ANNA-DSB Product Committee

Consultation Paper Phase 1 – Final

9th December 2016

Contents

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 document articulates the public consultation approach being run by the DSB Product Committee to define the ISIN for OTC Derivatives, in this first phase, focused on OTC derivatives falling within scope of EU legislation
- This first consultation paper (CP) details the basis on which the development of an ISIN will be made to meet the industry's immediate requirement for the identifier
- The purpose of the consultation is to ensure that the DSB has a broad set of industry views to reduce the possibility of unforeseen consequences when it defines the ISIN for OTC Derivatives
- The primary focus of this first level of an ISIN delivered by the DSB is MiFID II / MiFIR RTS 23 Annex I. This is considered the minimum requirement for granularity of an ISIN to meet the regulations
- When and where appropriate, without compromising the immediate primary purpose, the Committee will consider expanding the definition for more than regulatory purposes
- The timelines are compressed. The DSB will be moving toward implementation on the following:
    - Demo – live now; currently being rolled out to the industry
    - UAT – End of Q1 2017
    - Production – End of Q3 2017
- The DSB will distribute a Tech & Ops consultation from December 19th 2016 to raise key elements of the technological and operational implementation to the industry for comment and opinion. More detail can be found here.
- This first consultation will run from December 9th 2016 to December 30th 2016, followed by a second consultation during February 2017 and a 3rd, if required, during March 2017.

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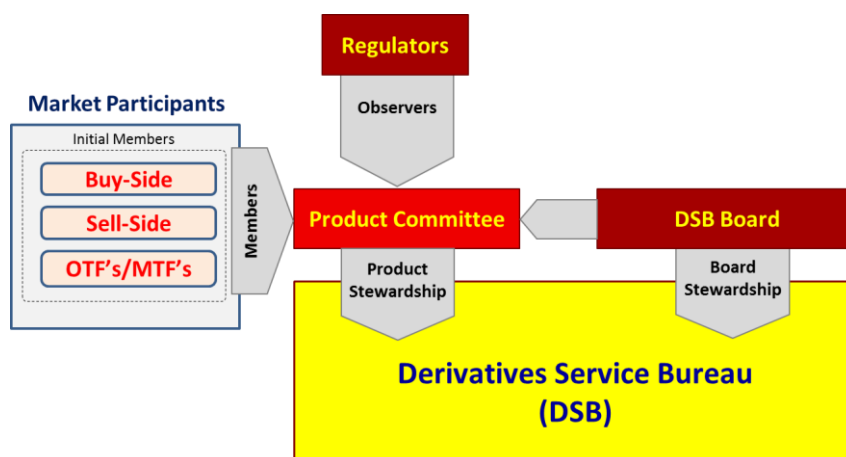
The DSB PC will bring together industry and regulatory representatives to manage and carry out product governance and to ensure the maintenance of data specifications for ISINs for OTC derivatives, including addressing new market products and to ensure all regulatory requirements can be met.

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.

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

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

This first consultation paper focuses 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 and feedback to the consultation

We Have organized the consultation as follows:

- Section 3 lays out the scope of the products under consideration by the DSB for OTC ISIN issuance
- Section 4 has the proposed product road map, that the Product Committee is considering, which sequences 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 use then defining the ISIN in this first phase of work
- Section 7 refers to the attached annex of Product definitions

In making comments and responding to questions, respondents are encouraged to consider the following:

- Whether the proposals will meet the current scope of the DSB ISIN generation
- Whether the proposed definitions, formats and granularity level will create obstacles in the future that should be considered before finalizing this first ISIN level
- Whether the details and the specifications in the consultation report are sufficiently clear and what other details and specifications would in your opinion add value
- Alternative proposals and solutions for any potential issues the respondent might raise

General comments and responses to the specific questions are requested by **30th December 2016** and should be sent to the secretariat DSB-PC-Secretariat@etradingsoftware.com.

