

January 4, 2017

Dear ANNA DSB Product Committee Secretariat,

FIX Trading Community appreciates the opportunity to provide the ANNA-DSB Product Committee with comments in response to the Consultation Paper Phase 1. FIX Trading Community is a not-for-profit, industry standards organization that sits at the heart of the global electronic trading community. It is industry-driven, independent and neutral, with a membership that is comprised of over 270 firms from the global financial services industry. The organisation aims to address the business challenges impacting the trading community through the use of standards. Central to these efforts is the continuous development and promotion of the Financial Information eXchange ("FIX") Protocol, the non-proprietary, free and open de-facto messaging standard used for pretrade, trade and post-trade communication globally. It is used in all asset classes including equities, derivatives, foreign exchange and fixed income. FIX is utilized by virtually every major stock exchange and investment bank as well as the world's largest mutual funds and money managers, and thousands of information technology providers, smaller investment firms and regulatory bodies across the globe.

We thank you for the opportunity to respond to this request for comment. Please see our responses to your questions on the pages that follow below. Additionally, we see the Appendix section where you will find mappings of supported attributes to the FIX Protocol. We would be more than happy to meet directly to discuss the feedback attached and provide any clarification where needed.

Sincerely,



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General Comments and Responses

3 Scope

Q 1: Are there any products expected to be tradeable on a trading venue by Jan 3, 2018 that will not be covered by the combination of the above CFI Codes?

None that we are aware of besides those required by ESMA that includes exchange listed products and cash bonds, which are not within scope of the DSB service.

Q 2: Are there any products covered by the combination of CFI Codes that will not be tradeable on a trading venue by Jan 3, 2018?

None that we are aware of.

Q 3: Within the CFI Code 'H', the DSB will focus on non-listed options. Do you know any complex listed options that are in scope of MiFID II, tradeable on a trading venue and do not currently have an ISIN issued by their NNA? If so, please give as much detail as possible about the product including the venue name.

None that we are aware of besides those required by ESMA that includes exchange listed products and cash bonds, which are not within scope of the DSB service.

4 Product Roadmap

Q 4: Do participants agree that this is the most appropriate approach for prioritization of products? If not please provide an alternative approach and rationale

We agree with this prioritization with the added consideration be given to highly traded/volume types of assets. It is not clear in the subsequent tables what "Transaction Type" may refer to.

5 Timeline and Approach

Q 5: Given the tight deadline of April 2017 for UAT, is there sufficient time for the industry to respond? If not, please explain and provide evidence of how extending the duration of the consultation period will not detrimentally affect the implementation of OTC Derivative ISINs for the industry.

It is unclear how one officially gets on the distribution list for announcements. FIX was separately notified by individuals who received the distributed email, notifying of the consultation paper. Individuals who thought they had subscribed to the ANNA notifications were not getting notifications, including the notification of the separate Tech & Ops Consultation paper.

An April deadline for UAT is very aggressive and we don't see the deadline for UAT as being the same type of deadline for "duration of the consultation". UAT should be an on-going environment for testing and on-boarding. Additionally, any deadline for consultations needs to be mindful of public holidays globally if ANNA and the DSB hope to gather global responses.

6.1 Principles – Product attribute granularity

Q 6: Are you aware of any other regulatory requirements (beyond MAR, EMIR and SFTR) that require an ISIN for OTC Derivatives? If so, please identify and specify how that ISIN definition must be different from the one to meet the above requirements

None that we are aware of. The CFTC in the US does not require nor mandate the use of ISIN for OTC Derivatives.

Q 7: The first phase of the DSB PC ISIN definition will focus on defining a single level of an ISIN, within a potential yet-to-be-defined hierarchy, to meet the immediate requirement. Are there other immediate regulatory requirements the ISIN must meet that will need multiple levels of ISIN definition? Please specify the requirement and the reason in detail.

We believe the top single level will meet most of the requirements for reporting to ESMA. However, we have concerns that this will not meet operational requirements of participants. We agree with the principle stated by ISDA representatives at the Toronto CPMI-IOSCO meeting that there should be a single identifier mechanism for both operational and regulatory purposes.

