

DSB Product Committee : Digital Asset Strategy Sub-Committee Meeting Minutes

Date: 13-Sep-2022

Time: 15.00 – 16.30 UTC

Location: Teleconference

Name	Organisation
Andrew Bayley	ISDA
Joseph Berado	ICE / NYSE
Stéphane Blemus	Soc Gen
Stephan Dreyer	ANNA
Que Phuong Dufournet	Soc Gen
Dawd Haque	DB
Harry McAllister	BNPP
Alex McDonald	EVIA
Jean O Bray	FCA
Gregg Rapaport	DTCC
Tom Soden	FCA
Lisa Taikitsadaporn	FIX
Simon Wiltshire	DSB
Adam Grace	DSB

No Topics

1 Introduction & Agenda

2 Competition Law Reminder

Presented.

3 Open Actions

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|------------|--|-----|-------------|
| 004 | The DSB agreed to distribute or publish a list of links to the main regulatory documents that were referenced in the discussion.
<i>Note: The DSB that login details for the DAS-SC bulletin board would be sent out before the next meeting.</i> | DSB | OPEN |
| 005 | The DSB will work with the ISDA to access available details of the relevant ISDA definitions for digital assets.
<i>Note: A DSB / ISDA meeting has taken place – further investigation by ISDA required..</i> | DSB | OPEN |

4 Meeting Details

Digital Asset Indicator

- The meeting agreed the need for a method of indicating that a particular OTC Derivative is based on a Digital Asset underlier and a number of regulatory use cases (eg: aggregated risk assessment) were mentioned as the basis for this requirement.
- The meeting focused on the proposal contained in the “Revised CDE Technical Guidance – version 3 – Consultative Document (Aug 2022)” for the implementation of a new Crypto asset underlying indicator within the CDE specification.
- The meeting was reminded that the UPI sits within the CFI>UPI>OTC ISIN hierarchy and so all attributes of the CFI are inherited by the UPI and attributes in the UPI are inherited by the OTC ISIN.
- The meeting initially accepted that it would be appropriate to include such an indicator within the definition of the UPI (since it was a product level attribute). However, the meeting was presented with the possibility of the issuance of Securities that are issued simultaneously on a DLT and in the traditional way. These “hybrid” securities would be considered fungible and as such would be referenced by a single ISIN. Given the existence of this form of asset, the meeting agreed that a Crypto-Asset Underlying Indicator should be defined as a CDE attribute rather than be included in the UPI definition.
- It will be necessary for the sub-committee to examine this proposal in more detail in order to analyse the conditions of fungibility, the ISIN issuance for such securities and whether this approach should apply to digital assets that are not tokenized securities.

Next Meeting

The meeting agreed to focus on digital asset taxonomies at the next meeting – based on a proposal that is to be made available via the bulletin board.

AOB

N/A

Respectfully submitted,

DSB Secretariat

Summary of Open Actions

	Owner	Target Date
005 The DSB will work with the ISDA to access available details of the relevant ISDA definitions for digital assets.	DSB	30-Aug-22
