



ANNA-DSB Product Committee

Final ISIN Principles

28th March 2017

1 Executive Summary

- European legislation MiFID II/MiFIR & MAR have specified the use of ISIN for all the instruments in-scope, including OTC Derivatives moving to trade on an EU Trading Venue
- ANNA, after discussions with the industry and ISO, have set up the Derivatives Service Bureau (DSB) to deliver global, permanent and timely ISINs for OTC Derivatives
- This Final Principles paper articulates the core principles that the DSB Board are following to define the ISIN for OTC Derivatives, in this first phase, focused on OTC derivatives falling within scope of MiFID II EU legislation
- This Final Principles paper details the basis on which the development of an ISIN will be made to meet the industry's immediate regulatory requirement for the identifier
- The DSB Product Committee received 12 responses to the Phase 1 Consultation Paper and would like to take this opportunity to thank all the respondents that contributed – especially given the permitted timeframe
- This report analyses those responses and then provides the final proposal supported by the DSB Board and Product Committee
- The DSB Product Committee acknowledges the request made by some respondents to incorporate the ISDA Taxonomy as well as the native ISO taxonomy into the design and implementation of the ISIN and has agreed it's inclusion is warranted based on industry feedback
- The ANNA board has confirmed that Day 1 design and implementation must, at a minimum, meet the FIRDS technical requirements articulated by MiFID II / MiFIR RTS 23 Annex 1
- ANNA, the DSB and the Product Committee have review technical guidance from CPMI-IOSCO (UPI & UTI) as well as the recommendations from TC68/SC4 SG2 work

Contents

| | | |
|-----|-------------------------------------|----|
| 1 | Executive Summary..... | 2 |
| 2 | Introduction | 4 |
| 2.1 | Background | 4 |
| 2.2 | DSB PC Approach | 5 |
| 2.3 | Organization of this report..... | 5 |
| 3 | Scope..... | 5 |
| 4 | Product Roadmap | 7 |
| 5 | Timeline and Approach | 8 |
| 6 | Principles..... | 9 |
| 6.1 | Product attribute granularity:..... | 9 |
| 6.2 | Product Classification..... | 11 |
| 6.3 | Data Validation..... | 12 |
| 6.4 | Intellectual Property Rights | 14 |
| 6.5 | Product Template Attributes: | 14 |
| 7 | Product Definitions | 14 |

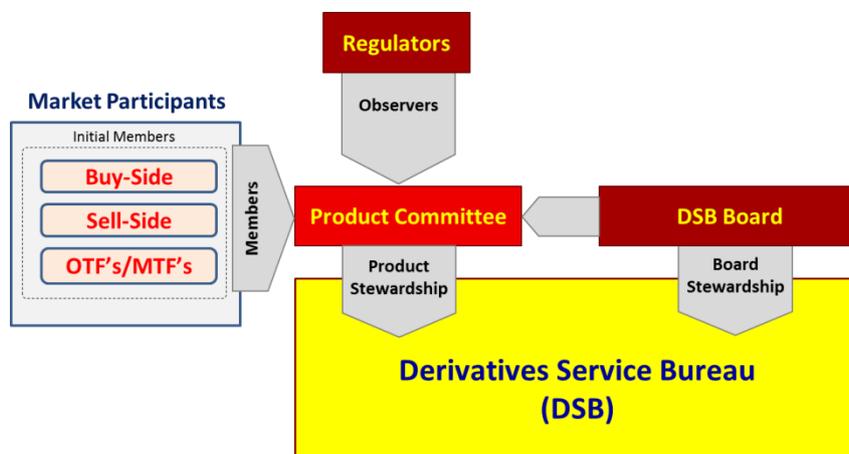
2 Introduction

2.1 Background

The Association of National Numbering Agencies (“ANNA”), a corporation organized under the laws of Belgium, founded the Derivatives Service Bureau (DSB), for the issuance and maintenance of International Securities Identification Numbers (ISINs)¹ for OTC derivatives. This will potentially include those derivatives subject to the clearing obligation and/or the trading obligation. The DSB will rely on an automated platform capable of allocating ISINs in near real-time.