We strongly believe that unless there is a compelling reason not to do so, that the DSB service from the onset should support the recommendations of ISO TC68/SC4/SG2 for multiple level ISIN from the onset of the service offering.

Q 8: If in the future the DSB implemented an ISIN at a different level in the hierarchy, for example, one that met CPMI-IOSCO requirements, how much of a challenge would that be for industry to implement?

Our understanding is that the industry has expressed a requirement for multiple level identifiers. This requirement has existed from the onset of the ISO TC68/SC4/SG2 working group and is supportable by the ANNA DSB PC.

Q 9: Do you know of any products within scope of MiFID II that require additional fields from RTS 2 to be included in the ISIN definition? If so, please identify them and describe why they are required.

None that we are aware of.

Q 10: Do you think the proposed single ISIN level, in addition to the Reference Data requirements under RTS23, must satisfy MIFID Transparency requirements under RTS2? If so, can you provide an explanation and examples where ISIN satisfying Reference Data (RTS23) will not be fit for Transparency (RTS2) use?

Yes, we think the requirements under RTS23 reference data would satisfy the instrument reference data for RTS2, while RTS2 contains additional data requirements related to the terms of the transaction that took place between the counterparties. However, this is not sufficient to meet stated operational requirements of the industry and may result in alternative identification mechanism being created by market participants.

Q 11: Do you think the proposed granularity level is appropriate for the purpose of TOTV? If not, why?

We are unsure.

6.2 Principles – Product Classification

Q 12: Do participants agree that CFI is the most appropriate taxonomy to use in identifying the product Templates? If not please provide an alternative approach and rationale

We do believe that the CFI can cover most of what ESMA needs. However, it must be kept in mind that the CFI will not be "unique" for every single instrument submitted by the DSB. The 2015 Edition of the CFI also may have some gaps. Further work on classification of financial instruments is planned in Europe starting in 2017. The CFI (ISO 19062:2015) is also under revision at this time. We would expect that the OTC derivatives community and the ANNA DSB will produce requirements for additional group and attribute values for the CFI to be a suitable basis for assigning identifiers.

6.3 Principles – Data Validation

Q 13: Do you agree with the approach of clearly allocated responsibility for data validation for different products, bearing in mind the specific data and cost challenges that might be incurred if it were to reside wholly in either the user-base or the DSB? Please provide detailed examples in your response.

We believe the responsibilities of valid submissions need to reside with the submitter, however, the DSB must also act as a second line of defense to validate key data submitted in order to avoid erroneous submission (as in the examples above). The cost of having an ISIN assigned in error and goes into circulation and then having to correct it is, in our opinion, greater than trying to ensure the validity on the front end of the process.

6.4 Principles – Intellectual Property Rights

Q 14: Do you know any other IP issues the DSB Product Committee must consider whilst specifying the granularities of the products in scope? If so, please provide the details of the attribute values and their current owners

Any indices, not just rate index, which may be used as reference index that is copyrighted or has IP restrictions.

6.5.1 Principles – Mandatory Attributes

With regards to the attributes table in Section 6.5, FIX has provided a mapping of the fields in Appendix A.1 of this response.

Q 15: Do you agree with the approach to use ISO Standard Currency codes in isolation thereby excluding offshore currencies? If not please explain your reasoning

We agree with the use of ISO Currency codes, however, transactions where offshore currency rates are a factor needs to be identified. The code itself should be based on ISO, however, to identify whether it is the offshore currency or rate being used, an additional attribute could be used to flag that it is the offshore currency.

6.5.2 Principles – Derived Attributes

With regards to the General Fields table in Section 6.5.2, FIX has provided a mapping of the fields in Appendix A.2 of this response.

6.5.3 Principles – Conditional Attributes

With regards to the Derivatives and Securitized Derivatives related fields table in Section 6.5.3, FIX has provided a mapping of the fields in Appendix A.3 of this response.

Q 16: Are there additional attributes that must be included in the ISIN to cover products that will be tradeable on a trading venue by Jan 03, 2018? If so, please list the product (by CFI Code and/or FpML taxonomy) and the attribute(s) and their possible enumerations.

Not any that we are aware of. Additionally, it should be noted that "Asian" is NOT an option exercise style as described in the table above.

