

DSB GOVERNANCE POLICY

1 GENERAL

- 1.1 This DSB Governance Policy (“**DGP**”) sets out the governance structure and processes that will apply to the DSB Services that the DSB will provide to the User.
- 1.2 This DGP forms part of the Agreement agreed between the User and the DSB. Defined terms shall have the same meaning as set out in the Main Terms and as otherwise set out herein.

2 GOVERNANCE

- 2.1 TDSB is a fully automated generator of International Securities Identification Numbers (ISINs), Unique Product Identifiers (UPIs), Classification of Financial Instruments (CFI) and Financial Instrument Short Name (FISN), all globally recognised and adopted ISO standards for identifying, classifying and describing OTC Derivatives (more information available at www.anna-dsb.com).

2.2 What is the DSB?

- (a) A technology numbering platform providing OTC ISIN Services and UPI Services (as defined in the relevant Subscription) operating on a cost recovery basis.
- (b) Within its scope of OTC Derivatives, it provides the industry with an archive of ISINs and UPIs and their associated instrument Reference Data.
- (c) It is global in design and operation.

2.3 What does the DSB do?

- (a) ISIN, UPI, CFI and FISN creation for new OTC Derivatives product as required by market participants.
- (b) Distribution of ISINs and UPIs and their associated reference data to market participants.
- (c) Interaction options include web interface, ReST API & FIX direct connectivity and file download (as described in the Subscription Management and Connectivity Policy).

2.4 DSB Drivers

- (a) EU regulators have mandated that ISINs identify instruments for MiFID2 / MiFIR reporting, including some OTC Derivatives.
- (b) The DSB is the sole source of ISINs for OTC Derivatives and was engineered to serve the needs of regulators and industry participants, to enable the industry to meet January 2018 deadlines.
- (c) G20 Regulators have mandated the reporting of UPIs from January 2022 as a global solution aligned with requirements of the Committee on Payments and Market Infrastructures and International Organization of Securities Commissions (“**CPMI-IOSCO**”) UPI initiative.

- 2.5 Created by the Association of National Numbering (“**ANNA**”) as a subsidiary special purpose vehicle, the DSB is governed by a board of directors alongside an industry [Product Committee](#) that determines the specifications for ISINs and UPIs representing a broad range of derivative types, as well as maintaining the technical integrity of the ISIN and UPI and an industry [Technical Advisory Committee](#) who will support the DSB Board on technology issues in order to align the DSB’s technology strategy with the needs of the markets it serves. The structure of the DSB is illustrated on the [ANNA DSB website](#).

- 2.6 Governance of the DSB is effected by the business and technical requirements imposed by the International Organization for Standardization (“ISO”) on OTC ISIN numbering agency operations. Oversight and enforcement are the responsibility of ANNA, which serves as the ISIN Registration Authority under contract with the ISO. These ISO requirements include pricing of numbering agency services on a cost-recovery basis.
- 2.7 The Financial Stability Board designated the DSB as UPI service provider and operator of the UPI Reference Data Library. The Regulatory Oversight Committee (“ROC”) oversees the DSB in this role. The ROC and the DSB finalised a [Memorandum of Understanding \(MOU\)](#) on the implementation of the governance arrangements for the globally harmonised UPI in August 2021. The MOU, available on the DSB and ROC websites, outlines the expected division of responsibilities for functioning and oversight of the UPI System which incorporates the ROC-DSB Notifications Protocol pursuant to Article IV of the MOU, Clause 25.

DSB PRODUCT COMMITTEE

- 2.8 The DSB Product Committee is an industry group that works beside the board of the DSB (the “**Product Committee**”). Continuing the work of the ISO study group tasked with defining the ISIN for OTC Derivatives and subsequently the UPI, the Product Committee oversees the definitions of a broad range of OTC Derivatives and how they translate into data requirements for allocation of these identifiers. They also support the development and inclusion of descriptive taxonomies used to identify OTC Derivatives.
- 2.9 The Product Committee is comprised of a balanced group of experts from firms that are subject to the regulatory requirement to report OTC Derivative transactions — buy-side, sell-side and trading venues. The names of the current members of the Product Committee and more detailed information on their role in the DSB can be found on the [Website](#).
- 2.10 The Product Committee is also engaged in open industry consultations to determine parameters and direction of their work. More information on these consultations can be found, as they are launched, in the [Consultation pages of the DSB website](#).
- 2.11 Minutes of the meetings of the Product Committee are posted on the DSB website at <https://www.anna-dsb.com/product-committee/>.
- 2.12 The DSB Product Committee Charter defines the objectives, procedures and operations of the DSB Product Committee including any related Subcommittees and is published on the DSB website - <https://www.anna-dsb.com/product-committee/>.

