

DERIVATIVES SERVICE BUREAU

INDUSTRY CONSULTATION - 2020 DSB SERVICE PROVISION

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AREAS OF FOCUS

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I. DSB BACKGROUND

What is the DSB?

- A technology **platform** which can generate an identification hierarchy for OTC derivatives
- Within its scope of OTC derivatives, it provides the industry with an archive of International Security Identifier Numbers (**ISINs**) and their associated **instrument reference data**
- It is **global** in design and operation, operated under the ISO principles including on a **cost recovery** basis

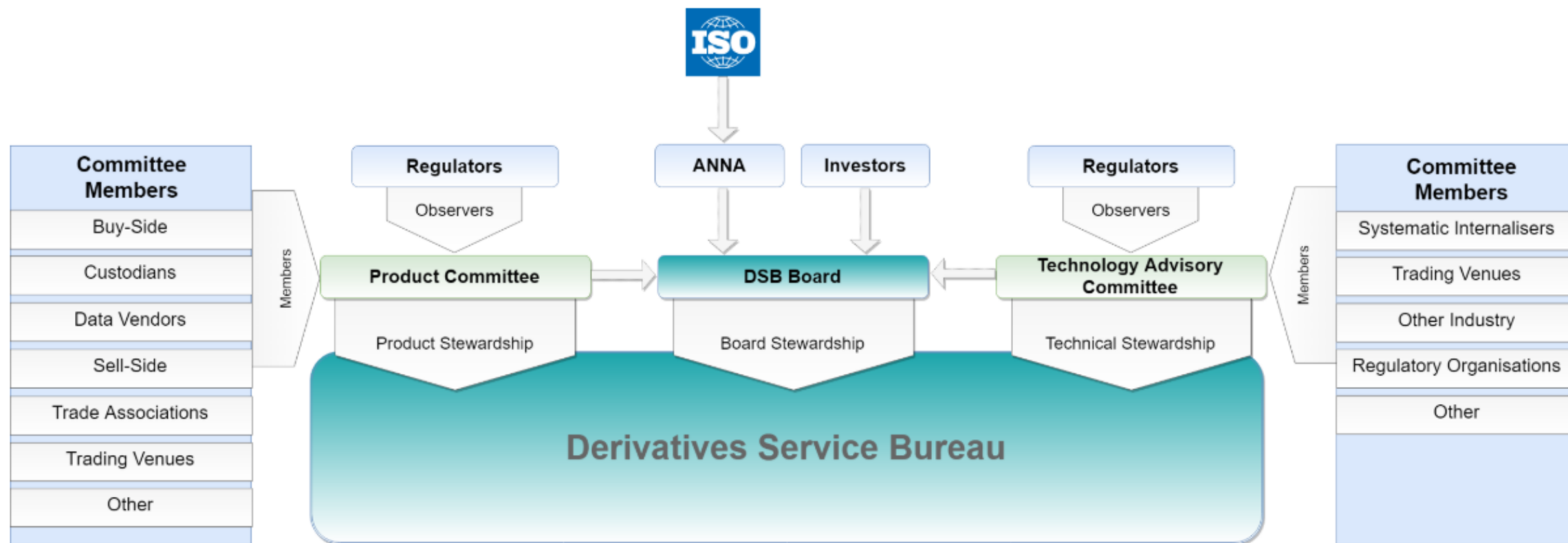
What does the DSB do?

- **ISIN, CFI and FISN generation** for OTC derivative product as required by market participants
- **Distribution of ISINs** and their associated reference data to market participants
- Interaction options include **web interface, programmatic connectivity** and **file download**
- Future generation of **Unique Product Identifiers (UPIs)**

Drivers

- **EU regulators** have **mandated** that ISINS identify instruments for **MiFID2 / MiFIR** reporting, including some **OTC derivatives**
- 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 regulatory obligations
- The **DSB** has been **designated** by the FSB as the **sole UPI Service Provider** and operator of the Reference Data Library

2. DSB GOVERNANCE



3. KEY PRINCIPLES

Industry Stewardship

- Product definitions and maintenance is via industry-led Product Committee of market practitioners
- Technology Advisory Committee formed to advise on future evolutions of the DSB technology platform to address changing market requirements
- Public and transparent Industry Consultation process is open to all users to shape the evolution of the service

Cost Recovery

- The numbering agency services will be provided on a cost-recovery basis

Reasonable and Non-Discriminatory (RAND) Access and Use

- DSB ISINs and their associated data will have no licensing restrictions on usage and distribution for any purpose as part of the ISIN record
- Access to the DSB archive for consumption of OTC derivative ISINs and associated reference data will be available for free to all registered organizations and users