The original requirement for this change of structure from the more traditional National Numbering Agency approach is the need for a near real-time identifier for OTC derivatives and its need to be persistent. In addition, it provided the opportunity to extend the identifier to encompass possible hierarchies and multiple taxonomies and models to meet differing global requirements.

The diagram below illustrates the proposed structure of the DSB Product Committee (DSB PC) as well as the categories of market participants in the DSB PC.



The DSB PC will bring together industry and regulatory representatives to manage and carry out product governance and to ensure the maintenance of data specifications for ISINs for OTC derivatives, including addressing new market products and to ensure all regulatory requirements can be met.

The primary purpose of the DSB PC will be ensuring ISINs can be created and assigned against all in-scope OTC Derivative products, the maintenance of attributes that define the OTC products and taxonomies as well as attribute and ISIN governance. As such, in its first two-year incarnation, its composition will reflect the reporting obligations placed on European Trading Venues and Systematic Internalizers, as well as the need to minimize cross-jurisdiction challenges. This last point is to ensure that, whilst the initial focus will be MiFID II/MiFIR, the DSB PC ISIN specification will take into account, where possible, regulations from other jurisdictions to ensure the possibility of an expansion of scope in subsequent work.

¹ ISIN constructed of "Country code + 9 digits + checksum" as per ISO 6166

2.2 DSB PC Approach

The approach is to continue the work undertaken by the ISO SG2 governance body which developed asset class specific use cases to determine appropriate product attributes for each derivative product.

The DSB PC will distribute a series of public consultations with all documentation, responses and final specifications overseen by the Committee.

This first consultation paper focus is on the principles that all subsequent papers will follow regarding the attributes under consideration for each of the different products.

2.3 Organization of this report

The DSB PC has organized the paper into the following sections and, where relevant, have included an analysis of feedback received and the DSB PC final proposal:

- Section 3 lays out the scope of the products under consideration by the DSB PC for OTC ISIN issuance
- Section 4 outlines the approach to Product template creation for the various products in scope and their implementation into the Demo environment
- Section 5 outlines the intended timelines and approach to each consultation phase
- Section 6 sets out the key principles the DSB PC will follow when defining the ISIN in this first phase of work
- Section 7 refers to the intended content of Consultation Paper – Phase 2

The initial text in each section of this report is the original text published as part of the first consultation paper and has not been altered. After considering the feedback received and outlining key points in the 'Analysis' paragraphs, the 'Final Proposal' paragraphs indicate the principles that the DSB intends to follow.

3 Scope

As indicated above, the expectation is that all products that fall under the following combination of CFI Codes are in scope:

| CFI Field #2 | 1 | 3 - 6 |
|--------------------------|---|-------|
| R Rates | S – Swaps | * |
| T Commodities | H - Non-listed and complex listed options | * |
| E Equity | J – Forwards | * |
| C Credit | | |
| F Foreign exchange | | |
| M Others (miscellaneous) | | |

Analysis

Most respondents agreed that OTC derivatives products in scope would be covered by some combination of the CFI Code, however, the DSB PC's analysis should extend beyond products traded on a trading venue and the ISIN should accommodate trades on both a trading venue and those executed whose underlier is traded on a trading venue i.e. by a systemic internalizer.

Some respondents expressed a concern that the CFI code is not granular enough to capture all instruments within an asset class which may result in the bucketing of heterogeneous products, especially in relation to FX Products.

The DSB PC has engaged CFI/ISO representatives to address a series of open questions on the current CFI code taxonomy and the appropriateness of its granularity in classifying all OTC instruments in scope. The DSB PC has been advised that there is the ability to extend the CFI code taxonomy should it be necessary to better represent the full catalogue of instruments in scope, however it is unlikely to be ready to meet the MiFID II timeline. In discussions with the CFI team, WG6, the next version of CFI will be available 15-18 Months post MiFID II go-live. The PC expects gaps in mapping the CFI codes to the eligible products (for example Cap/Floor Options) and is working with the CFI team to identify these and agree interim codes until a more refined CFI structure is available.