TERMS OF REFERENCE

- 2.13 **OTC ISIN design:**
- (a) must be fully consistent with the ISO 6166 standard;
 - (b) must meet include the generation of CFI and FISN codes in accordance with the ISO 10962 and ISO 18774 standards respectively;
 - (c) must be extensible to multiple jurisdictions (generally) and as far as reasonably possible, consistent with CPMI-IOSCO’s thinking on UPI; and
 - (d) must meet the requirements of MiFID II (RTS23) including further guidance provided by European Securities and Markets Authority (ESMA).
- 2.14 **ISO/ TC 68/SC 4/SG 2 Recommendations**
- (a) ANNA as the Registration Authority for ISO 6166 has the responsibility for the implementation of the ISO 6166 standard.

- (b) The report of TC 68/SC 4/SG 2 was prepared for its parent committee TC 68/SC 4 (which following an ISO TC 68 reorganization has become TC 68/SC 8). It is expected that the design of the OTC ISIN supports a multi-level framework, but the timing for implementation was not discussed or agreed within TC 68/SC 4, consequently it falls within the remit of the DSB on behalf of ANNA.

- (c) The sequencing of product analysis and development falls within the remit of the DSB.

2.15 Other Regulatory or Industry Approved Identifiers

- (a) OTC ISIN design must not conflict with fulfilling MiFID II (RTS23) obligations.

2.16 UPI Design

- (a) The UPI design must be fully consistent with the principles set out in the UPI Technical Guidance¹, which sets out technical requirements for a UPI code and related Reference Data, and any further guidance provided by the Committee on Payments and Market Infrastructures together with the CPMI-IOSCO and the Financial Stability Board (FSB).
- (b) The Product Committee will work with the International Governance Body (IGB) to resolve any concerns with respect to alignment of the CFI, UPI and OTC ISIN.

DSB TECHNOLOGY ADVISORY COMMITTEE

- 2.17 The general objective of the DSB Technology Advisory Committee is to provide advisory support to the DSB in recognition of required enhancements and adaptations of its technology base and its services to address the changes in a timely fashion.
- 2.18 The DSB Technology Advisory Committee is comprised of a balanced group of industry experts from firms that are systematic internalizers in the OTC derivatives markets, derivatives trading venues, related businesses, trade associations, independent experts and regulators.
- 2.19 Live recordings and minutes of the DSB Technology Advisory Committee meetings are posted on the DSB website at <https://www.anna-dsb.com/technology-advisory-committee/>.
- 2.20 The DSB Technology Advisory Committee Charter defines the objectives, procedures and operations of the DSB Technology Advisory Committee including any related Subcommittees and is published on the DSB website - <https://www.anna-dsb.com/technology-advisory-committee/>.

3 OTHER

- 3.1 This DGP will be periodically reviewed and updated by the DSB in accordance with clauses 1.2 and 1.3 of the Main Terms.

4 DISPUTES AND RESOLUTION

- 4.1 The parties shall attempt in good faith to negotiate a settlement of any dispute between them arising out of or in connection with this Agreement.
- 4.2 Subject to paragraphs 4.1 and 4.12, any dispute arising out of or in connection with this Agreement, including any question regarding its existence, validity or termination shall be referred to and finally resolved by arbitration under the rules of the London Court of International Arbitration (the **LCIA Rules**), which LCIA Rules are deemed to be incorporated by reference into this paragraph.

