

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

**Date:** 30-Aug-2022

**Time:** 15.00 – 16.30 UTC

**Location:** Teleconference

Name	Organisation
Andrew Bayley	ISDA
Joseph Berado	ICE / NYSE
Stéphane Blemus	Soc Gen
Alex Chow	IA
Stephan Dreyer	ANNA
Que Phuong Dufournet	Soc Gen
Lisa Iagatta	ISITC
Harry McAllister	BNPP
Alex McDonald	EVIA
Dianne O'Boyle	ISITC
Gregg Rapaport	DTCC
Simon Wiltshire	DSB
Adam Grace	DSB

### No Topics

#### 1 Introduction & Agenda

#### 2 Competition Law Reminder

Presented.

#### 3 Open Actions

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|------------|---|-----|---------------|
| <b>004</b> | The DSB agreed to distribute or publish a list of links to the main regulatory documents that were referenced in the discussion.<br><i>Note: The DSB confirmed that work was continuing on support for a dedicated DAS-SC bulletin board.</i> | DSB | <b>OPEN</b>   |
| <b>005</b> | The DSB will work with the ISDA to access available details of the relevant ISDA definitions for digital assets.<br><i>Note: A DSB / ISDA meeting has taken place – further investigation by ISDA required..</i>                              | DSB | <b>OPEN</b>   |
| <b>006</b> | DSB to send an email summary to all members of the DAS-SC requesting input to the questions provided above.   | DSB | <b>CLOSED</b> |

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## 4 Meeting Details

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### Delivery Type

- The meeting discussed the question: *Does the delivery of digital assets underlying an FX Fwd, Swap or Option fit the descriptions used for the FX CFI definitions and, if not, what are the main points of difference?*
- In summary, the meeting agreed that the main Delivery Type categories used for FX derivatives with the CFI Code specification were suitable for FX-style OTC derivatives based on native digital assets (such as BTC, ETH etc.) and applied to each of the three main instrument types (Forward, Swap and Option).
- In addition, the meeting concluded that there was no need to categorise OTC derivatives as having on-chain / off-chain delivery within the CFI Code.
- The meeting also examined the other FX Derivative CFI Attributes and agreed that they could also be applied to FX-style OTC derivatives based on native digital assets.

### CFI Group

- The meeting discussed the question: *Should the DAS-SC explore the need for a separate Group within the CFI definitions for OTC derivatives?*
- The meeting agreed that since the CFI Code for FX Derivatives was applicable to FX-style OTC derivatives based on native digital assets, there would be no need to introduce a new specific CFI Group to cover these instruments. It was noted that, in the context of this discussion, although the underliers were digital assets, the derivatives themselves were still “standard” (non-digital) contracts.

### Digital Asset Underlier Indicator

- The meeting discussed whether the UPI would require an attribute that would indicate that the derivative underlier was a digital asset.
- The meeting was unable to reach an agreement over the way in which this would be achieved. It was suggested that it would be possible for the DSB to include an Underlier Type attribute (eg: Digital Asset) and for the user to then identify that asset using a unique ID.
- Other suggestions were proposed and discussed by the group:
  - Support specific Digital Asset Products (templates) – not supported by the meeting.
  - Derive a specific Digital Asset flag for the UPI – to be discussed at a future meeting.
- Additionally, it was noted that the sub-committee will need to look at the actual digital asset (rather than the parent derivative) in more detail and that this may be a point at which changes/additions to the CFI code may be examined. However, as noted in the meeting yesterday, our primary focus is on the Derivatives.

### Next Steps

- Members of the sub-committee were requested to nominate additional OTC Derivative products with a digital asset underlier to be considered by the group.

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AOB

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N/A

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Respectfully submitted,

DSB Secretariat

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Summary of Open Actions	Owner	Target Date
<b>004</b> The DSB agreed to distribute or publish a list of links to the main regulatory documents that were referenced in the discussion.	DSB	30-Aug-22
<b>005</b> The DSB will work with the ISDA to access available details of the relevant ISDA definitions for digital assets.	DSB	30-Aug-22

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