In your response please identify your organization name and type (Trading Venue, Systematic Internalizer, Market participant, Vendor or Other)

Respondents should note that:

- Responses will be published and attributed unless there is a specific request for anonymity
- The Product Committee will consider all responses in the order in which they are received and, using their collective industry expertise, come to a consensus position before responding or incorporating into the next consultation paper.
- Once the final document is published, subsequent questions and clarifications will also be published as part of Q&A documentation

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 T Commodities E Equity C Credit F Foreign exchange M Others (miscellaneous)	S - Swaps	*
	H - Non-listed and complex listed options[2]	*
	J – Forwards	*

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?

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?

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.

4   Product Roadmap

The DSB has collected data from multiple asset specific vendors 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.

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

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[2] The DSB will solely focus on non-listed options. This text is taken directly from the CFI definition.

4.1   Grouping 1: Products traded by all venues

Use Case Grouping 1 consists of products traded by ALL venues

Phase	Asset Class	Base Product	Subproduct	# of Transaction types
1	Rates	IR Swap	Fixed Float	3
1	Credit	Index	iTraxx	1
1	Credit	Single Name	Corporate	5
1	Credit	Single Name	Sovereign	4
1	Equities	Forward	Price Return	2
1	Equities	Option	Parameter Return Div	4
1	Equities	Contract For Difference	Price Return	2
1	Equities	Swap	Price Return	2
1	FX	Forward	Forward	1
1	FX	NDF	NDF	1
1	FX	Spot	Spot	1
1	Commodities	Agricultural Products	Corn	1
1	Commodities	Agricultural Products	Soybeans	1
1	Commodities	Agricultural Products	Wheat	1
1	Commodities	Energy	Coal	1
1	Commodities	Energy	Natural Gas	1
1	Commodities	Energy	Crude Oil	1
1	Commodities	Energy	Heating Oil	1
1	Commodities	Metals	Copper	1
1	Commodities	Metals	Gold	1
1	Commodities	Metals	Silver	1

4.2   Grouping 2: Products traded by some venues

Use Case Grouping 2 consists of products traded by SOME of the surveyed venues

Phase	Asset Class	Base Product	Subproduct	# of Transaction types
2	Rates	Inflation CapFloor	Basis	1
2	Credit	Index Tranche	iTraxx	5
2	Credit	Swaptions	Sovereign	1
2	Credit	Total Return Swap	-	1
2	Credit	Total Return Swap Index	iBoxx	1
2	Equities	Portfolio Swap	Price Return	2
2	FX	Complex Exotic	Generic	1
2	FX	Continuous FX	Contract for Difference	2
2	FX	NDO	NDO	1
2	FX	Simple Exotic	Barrier	2
2	FX	Vanilla Option	Vanilla	1
2	Commodities	Agricultural Products	Dairy	1
2	Commodities	Energy	Electricity	1
2	Commodities	Environmental	Emissions	1
2	Commodities	Plastic	Polypropylene	1

4.3 Grouping 3: Products traded by none of the surveyed venues

Use Case Grouping 3 consists of remaining products traded by NONE of surveyed venues

Phase	Asset Class	Base Product	Subproduct	# of Transaction types
3	Rates	Inflation	-	1
3	Rates	Exotic	-	1
3	Rates	Cross Currency	Basis	1
3	Rates	Forward	Debt	1
3	Rates	FRA	-	1
3	Rates	Option	Debt Option	1
3	Credit	Exotic	Corporate	1
3	Credit	Index Tranche	ABX	1
3	FX	Exotic	Accrual	1
3	Commodities	Paper	Pulp	1
3	Commodities	Composite Commodity Indices	Other	1
3	Commodities	Environmental	Emissions	2
3	Commodities	Freight	Baltic Exchange	1
3	Commodities	Metals	Aluminium	9

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 Product Committee 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 Product Committee 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

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.

6 Principles

6.1 Product attribute granularity:

The ISO SG2 group was 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 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).

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

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.

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?

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.

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?

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

6.2   Product Classification

- Product Classification will be used to ensure that the DSB 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

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

6.3   Data Validation

- The DSB 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 will, as it progresses through the different products, highlight those combinations of data values that potentially can create invalid products
- Alongside those combinations, the Committee 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 will continuously assess and add use cases to the validation design as they arise.

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.