4. DSB CONSULTATION TIMELINE

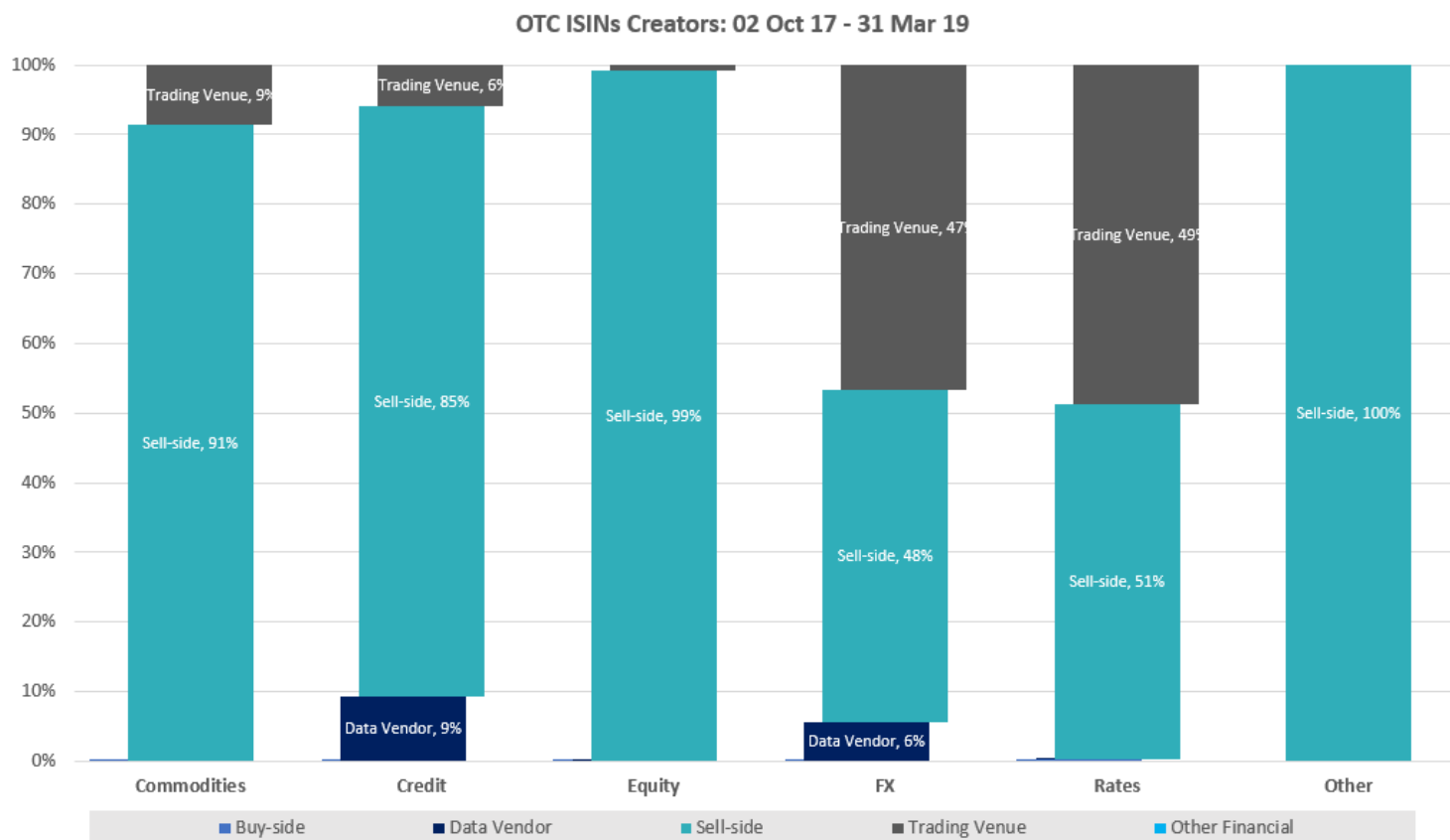
Milestone	Date
User fees survey	Mon 4 - Fri 15 Mar 2019
Formation and meeting of the group-wide agreement forum	Mar-Apr 2019
Publication of 1st DSB 2020 consultation document (CP1)	Thu 9 May 2019
1st DSB 2020 consultation webinar - 2pm UK time	Thu 16th May 2019
Industry feedback re CP1	Thu 9 May - Wed 5 Jun 2019
Publication of 2nd DSB 2020 consultation document (CP2)	Fri 5 Jul 2019
2nd DSB 2020 consultation webinar @ 2pm UK time	Thu 11 Jul 2019
Industry feedback re CP2	Fri 5 - Mon 29 Jul 2019
DSB 2020 final consultation report published	Mon 19 Aug 2019
DSB 2020 draft user agreement (UA) publication	Mon 19 Aug 2019
Webinar to accompany draft UA publication @ 2pm UK time	Mon 26 Aug 2019
Deadline for industry feedback on proposed UA changes	Mon 2 Sep 2019
DSB 2020 final user agreement publication	Fri 20 Sep 2019
DSB 2020 final user agreement webinar @ 2pm UK time	Fri 20 Sep 2019