Q 17: Are there products where none of those fields are relevant for the definition of the underlying? If so, please provide detailed examples

An "underlying index" is not going to be applicable for non-rates swaps, e.g. equities swaps, commodities swaps.

Q 18: Are their products where more than one of those fields are required for its definition? If so, please provide detailed examples

A swap whose underlier is a single name, for example, may include the instrument code for the underlying bond and the issuer of that bond. Although, one can argue that the issuer of that bond is not necessary as the information is embedded within the reference data for the bond.

6.5.4 Principles – Excluded Attributes

With regards to the Venue related fields table, FIX mappings are not provided in this response for excluded attributes.

Q 19: Is there anything in the excluded list of attributes that should be included in the ISIN definition for an OTC Derivative?

Not that we are aware of.

7 Product Definitions

Q 20: For those products included in the Annex, are there attributes that have not been included that you recommend the committee include in order to meet the immediate regulatory requirements for the ISIN? Please include an example of the attribute, describe the attributes completely and the reason for its inclusion.

They appear to be sufficient.

Q 21: For those products included in the Annex, are there attributes that have been included but are not needed to meet the immediate regulatory requirements for the ISIN? Please describe the attributes and explain why they can be excluded.

Not that we are aware of.

Q 22: Do you agree with the rules used to derive the FISN for those products listed? If not, please explain your reasoning.

For the Rates example, shouldn't the IR Term of the Contract be included?

The examples for FISN for credit, FX, equities and commodities don't appear to match the rules stated.

The ANNA DSB will need to work with ISO TC68/SC4 to expand the ISO 18774 standard for OTC derivatives.

Q 23: Do you agree with the rules used to derive the Instrument Full Name for those products listed? If not, please explain your reasoning.

For the Rates example, shouldn't the IR Term of the Contract be included?

Q 24: Do you agree with the rules used to derive the CFI Code for those products listed? If not, please explain your reasoning.

This is difficult to answer with certainty. At present the proposal appears to work.

Q 25: Do you agree with the rule used to derive the Issuer for those products listed? If not, please explain your reasoning.

RTS23 calls for Issuer to be the LEI of the issuer or the trading venue. Annex I propose a constant of "NA". What is the rationale of using the constant "NA"?

Appendix A - Mapping of supported attributes to FIX Protocol

These mapping tables are provided as a "strawman" mapping to the FIX Protocol and should not be considered "final" or "definitive".

Appendix A.1 - Mandatory Attributes

Attribute Name	Enumerated Values	Notes	FIX Protocol Mappings
Sub-Category (CFI 2nd Attribute)	R Rates T Commodities E Equity C Credit F Foreign exchange M Others (miscellaneous)	Note that there is no 'M' sub-category for 'Forwards' This is equivalent to the CPMI- IOSCO UPI 'Asset Class'	Instrument/CFIcode(462) and Instrument/AssetClass(1938)
Product Category (CFI 1st Attribute) Highlighted values are the only ones covered by the DSB in this initial phase	E Equities C Collective investment vehicles D Debt instruments R Entitlement (rights) O Listed options F Futures S Swaps H Non-listed and complex listed options ³ I Spot J Forwards K Strategies L Financing T Referential instruments M Others (miscellaneous) [See Appendix # for description of these values]	Required for all instruments Identifiers for products in other categories can be obtained through current processes from their NNAs This is equivalent to the CPMI- IOSCO UPI 'Instrument type'	Instrument/CFIcode(462) and implied by Instrument/SecurityType(167)

Attribute Name	Enumerated Values	Notes	FIX Protocol Mappings
Use Case	Sub-set of use cases from the UCVT template set that meet the two CFI codes being considered	Based on the relevant use cases that use the FIX and FpML taxonomies	Instrument/UseCaseName(tbd)
Notional Currency – RTS Field 23	Currency in which the notional is denominated. In the case of an interest rate or currency derivative, this will be notional currency of leg 1 or currency 1 of the pair	Using ISO 4217 as the enumeration list	Instrument/StreamGrp[1]/StreamCurrency(40055) <i>or for FX contracts:</i> Symbol(55)=<ccy2/ccy1>