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 Committee will develop an approach for each of these as it fixes the detailed granularity for relevant product types

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

6.5 Generic Attributes will be categorized into the following groups:
- Mandatory, Derived, Conditional and Excluded
- Enumerations for the attributes in the Derived and Conditional categories are shown in Annex II (DSBPC CP00A – Annex II (Enumerations).pdf)

6.5.1 Mandatory Attributes
- These attributes are required for all instruments
- The first three will uniquely identify the required product template

Attribute Name	Enumerated Values	Notes
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'
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'
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
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

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[3] The DSB will solely focus on non-listed options. This text is taken directly from the CFI definition.

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

6.5.2   Derived Attributes

The attributes in this section will be generated from the submitted attributes for all products. The CFI Code will only be complete to the point of defining the product template.

- These attributes are required for all instruments
- These attributes will be derived or generated during the creation of an ISIN
- The derivation rules will be specified on a product by product basis alongside the granularity itself

| General Fields |||
No	Field	Description
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: - 2 digit identifying OTC Derivative - 9 digit securities identification number - 1 numerical check digit
2	Instrument full name	Full name of the financial instrument.
3	Instrument classification	Taxonomy used to classify the financial instrument. 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.
4	Commodities or emission allowance derivative indicator	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. This is a Boolean flag
5	Financial instrument short name	Short name of financial instrument in accordance with ISO 18774

6.5.3   Conditional Attributes

These attributes will adhere to the following:

- They will be product specific
- They will only be required if they are applicable for that particular product
- They will not be permitted if they are not applicable for the product

Derivatives and Securitized Derivatives related fields		
	Field	**Content to be reported**
	Underlying Asset Type	CFI 3rd letter for Swaps, Options and Forwards (Included under the current CPMI-IOSCO UPI consultation)
	Valuation Method or Trigger	CFI 5th 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)
	Return or payout trigger	CFI 5th 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)
24	Expiry date	Expiry date of the financial instrument. Field only applies to derivatives with a defined expiry date.
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.

Derivatives and Securitized Derivatives related fields		
	Field	**Content to be reported**
26	Underlying instrument code	ISIN code of the underlying instrument. For ADRs, GDRs and similar instruments, the ISIN code of the financial instrument on which those instruments are based. For convertible bonds, the ISIN code of the instrument in which the bond can be converted. 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. For Credit Default Swaps, the ISIN of the reference obligation shall be provided. In case the underlying is an Index and has an ISIN, the ISIN code for that index. 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. (Included under the current CPMI-IOSCO UPI consultation as 'Underlier ID')
27	Underlying issuer	In case the instrument is referring to an issuer, rather than to one single instrument, the LEI code of the Issuer.
28	Underlying index name	In case the underlying is an Index, the name of the index.
29	Term of the underlying index	In case the underlying is an index, the term of the index.
30	Option type	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: - "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. In case of Caps and Floors it shall be: -"Put", in case of a Floor. -"Call", in case of a Cap. Field only applies to derivatives that are options or warrants.

Derivatives and Securitized Derivatives related fields	
Field	**Content to be reported**
31 Strike price	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. Field only applies to options, warrants, spread bet on an option on an equity or contract for difference on an option on an equity. Where strike price is not applicable the field shall not be populated.
32 Strike price currency	Currency of the strike price
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.
34 Delivery type	Indication as to whether the financial instrument is settled physically or in cash. This field is only applicable for derivatives.
Interest Rate Derivatives	
Notional Schedule	CFI 4th letter for Swaps (and FISN code). Possible values are: Constant, Accreting, Amortizing, Custom
40 Reference rate	Name of the reference rate
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.
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.
43 Fixed rate of leg 1	An indication of the fixed rate of leg 1 used, if applicable.[4]
44 Fixed rate of leg 2	An indication of the fixed rate of leg 2 used, if applicable
45 Floating rate of leg 2	An indication of the interest rate used if applicable.
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.

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[4] A rule to assign currency to specific legs is relevant for fixed-fixed cross currency IRS. Once the use case is established we will state currencies must be ordered alphabetically.