¹ See CPMI and IOSCO (2017), Technical Guidance: Harmonisation of the Unique Product Identifier, available at <https://www.bis.org/cpmi/publ/d169.pdf> and <https://www.iosco.org/library/pubdocs/pdf/IOSCOPD580.pdf>

- 4.3 The number of arbitrators shall be three. Each party shall nominate one arbitrator (together the nominated arbitrators) and the third arbitrator shall be nominated by agreement between the nominated arbitrators. The third arbitrator shall serve as chairman of the arbitral tribunal.
- 4.4 The seat, or legal place, of arbitration shall be London.
- 4.5 The language to be used in the arbitral proceedings shall be English.
- 4.6 The governing law of the arbitration shall be the law of England.
- 4.7 The parties agree that any and all notices and communications relating to the arbitration agreement in this Agreement shall be treated as effectively served if served in accordance with the requirements of Clause 18 of the Main Terms.
- 4.8 The parties agree that Article 30.1 of the LCIA Rules shall not apply to DSB's end users and regulators in respect of: (i) the existence of the arbitration; (ii) the parties involved in the arbitration; (iii) the issues and values in dispute between the parties; and (iv) all awards in the arbitration. For the avoidance of doubt, all materials in the arbitration created for the purpose of the arbitration and all other documents produced by another party in the proceedings shall be confidential in accordance with Article 30.1.
- 4.9 The parties agree that the costs of any arbitration commenced under this paragraph 4 shall be split equally between the parties and, pursuant to Article 28.5 of the LCIA Rules, the parties shall confirm this in writing to the appointed Arbitrator(s) following the commencement of the arbitration.
- 4.10 By agreeing to arbitration in accordance with this paragraph, the parties do not intend to deprive any competent court of its jurisdiction to issue a pre-arbitral injunction, pre-arbitral attachment or other order in aid of the arbitration proceedings, or the recognition and/or enforcement of any award. Any interim or provisional relief ordered by any competent court may subsequently be vacated, continued or modified by the arbitral tribunal on the application of either party.
- 4.11 All awards shall be final and binding on the parties. The parties undertake to carry out any award immediately and without any delay; and the parties waive irrevocably their right to any form of appeal or review of the award by any state court or other judicial authority, insofar as such waiver may be validly made.
- 4.12 In cases where there is a dispute arising out of or in connection with this Agreement, including any question regarding its existence, neither the claim nor any counterclaim together exceeds the sum of €150,000 (excluding VAT, where applicable) (or such other sum as the parties may agree) the arbitration shall be conducted in accordance with the small claims procedure set out at paragraph 5 below.
- 4.13 This paragraph 4 shall survive termination of this Agreement.

5 SMALL CLAIMS PROCEDURE

- 5.1 In cases where there is a dispute arising out of or in connection with this Agreement, which falls within the requirements of paragraph 4.12 above, the arbitration shall be conducted in accordance with the small claims procedure set out in this paragraph 5 (the **Small Claims Procedure**).
- 5.2 The arbitration shall be administered by the LCIA in accordance with this paragraph 5 and will be subject to the LCIA schedule of arbitration costs (the **Schedule of Costs**) in force at the time of the reference to arbitration.

Commencement

- 5.3 If a dispute is to be referred to arbitration under this Small Claims Procedure, then, the party wishing to commence an arbitration (the **Claimant**) shall send to Registrar of the LCIA Court (the

Registrar) and, simultaneously, to the other party or parties (the **Respondent(s)**) a written Request for Arbitration (the **Request**), which shall also stand as the Claimant's Statement of Case, containing or accompanied by:

- (a) the full name and all contact details (including postal address, e-mail address, telephone and facsimile numbers) of the Claimant and the Claimant's legal representatives for the purpose of receiving delivery of all documentation in the arbitration;
- (b) information identifying and setting out as clearly, concisely and comprehensively as possible, in numbered paragraphs, the relevant facts and legal submissions on which the Claimant relies, together with the relief claimed against all other parties;
- (c) paginated supporting documentation relevant to the issues between the parties; and
- (d) confirmation that the registration fee prescribed in the Schedule of Costs has been or is being paid to the LCIA, without which actual receipt of such payment the Request shall be treated by the Registrar as not having been delivered and the arbitration as not having been commenced under the arbitration agreement.

The Tribunal

- 5.4 A sole arbitrator shall be appointed by the LCIA Court, which shall endeavour to appoint the arbitrator (the **Arbitrator**) within 7 days of service of the Request, or as soon as reasonably practicable thereafter.
- 5.5 Articles 5.3, 5.4, 5.5, 5.9 and Article 10 of the LCIA Rules are hereby incorporated.