Appendix A.2 - Derived Attributes

General Fields			
No	Field	Description	FIX Protocol Mapping
1	Instrument identification code	Code used to identify the financial instrument. This is the ISIN generated by the DSB ISIN Engine to serve as the unique identifier for the specific product. This ISIN, following ISO 6166, will consist of: <ul style="list-style-type: none"> • 2 digit identifying OTC Derivative • 9 digit securities identification number • 1 numerical check digit 	Instrument/ SecurityID(48)=<isin> SecurityIDSource(22)=4 (ISIN)
2	Instrument full name	Full name of the financial instrument.	Instrument/ProductName(tbd)=<name>

General Fields			
No	Field	Description	FIX Protocol Mapping
3	Instrument classification	<p>Taxonomy used to classify the financial instrument.</p> <p>A complete and accurate CFI code shall be provided by using the attributes submitted to the DSB for ISIN generation. Specific fields will be included in the required attribute list.</p>	Instrument/AssetClass(1938) AssetSubClass(1939) AssetType(1949) AssetAttributeGrp/ AssetAttributeType(2305) AssetAttributeValue(2306) AssetAttributeLimit(2307)
4	Commodities or emission allowance derivative indicator	<p>Indication as to whether the financial instrument falls within the definition of commodities derivative under Article 2(1)(30) of Regulation (EU) No 600/2014 or is a derivative relating to emission allowances referred to in Section C(4) of Annex I to Directive 2014/65/EU.</p> <p>This is a Boolean flag</p>	Instrument/AssetClass(1938) not equal to 5 (Commodities) <i>[Emission allowances are categorized under Commodities in FIX taxonomy. Any AssetClass(1938) value other than "5" (Commodities) would imply the instrument is not a commodities derivative.]</i>
5	Financial instrument short name	Short name of financial instrument in accordance with ISO 18774	Instrument/FinancialInstrumentShortName(tbd)=<short name>

Appendix A.3 - Conditional Attributes

Derivatives and Securitized Derivatives related fields			
	Field	Content to be reported	FIX Protocol Mapping
	Underlying Asset Type	CFI 3 rd letter for Swaps, Options and Forwards (Included under the current CPMI-IOSCO UPI consultation)	Instrument/ SecurityType(167) for swaps and forwards UnderlyingInstrument/ UnderlyingSecurityType(310) for options

Derivatives and Securitized Derivatives related fields			
	Field	Content to be reported	FIX Protocol Mapping
	Valuation Method or Trigger	CFI 5 th letter for Options. This is an indicator for how the option is triggered and valued. Possible values are: Vanilla, Asian, Digital, Barrier, Digital barrier, Lookback, Other path dependent, Others) (Included under the current CPMI-IOSCO UPI consultation)	Instrument/ComplexEvents/ ComplexEventType(1484)
	Return or payout trigger	CFI 5 th letter for Forwards. This is the method used to determine contract value if different from the standard forward price of the instrument. Possible values are: Contract for difference, Spread-bet, Forward price of the underlying (Included under the current CPMI-IOSCO UPI consultation)	Instrument/ComplexEvents/ ComplexEventType(1484) <i>[But there may be gaps, e.g. spread-bet]</i>
24	Expiry date	Expiry date of the financial instrument. Field only applies to derivatives with a defined expiry date.	Instrument/StreamGrp/StreamTerminationDate/ StreamTerminationDateUnadjusted(40065)
25	Price multiplier	Number of units of the underlying instrument represented by a single derivative contract. For a future or option on an index, the amount per index point.	Instrument/ContractMultiplier(231)