PROPOSED FORMAT FOR INDUSTRY RESPONSE

- Designed to consolidate industry feedback in a scalable manner
- Consultation responses to be completed using the form available [here](#) and emailed to industry_consultation@anna-dsb.com
- Stipulate whether the respondent wishes the response to be treated as anonymous. Note that all responses are published on the DSB website and are not anonymized unless specific requests are made
- Where applicable, responses should include specific and actionable alternative solution(s) that would be acceptable to the respondent in order to ensure that the DSB can work to reflect the best target solution sought by industry as a whole (within the governance framework of the utility)
- **Responses must be received by 5pm UTC on Wednesday 5th June 2019**
- All consultation related queries should be directed to industry_consultation@anna-dsb.com

5. DSB UTILIZATION – I OF II

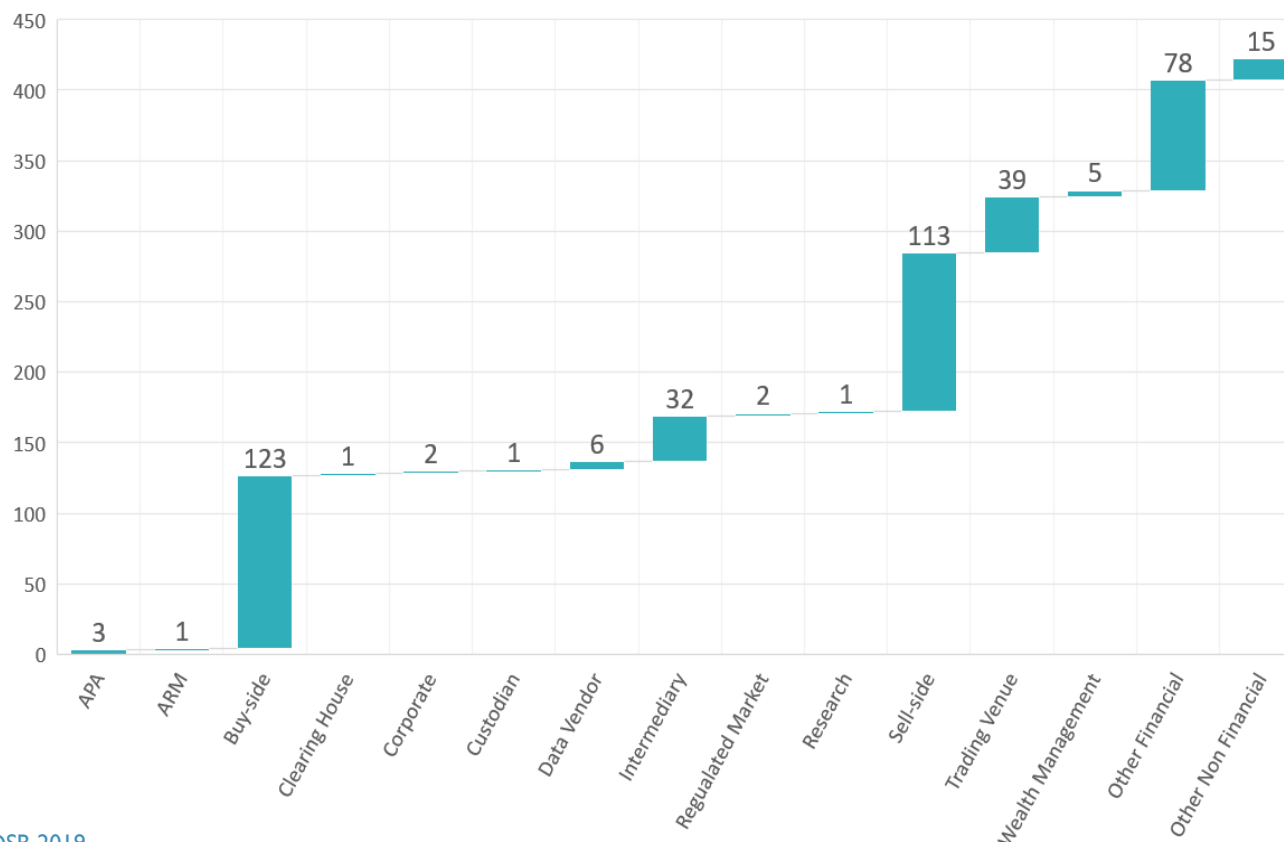


YoY Changes

- The DSB is increasingly being used to generate and search for both OTC derivatives ISINs and CFI codes
- 9 (complex) product templates introduced & 3 more already confirmed
- Increase in diversity of OTC derivative reference data record creators
- 15 institutions created 75% of all records – up from 10 institutions in May 2018

