

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 of the Agreement and as otherwise set out herein.

2 GOVERNANCE

- 2.1 The Derivatives Service Bureau (DSB) is a fully automated generator of International Securities Identification Numbers (ISINs) for OTC Derivatives (more information available at www.anna-dsb.com).

2.2 What is the DSB?

- (a) a technology numbering platform providing ISIN services operating on a cost recovery basis.
- (b) within its scope of OTC Derivatives, it provides the industry with an archive of ISINs and their associated instrument reference data.
- (c) it is global in design and operation.

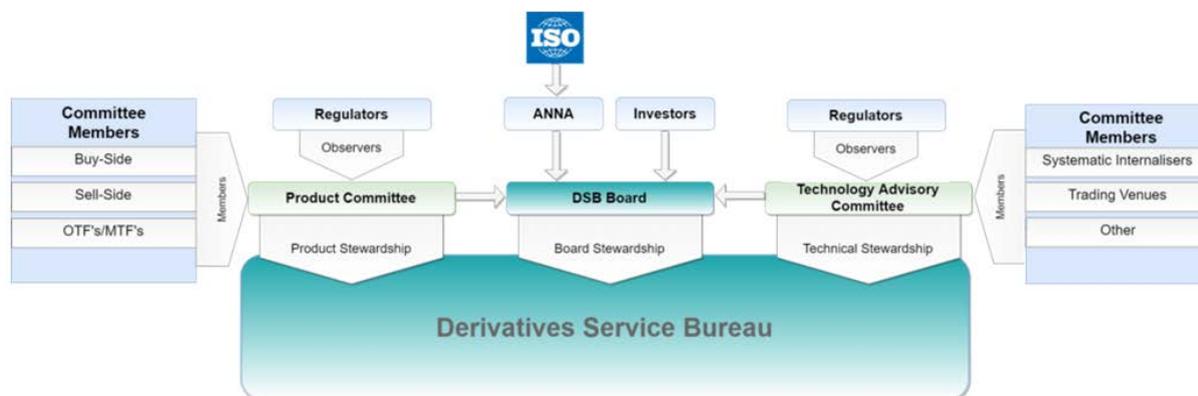
2.3 What does the DSB do?

- (a) ISIN creation for new OTC Derivatives product as required by market participants.
- (b) distribution of ISINs and their associated reference data to market participants.
- (c) interaction options include web interface, ReST API & FIX direct connectivity and file download.

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) global solution aligned with requirements of CPMI-IOSCO UPI initiative.

- 2.5 Created by the Association of National Numbering ("**ANNA**") as a subsidiary special purpose vehicle, the DSB will be governed by a board of directors alongside an industry [Product Committee](#) that determines the specifications for ISINs representing a broad range of derivative types, as well as maintaining the technical integrity of the ISIN 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 in the graphic below -



- 2.6 Governance of the DSB is effected by the business and technical requirements imposed by the International Organization for Standardization (“ISO”) on numbering agency operations. Oversight and enforcement is 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.

DSB PRODUCT COMMITTEE

- 2.7 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, 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.
- 2.8 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 Derivatives Service Bureau can be found on the [Website](#).
- 2.9 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](#).
- 2.10 Minutes of the meetings of the Product Committee are posted on the DSB website at <https://www.anna-dsb.com/product-committee/>
- 2.11 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/>

ISIN TERMS OF REFERENCE

- 2.12 **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)

2.13 **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.

2.14 **Other Regulatory or Industry Approved Identifiers**

- (a) Must not conflict with fulfilling MiFID II (RTS23) obligations.

DSB TECHNOLOGY ADVISORY COMMITTEE

- 2.15 The general objective of the 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.
- 2.16 The DSB Technical Advisory Committee 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.
- 2.17 Live recordings and minutes of the Technology Advisory Committee meetings are posted on the DSB website at <https://www.anna-dsb.com/technology-advisory-committee/>
- 2.18 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 Governance Policy will be periodically reviewed and updated by the DSB in accordance with clauses 1.2 and 1.3 of the Agreement.

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 If the dispute cannot be resolved by the parties pursuant to paragraph 4.1 the dispute may, by agreement between the parties, be referred to mediation in accordance with the [CEDR Model Mediation Procedure](#). The costs of the mediation shall be shared equally.
- 4.3 The performance of this Agreement shall not be suspended, cease or be delayed by the reference of a dispute to mediation and the Users shall fully comply with the requirements of this Agreement at all times.
- 4.4 Unless otherwise agreed between the parties, the mediator will be nominated by CEDR. The parties shall meet the mediator within fourteen (14) days of his/her appointment to agree on procedures concerning the mediation negotiations and exchange of relevant information.

- 4.5 Unless otherwise agreed, all negotiations connected with the dispute and any settlement shall be conducted in confidence and without prejudice to the rights of the parties in any future proceedings.
- 4.6 If the parties reach agreement on the resolution of the dispute, the agreement shall be put down in writing and be binding on the parties once it is signed by their duly authorized representatives.
- 4.7 If the parties fail to reach agreement on the resolution of the dispute, either party may request the mediator to provide a non-binding but informative opinion in writing. Such opinion shall be provided on a without prejudice basis and shall not be used in evidence in any proceedings relating to the Agreement without the prior written consent of both parties.
- 4.8 If the parties fail to reach agreement within hundred and twenty (120) days of the mediator being appointed, or such longer period as may be agreed by the parties, then any dispute or difference may be referred to the courts in accordance with clause 20.8 and clause 20.9 of the Agreement.
- 4.9 This paragraph 4 shall survive termination of this Agreement.