Derivatives and Securitized Derivatives related fields			
	Field	Content to be reported	FIX Protocol Mapping
26	Underlying instrument code	<p>ISIN code of the underlying instrument.</p> <p>For ADRs, GDRs and similar instruments, the ISIN code of the financial instrument on which those instruments are based.</p> <p>For convertible bonds, the ISIN code of the instrument in which the bond can be converted.</p> <p>For derivatives or other instruments which have an underlying, the underlying instrument ISIN code, when the underlying is admitted to trading, or traded on a trading venue. Where the underlying is a stock dividend, then the ISIN code of the related share entitling the underlying dividend.</p> <p>For Credit Default Swaps, the ISIN of the reference obligation shall be provided.</p> <p>In case the underlying is an Index and has an ISIN, the ISIN code for that index.</p> <p>Where the underlying is a basket, include the ISINs of each constituent of the basket that is admitted to trading or is traded on a trading venue. Fields 26 and 27 shall be reported as many times as necessary to list all instruments in the basket.</p> <p>(Included under the current CPMI-IOSCO UPI consultation as 'Underlier ID')</p>	<p>UnderlyingInstrument/ UnderlyingSecurityID(309)=<isin> UnderlyingSecurityIDSource(305)=4 (ISIN) or for a convertible bond: Instrument/ ConvertibleBondEquityID(1951)=<isin> ConvertibleBondEquityIDSource(2167)=4 (ISIN)</p>
27	Underlying issuer	In case the instrument is referring to an issuer, rather than to one single instrument, the LEI code of the Issuer.	UnderlyingInstrument/ UnderlyingIssuer(306)

Derivatives and Securitized Derivatives related fields			
	Field	Content to be reported	FIX Protocol Mapping
28	Underlying index name	In case the underlying is an Index, the name of the index.	Instrument/StreamGrp/PaymentStream/ PaymentStreamFloatingRate/ PaymentStreamRateIndex(40789) PaymentStreamRateIndexSource(40790)
29	Term of the underlying index	In case the underlying is an index, the term of the index.	Instrument/StreamGrp/PaymentStream/ PaymentStreamFloatingRate/ PaymentStreamRateIndexCurveUnit(40791) PaymentStreamRateIndexCurvePeriod(40792)
30	Option type	<p>Indication as to whether the derivative contract is a call (right to purchase a specific underlying asset) or a put (right to sell a specific underlying asset) or whether it cannot be determined whether it is a call or a put at the time of execution. In case of swaptions it shall be:</p> <ul style="list-style-type: none"> - "Put", in case of receiver swaption, in which the buyer has the right to enter into a swap as a fixed-rate receiver. - "Call", in case of payer swaption, in which the buyer has the right to enter into a swap as a fixed-rate payer. <p>In case of Caps and Floors it shall be:</p> <ul style="list-style-type: none"> - "Put", in case of a Floor. - "Call", in case of a Cap. Field only applies to derivatives that are options or warrants. 	Instrument/PutOrCall(201)
31	Strike price	<p>Predetermined price at which the holder will have to buy or sell the underlying instrument, or an indication that the price cannot be determined at the time of execution.</p> <p>Field only applies to options, warrants, spread bet on an option on an equity or contract for difference on an option on an equity.</p> <p>Where strike price is not applicable the field shall not be populated.</p>	Instrument/StrikePrice(202)

Derivatives and Securitized Derivatives related fields			
	Field	Content to be reported	FIX Protocol Mapping
32	Strike price currency	Currency of the strike price	Instrument/StrikeCurrency(947)
33	Option exercise style	Indication as to whether the option may be exercised only at a fixed date (European, and Asian style), a series of pre-specified dates (Bermudan) or at any time during the life of the contract (American style). This field is only applicable for options, warrants and entitlement certificates.	Instrument/ExerciseStyle(1194) <i>Note that "Asian" is NOT an option exercise style, but a method to be used to determine the price of underlying at time of exercise. "Asian" is mapped to FIX in UnderlyingPriceDeterminationMethod(1481) = 4 (Average value (Asian option)).</i>
34	Delivery type	Indication as to whether the financial instrument is settled physically or in cash. This field is only applicable for derivatives.	Instrument/SettlMethod(1193)
Interest Rate Derivatives			
	Notional Schedule	CFI 4 th letter for Swaps (and FISN code). Possible values are: Constant, Accreting, Amortizing, Custom	Instrument/SwapSubClass(1575) AMTZ (Amortizing) COMP (Compounding) <i>other values are gaps</i>
40	Reference rate	Name of the reference rate	Instrument/StreamGrp/PaymentStream/ PaymentStreamFloatingRate/ PaymentStreamRateIndex(40789) PaymentStreamRateIndexSource(40790)
41	IR Term of contract	If the asset class is Interest Rates, this field states the term of the contract. The term shall be expressed in days, weeks, months or years.	<i>FIX does not currently support naming the tenor of derivative contracts – gap.</i>
42	Notional currency 2	In the case of multi-currency or cross- currency swaps the currency in which leg 2 of the contract is denominated. For swaptions where the underlying swap is multi-currency, the currency in which leg 2 of the swap is denominated.	Instrument/StreamGrp[2]/StreamCurrency(40055)