Derivatives and Securitized Derivatives related fields		
	Field	**Content to be reported**
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).
48	FX Type	Type of underlying currency
Credit Derivatives		
	Seniority	Proposed requirement for FISN
	Underlying Credit Index Series	Proposed requirement for FISN
	Underlying Credit Index Version	Proposed requirement for FISN
	Underlying Issuer Type	CFI 3rd Attribute. Possible values are: Corporate, Sovereign, Local
Equity Derivatives		
	Equity Derivatives Parameter	CFI 4th letter for Swaps and FISN code. Possible values are: Price, Dividend, Variance, Volatility, Total return, Contract for difference, Other
Commodity and Emission Allowances Derivatives		
35	Base product	Base product for the underlying asset class as specified in the classification of commodities derivatives table.
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.
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.
38	Transaction type	Transaction type as specified by the trading venue
39	Final price type	Final price type as specified by the trading venue

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.

For the following three fields required as part of RTS 23:

- Field 26: Underlying instrument code [may be repeating]
- Field 27: Underlying issuer [may be repeating]
- Field 28: Underlying index name

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

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

6.5.4   Excluded Attributes

The below two tables specify those fields from RTS 23 that have been omitted from the set of fields being considered for the DSB:

- The venue related fields are being excluded so that the identifier is non-venue specific
- The bond related fields are being excluded because they are specific to a product group that is outside the scope of the DSB

Venue related fields			
No.	**Field**	**Content to be reported**	**Format and Standards**
6	Trading venue	Segment MIC for the trading venue or systematic internalizer, where available, otherwise operating MIC.	{MIC}
8	Request for admission to trading by issuer	Whether the issuer of the financial instrument has requested or approved the trading or admission to trading of its financial instrument on a trading venue.	'true'- Yes 'false' - No
9	Date of approval of the admission to trading	Date and time the issuer has approved admission to trading or trading in its financial instruments on a trading venue.	{DATE_TIME_FORMAT}
10	Date of request for admission to trading	Date and time of the request for admission to trading on the trading venue.	{DATE_TIME_FORMAT}
11	Date of admission to trading or date of first trade	Date and time of the admission to trading on the trading venue or the date and time when the instrument was first traded or an order or quote was first received by the trading venue.	{DATE_TIME_FORMAT}
12	Termination date	Where available, the date and time when the financial instrument ceases to be traded or to be admitted to trading on the trading venue.	{DATE_TIME_FORMAT}

		Bonds or other forms of securitized debt related fields	
No.	**Field**	**Content to be reported**	**Format and Standards**
14	Total issued nominal amount	Total issued nominal amount in monetary value.	{DECIMAL-18/5}
15	Maturity date	Date of maturity of the financial instrument. Field applicable to debt instruments with defined maturity.	{DATEFORMAT}
16	Currency of nominal value	Currency of the nominal value for debt instruments.	{CURRENCYCODE_3}
17	Nominal value per unit/minimum traded value	Nominal value of each instrument. If not available, the minimum traded value shall be populated.	{DECIMAL-18/5}
18	Fixed rate	The fixed rate percentage of return on a Debt instrument when held until maturity date, expressed as a percentage.	{DECIMAL-11/10} Expressed as a percentage (e.g. 7.0 means 7% and 0.3 means 0.3%)
19	Identifier of the index/benchmark of a floating rate bond	Where an identifier exists.	{ISIN}
20	Name of the index/benchmark of a floating rate bond	Where no identifier exists, name of the index.	{INDEX} Or {ALPHANUM-25} - if the index name is not included in the {INDEX} list
21	Term of the index/benchmark of a floating rate bond.	Term of the index/benchmark of a floating rate bond. The term shall be expressed in days, weeks, months or years.	{INTEGER-3}+'DAYS' – days {INTEGER-3}+'WEEK' - weeks {INTEGER-3}+'MNTH' - months {INTEGER-3}+'YEAR' - years
22	Base Point Spread of the index/benchmark of a floating rate bond	Number of basis points above or below the index used to calculate a price	{INTEGER-5}
23	Seniority of the bond	Identify the type of bond: senior debt, mezzanine, subordinated or junior.	'SNDB' - Senior Debt 'MZZD' - Mezzanine

			'SBOD' - Subordinated Debt 'JUND' - Junior Debt

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

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

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.