Further written submissions

- 5.6 Within 28 days of service of the Request, the Respondent shall send to the Registrar and, simultaneously, to the Claimant, a written Response to the Request (the **Response**), which shall also stand as the Respondent's Statement of Defence and shall include any counterclaim, which shall contain or be accompanied by:
 - (a) the full name and all contact details (including postal address, e-mail address, telephone and facsimile numbers) of the Respondent and the Respondent's legal representatives for the purpose of receiving delivery of all documentation in the arbitration;
 - (b) information identifying and setting out as clearly, concisely and comprehensively as possible, in numbered paragraphs, the relevant facts and legal submissions on which the Respondent relies, together with the relief claimed against all other parties; and
 - (c) paginated supporting documentation relevant to the issues between the parties.
- 5.7 Within 21 days of service of the Response, the Claimant shall send to the Registrar a Statement of Reply, which, where there is a counterclaim, shall include a Defence to Counterclaim (the **Reply**).
- 5.8 No further written submissions shall be permitted, unless the Arbitrator so directs.

Further conduct of the Proceedings

- 5.9 There shall be no disclosure, but if in the opinion of the Arbitrator a party has failed to produce any relevant document(s), the Arbitrator may order the production of such document(s) and may indicate to the party to whom the order is directed that, if without adequate explanation that party fails to produce the document(s), the Arbitrator may proceed on the assumption that the contents of such document(s) do not favour that party's case.

- 5.10 The expression “relevant documents” includes all documents relevant to the dispute, whether or not favourable to the party holding them but does not include documents which are not legally disclosable.
- 5.11 The parties shall be entitled to submit one short factual witness statement; unless the Arbitrator (taking into account the issues in dispute) deems it necessary for the parties to submit more than one factual witness statement.
- 5.12 The Arbitrator may decide the time, manner and form in which the factual witness statements shall be exchanged between the parties and presented to the Arbitrator.
- 5.13 There shall be no expert witness reports, unless the Arbitrator deems it necessary; taking into account the issues in dispute.
- 5.14 There shall be no oral hearing unless, in exceptional circumstances, the Arbitrator requires this.

The Award

- 5.15 The Arbitrator shall endeavour to render his or her award within 28 days of the deadline for final procedural step, or as soon as reasonably practicable thereafter.
- 5.16 The Arbitrator shall make his or her Award in writing, shall state the date on which the award is made and the seat of the arbitration, and, unless the parties agree in writing otherwise, shall state the reasons on which the award is based.
- 5.17 Every Award (including reasons for such award) shall be final and binding on the parties. The parties undertake to carry out any award immediately and without any delay; and the parties also waive irrevocably their right to any form of appeal, review or recourse to any state court or other legal authority, insofar as such waiver shall not be prohibited under any applicable law.

Costs

- 5.18 Article 28 (Arbitration Costs and Legal Costs) of the LCIA Rules is hereby incorporated as amended by paragraph 4.9 above.

Other matters

- 5.19 The seat (or legal place of arbitration), language to be used in the arbitral proceedings, governing law of the arbitration and notice provisions shall be as set out in paragraphs 4.4, 4.5, 4.6 and 4.7 above respectively.
- 5.20 Article 30 (Confidentiality) of the LCIA Rules is hereby incorporated as varied by paragraph 4.8 above.
- 5.21 Article 29 (Determinations and Decisions by LCIA Court) of the LCIA Rules is hereby incorporated.
- 5.22 The Arbitrator may in any case which, in the Arbitrator’s discretion, the Arbitrator considers exceptional depart from or vary the provisions of this Small Claims Procedure. Where the Arbitrator does depart from or vary the provisions of this Small Claims Procedure, the Arbitrator shall retain jurisdiction over the dispute.
- 5.23 In any case where it is determined or agreed that, because of the nature and/or weight of a case, the Small Claims Procedure is inappropriate and shall not be applicable, then (subject to any contrary agreement by the parties) the Arbitrator shall retain jurisdiction over the dispute and may order that the reference will proceed under paragraphs 4.2 to 4.11 above.
- 5.24 This paragraph 5 shall survive termination of this Agreement.