Some respondents requested further clarity of which CFI codes would be issued under the auspice of the DSB, versus those which will be issued by NNAs. ANNA is currently reviewing guidelines around assignment rules between DSB and NNA's and will advise the Product Committee of the outcome.

Final Proposal

The expectation is that all OTC Derivatives tradeable on an EU Trading Venue (ToTV) or those with an underlier tradeable on an EU Trading Venue are in scope.

To ensure complete product coverage, the DSB PC is referencing the SG2 Use cases as a basis for the product template design. This will ensure that the ISIN will have sufficient granularity to capture all products in scope.

Every product identified within the ISDA taxonomy has been assigned an individual use case to ensure a unique record exists for ISIN creation. Product templates have common fields between asset classes and so may represent multiple use cases.

The SG2 use cases are based on the ISDA Taxonomy for OTC Derivatives and as such when the DSB Templates are published their relationship to this will be made clear and straightforward so that Industry Participants can reach a consistent outcome.

The CFI codes will be an output from the ISIN engine and the inputs for this will form part of the template, either derived or explicit. It is important to note that for the initial implementation, the ISIN engine will use the 2015 version of the CFI structure.

The DSB PC acknowledges that there is additional guidance required on the following two points from ESMA and ANNA respectively:

- Clarification on the definition of ToTV - this is relevant to the ISIN definition because this determines whether an instrument needs to be reported under RTS 23 (Reference Data Reporting)
- Clarification of the set of CFI codes that will be handled by ANNA and the DSB and by implication, the remaining CFI codes that will be handled by respective NNA's. ANNA is currently reviewing guidelines around assignment rules between DSB and NNA's and will advise the Product Committee of the outcome

4 Product Roadmap

The DSB PC has collected data from multiple Trading Venues in the European Union and proposes the following as the basis to determine the sequencing of product definition groups as the DSB PC proceeds through its multiple consultation and specification phases. The groups were categorized as follows:

- Products that are traded by all venues that support that particular asset class
- Products that are traded by only some of the venues that support that particular asset class
- Products that are traded by none of the venues that support that particular asset class

This approach has not yet been finalized by the Committee and is currently under consideration.

Analysis

While acknowledging that a volume based approach driven by the Trading Venue analysis was reasonable, some respondents expressed concern that prioritization of products may result in a sub-optimal population that will be ready for go-live. The recommendation was that all products should be tested in UAT to ensure full product coverage prior to go-live in order to comply with regulatory obligations.

In order to initiate testing as early as possible, the DSB PC agreed that there should be a sequencing of Product templates submitted to UAT as they are reviewed and approved by the Committee. The intention, however, is to deliver templates for all instruments in scope into UAT prior to go-live.

Considering feedback received on Consultation Paper Phase 1 concerning the inputs into the ISIN engine, the DSB Product Committee agreed to increase its scope to provide a mapping from ISDA taxonomy and FpML codesets to ISO taxonomy and codesets for all relevant RTS23/CFI & FISN attributes within the templates themselves and the template selection and has requested ISDA's assistance in this matter.

Once the above has been provided, the DSB will facilitate user input in either ISO or FpML taxonomy and provide a service that will translate the ISDA taxonomy and FpML codesets to ISO taxonomy and codesets. This is not expected for Day 1 implementation.

Final Proposal

As a consequence of the increased scope to provide a dual taxonomy approach to the ISIN design, a new product roadmap has been established. To complete the dual taxonomy approach, mapping of ISDA 2.0 taxonomy to CFI Taxonomy AND FpML attributes to native ISO 20022 attributes is required and have been assigned and accepted by ISDA and the CFI team (WG6). The DSB is awaiting this provision to facilitate a conversion table which will be housed outside of the ISIN engine.

Due to these joint efforts, the PC has modified its approach and sequenced the work by asset class. This aligns with the mapping efforts and will allow a more orderly and robust implementation for UAT testing. Accordingly, the order will be

1. Rates
2. Credit
3. FX

4. Equity
5. Commodity

The sequencing above is not dependent on another because the PC can, and will, work on multiple asset classes as information and time is available.

As the product templates are reviewed and approved by the DSB PC, they will be loaded into the UAT environment for testing. The intention, however, is to deliver templates for all instruments in scope into UAT prior to go-live.

