

ANNA-DSB

Fee Model Consultation Paper
9th January 2017

We support in general the approach suggested. The openness of the system is key for the success. We recommend to enhance the ability and support for entities which are mainly consumer of the Masterfile and creating ISINs in an indirect manner.

Q1: Do you agree that there should be no restriction regarding the organization types able to consume the ISINs and their associated reference data at no charge? If not, please explain your reasoning and provide evidence where possible.

We agree that there should be no restriction. Not only to organization. It should not require licensing and it should be free of any intellectual property rights.

Q2: There is a marginal cost associated with registration and onboarding a new organization for access to the DSB. Do you agree that organizations registering with the DSB should not be charged any fee for data access or onboarding? If not, please suggest an alternative approach that is consistent with the principle of 'reasonable cost' access to ISINs for OTC derivatives.

We agree. The access via web and ftp download should be free of charge. Any additional service add additional value and could be priced special, but then the overall fee should go down.

Q3: Do you agree with the DSB estimate of 40 for the number of organizations that will want to create ISINs? If not, please explain an alternative estimate and provide evidence to support your answer.

Sound like a conservative estimation but reasonable for the start.

Q4: Do you agree with the DSB estimate of 50 for the number of organizations that will want to connect to the service via the FIX network? If not, please provide evidence that supports a different estimate.

We would assume that only organizations creating ISINs will connect via FIX. So 40 seems consistent.

Q5: Do you agree with using 2m as a predictive estimate for the number of ISINs the DSB expects to create in a 12-month period? If not, please explain why and provide any necessary evidence or examples to support your response.

With our data we think even 2m might be high for the first year. So 2m sounds fine as estimate.

Q6: Given the potential disincentive to be the first requestor to create a given ISIN, do you agree that using the ISIN reporting obligation is a sensible basis for allocating costs (and therefore fees) amongst the regulated entities that have an ISIN reporting obligation? If not, please explain why and suggest an alternative approach and evidence why that is more appropriate.

We assume given the reporting obligation the disincentive can be neglected.

Q7: Do you foresee any challenges with using the number of OTC derivative instruments reported under RTS23 as the mechanism to collect the relevant data to allow the calculation to take place? If not, please explain why and suggest an alternative approach and evidence why that is more appropriate.

As a starting point this might be fine. Over time we expect to grow this into a global standard even for not ESMA regulated business.

Q8: Is there another group of organizations that will interact with the DSB and should be taken into account when constructing the fee model? If so, please describe them, how their usage may differ from that already described, and what their potential impact might be on the service.

A lot of investors, asset managers and data collectors will just want to connect via web and ftp and download the data in bulk and batch. Those would not like to introduce a full-fledged FIX engine.

Q9: Having read about the proposed fee model in the above section and the various fee models considered in Section 7 below, do you agree that the

proposed model offers a fair and equitable approach to fees for the numbering agency function of the DSB? If not, please explain your reasons. If possible, suggest improvements on the proposed model.

Considering the group of users mentioned in answer to Q8 there should be something as a flat fee for “consumers” only which is significantly less than the fee for ISIN creators.

Q10: Do you think there may be practical difficulties in executing the proposed model? If so, please explain and, if possible, suggest alternative solutions to these challenges.

The suggested model gives the ISIN creators e.g. Platforms the trouble to offer a pricing model based on who uses the new service and who not. Something like freeing the agent in case the end user opts in one of the fee models could be helpful.

Q11: What other fee models should the DSB consider as part of its deliberations? Please provide an explanation in the form of the examples provided in this paper and evidence of the impact on users where possible.

See answer to Q10

Q12: What additional effects might the presence of intermediary vendors have on the fee model of the DSB? Please provide examples and evidence where possible.

See answer on Q10