Derivatives and Securitized Derivatives related fields			
	Field	Content to be reported	FIX Protocol Mapping
43	Fixed rate of leg 1	An indication of the fixed rate of leg 1 used, if applicable. ⁴	Instrument/StreamGrp[1]/PaymentStream/ PaymentStreamFixedRate/ PaymentStreamRate(40784)
44	Fixed rate of leg 2	An indication of the fixed rate of leg 2 used, if applicable	Instrument/StreamGrp[2]/PaymentStream/ PaymentStreamFixedRate/ PaymentStreamRate(40784)
45	Floating rate of leg 2	An indication of the interest rate used if applicable.	Instrument/StreamGrp[2]/PaymentStream/ PaymentStreamFloatingRate/ PaymentStreamInitialRate(40803)
46	IR Term of contract of leg 2	An indication of the reference period of the interest rate, which is set at predetermined intervals by reference to a market reference rate. The term shall be expressed in days, weeks, months or years.	Instrument/StreamGrp/PaymentStream/ PaymentStreamFloatingRate/ PaymentStreamRateIndexCurveUnit(40791) D = Day Wk = Week Mo = Month Yr = Year PaymentStreamRateIndexCurvePeriod(40792)
Foreign Exchange Derivatives			
47	Notional currency 2	Field should be populated with the underlying currency 2 of the currency pair (the currency one will be populated in the notional currency 1 field 13).	Instrument/Symbol(55)=<ccy2/ccy1>
48	FX Type	Type of underlying currency	Instrument/AssetSubClass (1939) tbd = FX Cross Rates tbd = FX Emerging Markets tbd = FX Majors
Credit Derivatives			

Derivatives and Securitized Derivatives related fields			
	Field	Content to be reported	FIX Protocol Mapping
	Seniority	Proposed requirement for FISN	Instrument/Seniority (1450) SD=Senior Secured SR=Senior SB=Subordinated <i>[Gaps include Senior domestic, Senior foreign, Subordinate Lower Tier 2, Subordinate Tier 1, Subordinate Tier 3, Subordinate Upper Tier 2 and Other]</i>
	Underlying Credit Index Series	Proposed requirement for FISN	Instrument/IndexSeries (1957)
	Underlying Credit Index Version	Proposed requirement for FISN	Instrument/IndexAnnexVersion (1958)
	Underlying Issuer Type	CFI 3 rd Attribute. Possible values are: Corporate, Sovereign, Local	Instrument/AssetType(1940)
Equity Derivatives			
	Equity Derivatives Parameter	CFI 4 th letter for Swaps and FISN code. Possible values are: Price, Dividend, Variance, Volatility, Total return, Contract for difference, Other	Instrument/SecurityType(167)
Commodity and Emission Allowances Derivatives			
35	Base product	Base product for the underlying asset class as specified in the classification of commodities derivatives table.	Instrument/AssetSubClass(1939)
36	Sub product	The Sub Product for the underlying asset class as specified in the classification of commodities derivatives table. Field requires a Base product.	Instrument/AssetType(1940)

Derivatives and Securitized Derivatives related fields			
	Field	Content to be reported	FIX Protocol Mapping
37	Further sub product	The Further sub product for the underlying asset class as specified in the classification of commodities derivatives table. Field requires a Sub product.	Instrument/AssetAttributeGrp/ AssetAttributeType(2305) AssetAttributeValue(2306) AssetAttributeLimit(2307)
38	Transaction type	Transaction type as specified by the trading venue	TrdType(828) TrdSubType(829) TradePriceCondition(1839)
39	Final price type	Final price type as specified by the trading venue	Instrument/UnderlyingPriceDeterminationMethod(1481) <i>however there may be gaps</i>