The DSB PC acknowledges that the thorough product template review that will be required may extend over the start of UAT and is investigating approaches to mitigate this impact.

5 Timeline and Approach

- Once this first consultation paper detailing the principles and approach is finalized, the DSB PC will proceed to cover the products as grouped in the previous section and in that order
- The aim is to deliver as many of the product specifications as feasible before UAT begins in April, 2017
- Once this initial objective is achieved, the DSB PC will proceed to examine how the hierarchy of identifiers can be used to meet the broader scope of the ISO SG 2 work and address other regulations and industry requirements
- The consultations aim to follow the below timelines, prioritizing as many of the Groups 1 and 2 products in Consultation Phase 2. Note – these are subject to change depending on the responses to section 4 and the DSB PC conclusion

| Schedule | Draft Consultation Paper distributed | Draft Consultation Paper Review/Input | Start public consultation | End public consultation | Product Committee Ratified |
|---|--------------------------------------|---------------------------------------|---------------------------|-------------------------|----------------------------|
| Phase 1 (Scope + initial instrument analysis) | 01/Dec/2016 | 05/Dec/2016 | 09/Dec/2016 | 30/Dec/2016 | 12/Jan/2017 |
| Phase 2 Consultation | 19/Jan/2017 | 26/Jan/2017 | 02/Feb/2017 | 23/Feb/2017 | 09/Mar/2017 |
| Phase 3 Consultation | 16/Feb/2017 | 23/Feb/2017 | 02/Mar/2017 | 23/Mar/2017 | 6/Apr/2017 |

Analysis

Some respondents expressed concern with the aggressiveness of the timelines especially considering that the consultation period fell over the holidays. In addition, respondents noted that completing the product template work in time for the April 2017 UAT start would be challenging given the number of open questions from the SG2 work.

In response to these concerns, the Industry consultation period was extended into the first week of January to give respondents more time to opine on the Consultation Paper principles.

Final Proposal

- The publication date of this Final Principles paper has been extended to ensure the DSB PC and the ANNA board has had ample time to review industry responses and the PC's recommendations in order to finalize the principles contained herein
- Once this Principles paper is finalized, the DSB PC will partner with the DSB's Secretariat to develop Product Templates for each instrument in scope
- The DSB is considering ways to mitigate the risk to UAT of not having full product templates in place at start of UAT
- Once the full product set is loaded into UAT and pronounced fit for purpose for MiFID II requirements, the DSB PC will proceed to examine how the hierarchy of identifiers can be used to meet the broader scope of the ISO SG 2 work and address other regulations and industry requirements

6 Principles

6.1 Product attribute granularity:

The ISO SG2 group focused on delivering a hierarchy of ISINs that met both regulatory and industry requirements. Whilst significant progress was made by the ISO SG2 group there remain challenges to resolve and complete the granularity definitions for all the products in scope. The DSB PC, for this first phase, proposes that ISIN generation for OTC derivatives focuses on delivering an ISIN level that meets the immediate requirement of the industry to address the EU Regulatory Technical Standard 23 within MiFID 2 before moving on to other potential levels that might be implemented. By following this approach, the DSB PC leaves open the ability to synchronize and integrate the CPMI-IOSCO work, as it finalizes the Unique Product Identifier requirements. Where there is a direct overlap then the attributes below are noted as being included in the current UPI consultation, sometimes under a different attribute name.

Product attribute granularity should enable compliance with:

- MiFID II/MiFIR RTS 23 (Annex I, Table 3) Details
- Classification of financial instruments – CFI Code (ISO 10962)
- Financial Instrument Short Name – FISN (ISO 18774)

In addition, the DSB PC will take into account, where it thinks it necessary, any field discrepancies between MiFID II/MiFIR RTS 23 (Annex I, Table 3) and RTS 2 (Annex IV).

Analysis

Some respondents expressed a preference for the day 1 support of multi-jurisdiction/business use cases and multi-level hierarchy in particular the CPMI IOSCO UPI guidelines that are being defined in parallel.

