>														
31	<p>Do you concur with the DSB's proposal to form the DSB Agreement Forum and present its findings within the annual DSB consultation in 2020? If not, what is your specific alternate proposal (if any)?</p>															

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CP2 Q#	QUESTION FOR CONSULTATION	PARTICIPANT'S RESPONSE
32	Please use this space for any other comments you wish to provide	