5. DSB UTILIZATION – II OF II

of Firms Searching for OTC ISIN and CFI data: 2 Oct 17 - 31 Mar 19



DSB Users by Category

Approximately 3k accounts across more than 420 organizations:

FREE TO USE:

- Registered Users = 304 organizations

PAID:

- Infrequent Users = 32 organizations + affiliates
- Standard Users = 12 organizations + affiliates
- Power Users = 74 organizations + affiliates

6. CONSULTATION OVERVIEW

- Incorporates queries and feedback received from industry, including the Product and Technology Advisory Committees, since the DSB's consultation in 2018
- A user survey on the existing fee model timeline and annual review cycle has been conducted and the DSB has also extended invitations for participation in a Group-Wide Agreement Forum
- The consultation process will be in 2 parts; this first consultation is intended to obtain industry's view on the items which are identified as requiring further evaluation
- The second consultation will include details on costs and functionality based on the outcome of the first consultation together with the feedback from the work on user fees and the DSB Access and Usage Agreement
- The consultation questions are set out in sections covering the topics of Functionality; Data Submission Enhancements; Service Levels; Service Availability; Cybersecurity and AOB

7. CONSULTATION QUESTIONS: FUNCTIONALITY

6 questions requesting industry feedback on aspects of functionality covering:

- 1.1 Exploration of creation, search and publication of stand-alone CFI codes for all products in scope of EMIR
- 1.2 Provision of (machine and human) readable mapping between DSB product definition templates and the ESMA MIFID II taxonomy's sub-asset classes
- 1.3 The use of default values within DSB [product templates](#)
- 1.4 Data availability related to Reference Rates and [Underlying Indices](#)
- 1.5 Search capability and functionality of the DSB GUI
- 1.6 Any additional technical enhancements that could be made to facilitate enhanced and/or more efficient integration

8. CONSULTATION QUESTIONS: DATA SUBMISSION ENHANCEMENTS

4 questions requesting industry feedback on data submission enhancements related to:

- 2.1 Enhancements to the Proprietary Index Submission Process
- 2.2 Leveraging the recently introduced ISIN:LEI mapping facility to enhance the quality of credit reference data
- 2.3 Mapping of index and/or reference rate names and underlying identifiers where these are available
- 2.4 Potential prioritization of particular aspects of the data normalization and data validation review process

9. CONSULTATION QUESTIONS: SERVICE LEVELS

4 questions requesting industry feedback on service levels related to:

2.1 GUI utilization feedback

2.2 Searchable on-line documentation utility

2.3 Telephone based technical support

2.4 Monitoring and notification related to breaches of the DSB's Acceptable Use Policy (AUP)

10. CONSULTATION QUESTIONS: SERVICE AVAILABILITY

A single question requesting industry feedback on service availability:

4.1 Aimed to preserve the 24x6.5 service hours but change the period of the weekly downtime from between:

Saturday 20:00 UTC and Sunday 08:00 UTC

To:

Sunday 00:30 UTC and Sunday 12:30 UTC

II. CONSULTATION QUESTIONS: CYBERSECURITY

5 questions requesting industry feedback on cybersecurity covering:

- 5.1 Consideration for the DSB GUI to support multi-factor authentication ([MFA](#)) to match best practice cyber-authentication guidelines
- 5.2 The extension of the DSB's Software Development Life Cycle (SDLC) to embed security considerations throughout the SDLC, such as [NIST 800-64](#)
- 5.3 Exploration of adopting the [ISO/IEC 27001](#) and [ISO/IEC 27002](#) standards as its framework for addressing information security risks
- 5.4 Exploration of adopting the [ISO 27018](#) standard as its framework for addressing data breach risks on Personally Identifiable Information
- 5.5 Exploration of adding a new role of Chief Information Security Officer to the DSB management team

12. CONSULTATION QUESTIONS:AOB

5 questions requesting industry feedback on general topics:

- 6.1 Short prioritization survey on a range of service, functionality and support items
- 6.2 Any additional operational enhancements of interest
- 6.3 Any additional services of interest
- 6.4 Top three changes you would like to see the DSB make to better serve user needs
- 6.5 Any other comments

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13. FURTHER INFORMATION

- Product documents, user notifications, FAQs & operational status: <https://www.anna-dsb.com/>
- Industry consultation reports and feedback: <https://www.anna-dsb.com/industry-consultation/>
- Regular DSB blogs: <https://www.anna-dsb.com/blog/>
- Technical documentation: <https://github.com/anna-dsb>
- Request registration by emailing technical.support@anna-dsb.com
- General questions: secretariat@anna-dsb.com

Thank you!