By facilitating support for the design of a multi-jurisdiction/business use cases and multi-level hierarchy, the DSB PC acknowledges that the ISIN aims to satisfy both global regulatory and industry requirements but with an initial implementation focus targeted at MiFID II.

Additionally, the ANNA Board's expectation is that the DSB PC will leverage the ISO SG2 analysis for the initial design of the OTC ISIN wherever the Committee deems the SG2 analysis to be appropriate.

Final Proposal

The DSB PC, in agreement with the DSB Board and ANNA, for this first phase, proposes that ISIN generation for OTC derivatives trading or admitted to trading on an EU Trading Venue or whose underlying is trading on an EU Trading Venue focuses on delivering an ISIN level that meets the immediate requirement of the industry to address the EU Regulatory Technical Standard 23 within MiFID 2 and the additional guidance below given directly by ESMA on this matter.

The initial OTC ISIN design:

- must be fully consistent with the ISO 6166 standard
- must meet the expectations of the ISO leadership as articulated above, including the generation of CFI and FISN codes
- must be extensible to multiple jurisdictions (generally) and as far as reasonably possible, consistent with CPMI-IOSCO's thinking on UPI

The initial OTC ISIN implementation:

- must meet the requirements of MiFID II as articulated by the ESMA observer on the Product Committee.
- must be implemented within the timelines for MiFID II go-live

Additionally, the ANNA Board expectation is that the Product Committee will leverage the ISO SG2 analysis for the initial **design** of the OTC ISIN wherever the Committee deems the SG2 analysis to be appropriate. However, the **implementation** of any aspects of the design that are not required for MiFID II go-live will need to be phased after MiFID II go-live unless there is unambiguous evidence that the initial implementation timelines will not be put at risk.

Furthermore, the Product Committee has agreed the following points, in-line with the requirements of the respective MiFIR Implementing act, i.e. RTS 23, and MAR Article 4 delegated and implementing regulations, for the ISIN that is to be produced for Reference Data Reporting:

- According to the requirements of Article 1 of RTS 23, trading venues and systematic internalisers are obliged to provide competent authorities all details of financial instrument reference data referred to in Table 3 of the Annex that pertain to the financial instrument concerned. Article 3(1) of RTS 23 subsequently specifies that each financial instrument should be identified through ISO 6166 ISIN code. Therefore, at least one of the ISIN Levels (referred to below simply as "ISIN") should allow to derive all the fields required for RTS23 reporting that pertain to a given financial instrument.
- ISIN cannot be less granular than RTS23² and for sake of clarity this means the ISIN must include the Maturity Date and other mandatory fields for those products as specified by MiFIR RTS 23 and respective XML template developed in accordance ISO 20022 messages. This is due to MiFIR RTS 23 and MAR Article 4(1) requiring submission of reference data on per financial instrument basis.

² With the exception of Fixed Rate and Strike price to the extent they represent the pricing detail of a given transaction rather than reference data for a given instrument. Furthermore, these two attributes have been confirmed as out of scope due to the fact that the CFI code generation is independent of any pricing information.

- ISIN can be more granular than RTS23 in terms of the number of attributes and/or the enumeration of the values for those attributes. ESMA has acknowledged that this may mean that it receives RTS23 reference data reports with different ISINs for the same attribute values
- ISIN attributes / values provided to the DSB need to be able to map to RTS23 attributes / values but the former does not need to have RTS23 native values so can diverge in format and enumerations. In order to satisfy the reference data reporting requirements under MiFIR RTS 23 and MAR Article 4 delegated and implementing regulations, the ISIN record returned by the DSB, which consists of all attributes input by the user, should be also provided in a common XML template in accordance with ISO20022. Any attribute mapping required to translate user input into the ISO20022 messaging standard will be provided by the DSB.
- Entities that are subject to MiFIR Article 27 or MAR Article 4 reference data reporting requirements are obliged to submit all the relevant attributes specified in the respective delegated and implementing acts in a common XML template in accordance with ISO20022 in order to comply with their regulatory obligations under the two Regulations.

