

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

Date: 02-Aug-2022

Time: 15.00 – 16.30 UTC

Location: Teleconference

| Name | Organisation |
|---------------------|-----------------------|
| Andrew Bayley | ISDA |
| Joseph Berado | ICE / NYSE |
| Alex Chow | IA |
| Stephan Dreyer | ANNA |
| John Graham | FIA |
| Lisa Iagatta | ISITC |
| Harry McAllister | BNP Paribas |
| Alex McDonald | EVIA |
| Dianne O'Boyle | ISITC |
| Jean Obray | FCA |
| Gregg Rapaport | DTCC |
| Lisa Taikitsadaporn | FIX Trading Community |
| Simon Wiltshire | DSB |
| Adam Grace | DSB |

No Topics

1 Introduction & Agenda

2 Competition Law Reminder

Presented.

3 Open Actions

- | | | | |
|------------|--|-----|---------------|
| 001 | The DSB to share the proposed glossaries with DAS-SC members and to request further input. | DSB | CLOSED |
| 002 | The DSB to ask DAS-SC members to propose OTC derivatives and digital asset underliers for immediate consideration by the DAS-SC. | DSB | CLOSED |
| 003 | The DSB to ask the CDIDE for summary Digital Asset OTC Derivative trade reporting metrics. | DSB | CLOSED |

4 DAS-SC : Definition of Terms

The DSB previously proposed that a common vocabulary be established to help facilitate communication within this group, but it was decided by the group that it would be challenging to agree an exhaustive vocabulary.

The DSB presented an alternative on-line glossary (<https://coinmarketcap.com/alexandria/glossary>) that should provide a useful collection of definitions. The DSB presented a number of example definitions by way of illustration.

5 DAS-SC : Scope and Prioritization

The meeting agree to limit the initial scope of the project to the following digital assets (with the associated definitions – amended by the group):

- **Crypto-Native Tokens**
A native medium of exchange used as payment/reward for verifying blocks and the creation of other tokens on the DLT.
- **Stablecoins**
A crypto-asset (token) that purports to maintain a stable value versus a specific Fiat Currency (e.g.: USD, EUR etc.).

This will allow the DAS-SC to focus on the tokens that are likely to be used as underliers to OTC derivatives in the near future and are likely to be regulated within separate categories. DASC-SC members **AGREED** to this approach.

The meeting also discussed the need to know the DLT/blockchain on which a token (and its transactions) are recorded – for example USDC on Ethereum rather than USDC on Solana – in order to understand the risk or value associated with the token.

The DSB agreed to distribute or publish a list of links to the main regulatory documents that were referenced in the discussion. >**Action004**.

6 DAS-SC : Product Definition

It was proposed that the DAS-SC initially focuses on OTC derivatives with crypto-native token underliers, therefore for each product it is necessary to define the instrument type of the OTC Derivative and the asset class of the underlier.

The meeting agreed that the initial focus of the sub-committee would be FX-style OTC derivatives (Swaps, Forwards and Options). In order to assist with the process of defining these products in more detail, the DSB will work with the ISDA in order to access available details of the relevant ISDA definitions for digital assets. >**Action005**.

AOB

N/A

Respectfully submitted,

DSB Secretariat

| Summary of Open Actions | Owner | Target Date |
|---|-------|-------------|
| 004 The DSB agreed to distribute or publish a list of links to the main regulatory documents that were referenced in the discussion. | DSB | 16-Aug-22 |
| 005 The DSB will work with the ISDA to access available details of the relevant ISDA definitions for digital assets. | DSB | 16-Aug-22 |