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.

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

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.

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

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

8   Appendix 1

8.1   CFI Category descriptions:

Category	Description
Equities	Financial instruments representing an ownership interest in an entity or pool of assets.
Collective Investment Vehicles	
Debt Instruments	Financial instruments evidencing monies owed by the issuer to the holder on terms as specified.
Entitlement (rights)	Financial instruments providing the holder with the privilege to subscribe to or to receive specific assets on terms specified
Listed options	This category classifies listed options, which are contracts that grant to the holder either the privilege to purchase or the privilege to sell the assets specified at a predetermined price or formula at or within a time in the future. Where a listed option cannot be classified within this category, refer to Nonlisted and complex listed options for classification.
Futures	Contracts, listed on an exchange or regulated market, which obligate the buyer to receive and the seller to deliver in the future, the assets specified at an agreed price. This includes forwards on regulated markets.
Swaps	An agreement or contract where two counterparties agree to exchange periodic streams of cash flows with each other. Swaps can be executed with a variety of asset classes, as listed below.
Non-listed/complex listed options	This category includes over-the-counter (OTC) or unlisted options and also includes any listed option which is not captured by the Listed options category (see 5.6). An option grants the holder either the privilege to purchase or the privilege to sell the assets specified at a predetermined price or formula at or within a time in the future.
Spot	Contracts conducted on the spot market which are bought and sold for cash with immediate delivery based on market convention for the asset.
Forwards	Contracts, which are not exchange traded or listed, entered between two parties to buy or sell the underlying asset at a specified future date at the price specified at the outset of the contract.
Strategies	This section defines a classification of derivative strategies. Strategies are the simultaneous trading of two or more derivative instruments.
Financing	Financing is a collateralized loan agreement entered between two parties where one party, the lender, lends (temporarily) the underlying asset which is secured with cash or other acceptable collateral

	(securities or other assets) provided by the borrower. Depending on the exact type of financing transaction, a simultaneous agreement to reverse the agreement may be entered into at the same time with an agreed upon future date for the reversal transaction to take place.
Reference Instruments	Indicators that are used as a reference for other financial instruments.
Others	Financial instruments that do not fit into any of the above categories as defined.

9 Appendix 2

9.1 Summary of open questions:

No.	Question	CP Reference
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?	3
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?	3
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.	3
4	Do participants agree that this is the most appropriate approach for prioritization of products? If not please provide an alternative approach and rationale.	4
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.	5
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.	6.1
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.	6.1
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?	6.1
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.	6.1
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?	6.1
11	Do you think the proposed granularity level is appropriate for the purpose of TOTV? If not, why?	6.1
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.	6.2
13	Do you agree with the approach of shared responsibility for data validation, bearing in mind the specific data and cost challenges that might be incurred if it	6.3

	were to reside wholly in either the user-base or the DSB? Please provide detailed examples in your response.	
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.	6.4
15	Do you agree with the approach to use ISO Standard Currency codes in insolation thereby excluding offshore currencies? The FpML WG has a solution to ISDA & CPMI/IOSCO which could be adopted or at a minimum referenced should there be a consensus.	6.5.1
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.	6.5.3
17	Are there products where none of those fields are relevant for the definition of the underlying? If so, please provide detailed examples	6.5.3
18	Are their products where more than one of those fields are required for its definition? If so, please provide detailed examples.	6.5.3
19	Is there anything in the excluded list of attributes that should be included in the ISIN definition for an OTC Derivative?	6.5.4
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.	7
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.	7
22	Do you agree with the rules used to derive the FISN for those products listed? If not, please explain your reasoning.	7
23	Do you agree with the rules used to derive the Instrument Full Name for those products listed? If not, please explain your reasoning.	7
24	Do you agree with the rules used to derive the CFI Code for those products listed? If not, please explain your reasoning.	7
25	Do you agree with the rule used to derive the Issuer for those products listed? If not, please explain your reasoning.	7