The first phase (Day 1) design of the ISIN will support:

- Multi-jurisdiction/business use cases
- Multi-level hierarchy

The first phase implementation will focus on the single level of ISIN to meet the immediate requirement of MiFID II as articulated by RTS23. Extensibility is factored into the ISIN design and the expectation is that CPMI-IOSCO requirements will be satisfied by a parent above the day 1 level while greater granularity to meet industry requirements can be created below the day 1 level as children.

The DSB Board and Product Committee agree in principal with SG2 recommendation of implementing a multi-level design for the ISIN.

By following this approach, the DSB PC leaves open the ability to synchronize and integrate the CPMI-IOSCO work, as it finalizes the Unique Product Identifier requirements, as well as the recommendations from the SG2 work. Where there is a direct overlap then the specific product attributes are noted as being included in the current UPI consultation, sometimes under a different attribute name.

6.2 Product Classification

- Product Classification will be used to ensure that the DSB PC has sufficient product coverage to meet the immediate requirement
- Product Classification will follow the ISO 10962 standard (CFI Code). Where necessary, it will also use the FIX taxonomy and the ISDA taxonomy to ensure that there is full product coverage although the expectation is that for this initial ISIN, the CFI will be sufficient
- The reason for focusing on the ISO standard is because this is a voluntary, consensus standard that represents a non-proprietary, open taxonomy that is already present in the industry and is endorsed by regulators. It also has no jurisdiction-specific attachment

Analysis

While acknowledging that the CFI code will be satisfactory to meet the requirements of ESMA under RTS23, some respondents expressed their preference for the ISDA taxonomy as the more appropriate taxonomy to serve as input to the ISIN creation process based on industry relevance and increased granularity. A number of gaps have been identified within the newly introduced OTC derivatives categories of the 2015 version of CFI standard. A further revision of the CFI will not be available within the next 12 months and there needs to be an approach to enable the CFI to be derived whilst insulating participants from future changes as far as possible.

The DSB PC agrees that the ISDA taxonomy is most familiar to OTC derivatives market participants and recommends the support of the ISDA Taxonomy and FpML codeset to both identify product templates and populate their relevant attributes on the inbound messages to the ISIN engine.

In order to support this request, the ANNA DSB Board and Secretariat are proposing the provision of an interface and mapping facility to support the interoperability of the ISO / CFI standards and the ISDA Taxonomy and FPML.

Under this proposal when a template is submitted using the ISDA taxonomy, the attributes can be converted into the native ISO taxonomy for final submission to ESMA.

Final Proposal

To satisfy the MiFID II requirements and further meet the extensibility needs of the industry, the DSB PC and the DSB and ANNA Boards have agreed to the following:

- The native taxonomy used within the DSB will be ISO 20022 in its current form which is under continual review (taking into consideration that RTS 23 fields, ISO 10962 (CFI) & ISO 4217 will be reflected within ISO 20022)
- The CFI (and FISN) must be part of the ISIN design and will be generated by the DSB ISIN data engine once the user has input the designated required data attributes
- The DSB PC will increase its scope to provide a mapping from ISDA taxonomy and FpML codesets to ISO taxonomy and codesets for all relevant RTS23/CFI & FISN attributes within the templates themselves and the template selection and requests ISDA's assistance in this matter
- The DSB PC will increase its scope to undertake the validation of ISDA taxonomy FpML attributes to ISO Taxonomy attributes for each product template
- The DSB should provide a service that will translate the ISDA taxonomy and FpML codesets to ISO taxonomy and codesets
- The expectation is that there will be two distinct interfaces into the DSB ISIN engine:
 - Template selection and template attributes based on native ISO taxonomy inputs
 - Template selection and template attributes based on ISDA taxonomy FpML inputs
- Day 1 implementation of the ISIN engine output will focus on the native ISO taxonomy and elements.

6.3 Data Validation

- The DSB PC acknowledges that invalid ISINs could be created if an invalid combination of attributes were submitted to the DSB.

- Example A: User defines a Commodity forward, where the underlying ISIN is a cash equity (e.g. IBM)
- Example B: User defines a CDS and states in field <Underlying Issuer Type> that the underlying is “Corporate” when in fact, the LEI refers to “Municipal”
- The DSB PC will, as it progresses through the different products, highlight those combinations of data values that potentially can create invalid products
- Alongside those combinations, the DSB PC will indicate whether the DSB itself will deal with these possibilities through systematic validation or if the expectation is for the user to address these before submitting the data for ISIN creation
- This identification process will begin in the next (Phase 2) consultation paper and thereafter, and the DSB PC will continuously assess and add use cases to the validation design as they arise.

Analysis

Some respondents expressed their preference to have data quality control and assurance duties assigned to the DSB as much as possible to avoid invalid submissions or interpretations by users, with a clear governance process needing to be in place to enforce the data quality and to ensure consistent application and maintenance of the validation rules and the data dictionary.

The DSB PC has discussed with the DSB Board possible data validation steps that the DSB can employ to ensure data accuracy which consist of but are not limited to:

- Syntactic validation – fields whose values must comply with a certain format or character length for example, can be systematically verified
- Enumerated lists – fields whose values are pre-defined and can be presented as a list of options for the user to choose

Final Proposal

- The DSB PC acknowledges the potential creation of invalid ISINs due to the submission of combinations of invalid attributes
 - Example A: User defines a Commodity forward, where the underlying ISIN is a cash equity (e.g. IBM)
 - Example B: User defines a CDS and states in field <Underlying Issuer Type> that the underlying is “Corporate” when in fact, the LEI refers to “Municipal”.
- The DSB PC will, as it progresses through the different products, highlight to the DSB Board those combinations of data values that potentially can create invalid products
- The DSB PC will address, as part of consultation paper Phase 2, the suggestion made by SG2 in allowing consumers to challenge the accuracy of the ISIN data and the associated maintenance function that would need to be defined
- Where possible, the DSB will validate fields through syntactic validation and/or enumerated lists
- This identification process will begin in the next (Phase 2) consultation paper and thereafter, and the DSB PC will continuously assess and recommend additions to the validation design as they arise
- The DSB PC has proposed that the governance model allow for independent challenges by the user community. The DSB board, or its delegated authority, will be the final arbiter

6.4 Intellectual Property Rights

- The ISO TC 68 / SC 4 / SG2 identified a number of potential challenges regarding IP on underlying instrument identifiers. These include:
 - Underlying RED codes for credit derivatives
 - Underlying ISINs based on CUSIP used from outside the European Union
 - Enumeration list for the floating rate index
- The DSB PC will develop and recommend approaches to the DSB Board for each of these as it reviews the detailed granularity for relevant product types

Analysis

Respondents agreed on the importance of the ISIN to be free from any intellectual property rights restrictions which would trigger licensing costs. The PC remains committed to the principle that the ISIN and its underlying data is a public good and the use and/or access of that data will adhere to the Fair, Reasonable and Non-descriptive terms (FRAND) principle.

Final Proposal

- The ISO TC 68 / SC 4 / SG2 identified a number of potential challenges regarding IP on underlying instrument identifiers. These include:
 - Underlying RED codes for credit derivatives
 - Underlying ISINs based on CUSIP used from outside the European Union
 - Enumeration list for the floating rate index
- The DSB PC will develop and recommend approaches to the DSB for each of these as it determines the detailed granularity for relevant product types

6.5 Product Template Attributes:

- As part of the next Consultation Paper, the full population of attributes required for each Product Template will be presented for review and feedback.

7 Product Definitions

In the Annex (DSBPC CP001 – Annex I (Master).pdf), the ISIN as prescribed by the above set of principles has been defined for five products across the asset classes.

- Note that in the next consultation paper, a full list of enumerations will be included alongside a series of specific questions on each of the attributes
- The Annex contains the derivation rules expressed as a human-readable equation for the derived attributes for each of the products

Analysis

Some respondents provided specific recommendations in regards to the inclusion or exclusion of certain attributes in each asset class.

Final Proposal

As part of the next Consultation Paper – Phase 2, and concurrent with the introduction of each product template to the UAT environment, the DSB Board and PC will provide a complete list of enumerations for those product templates. For approved templates that are ready for feedback from the user community subsequent to the distribution of CP 2, the DSB will disseminate separate appendixes. The DSB will endeavor to group templates to minimize industry fatigue in proffering feedback.