

## DSB PRODUCT COMMITTEE MEETING MINUTES

**Meeting:** The 32nd DSB Product Committee Meeting

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**Date:** 01-Aug-2017                      **Time:** 15.00 – 16.30 BST                      **Location:** Teleconference

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**Chairperson:** Sassan Danesh, DSB

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**In attendance:**

<p><b>Committee Members</b> Joseph Berardo, Intercontinental Exchange Peter Gratwick, JP Morgan Trevor Mallinson, Bloomberg Stephen White, Fidelity Bill Stenning, Société Generale Danielle Wissmar, GSAM</p> <p><b>ANNA Observer</b> Emma Kalliomaki, ANNA Board</p>	<p><b>Regulators (Observers)</b> Takahiro Onojima, JSDA Eiichiro Fukase, JSDA Alejandro De La Rocha, FCA Robert Stowsky, CFTC</p> <p><b>DSB Secretariat / PMO</b> Sassan Danesh, ANNA DSB Tony Birrell, ANNA DSB Malavika Solanki, ANNA DSB Nathan Dagg, ANNA DSB</p>	
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**Apologies:** Franz Ruckermeier, Allianz Global Investors  
Ayala Truelove, Tradeweb

**Absences:** Tia Ellerman, Citi

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No	Topics
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1	<b>Open Actions</b>
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- **Action 86:** Secretariat to discuss the approach to non-standard product definitions during this meeting, action closed.
  - **Action 89:** Secretariat to send out document prior to next week's discussion
  - **Action 102:** Secretariat confirmed the default approach of deriving the underlying index term & value as '0 DAYS', action closed
  - **Action 111:** Index Change Workflow document being created and will be presented to PC at a future meeting
  - **Action 114:** Analysis in progress and DSB to work with GLEIF data to quantify the number of single names that do not have either an ISIN or LEI. Analysis will also include how this will impact the determination of ToTV/uToTV.
    - **Action:** Secretariat to liaise with ESMA on issue where no LEI or ISIN exist
    - **Action:** PC to determine final approach for where there is no LEI or ISIN for CDS products pending ESMA's response
  - **Action 117/119/124:** Secretariat to discuss in today's meeting as part of the approach to Non-Standard Product Definitions, actions closed
  - **Action 123:** FX Swap to be presented to the PC during the course of today's meeting, action closed
  - **Action 126:** Closed
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2	<b>FX Swap Product Definition</b>
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- Secretariat presented the Product definition to the PC comprising a user input two forward ISINs associated with the near leg and far leg. Secretariat advised that DSB
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	<p>technical team is exploring the derivation of Notional currency, Other Notional currency and expiry date using the DSB ISINs input that represent the two forwards</p> <ul style="list-style-type: none"> <li>• Members agreed that a leg Expiry date validation is needed, along with Asset Class validation</li> <li>• Members agreed that normalisation for currency pair needed to ensure that two ISINs cannot be created for the same swap transaction (where currency pair is inverted) <ul style="list-style-type: none"> <li>○ <b>Action:</b> Secretariat to seek an estimate from the DSB Tech team to complete and build the functionality for an FX Swap</li> </ul> </li> </ul>
<b>3</b>	<b>Portfolio Swap Product Definition</b>
	<ul style="list-style-type: none"> <li>• Secretariat presented the product definition to the PC, and members agreed on the approach</li> </ul>
<b>4</b>	<b>Non-Standard Product Definitions</b>
	<ul style="list-style-type: none"> <li>• Secretariat presented the list of CFI codes within the current scope of the DSB that may satisfy Non-Standard products that have been submitted thus far to the DSB</li> <li>• Members agreed that an analysis should be carried out to ascertain if the non-standard products received will be satisfied by these CFI codes</li> <li>• Members also agreed that the initial focus should be on instruments with ToTV and uToTV implications so that MiFid ii requirements could be met in a timely manner</li> <li>• Secretariat also discussed the option of increasing the scope of the DSB to include Category M – Others (Miscellaneous) <ul style="list-style-type: none"> <li>○ <b>Action:</b> Secretariat to conduct analysis of non-standard products received to ascertain if they are satisfied by the ‘Other’ CFI codes in scope</li> </ul> </li> </ul>
<b>5</b>	<b>Equity Index</b>
	<ul style="list-style-type: none"> <li>• Secretariat discussed the level of granularity required for Equity Index Enumerations with the PC.</li> <li>• A regulatory observer advised that CPMI-IOSCO requires the ability to analyse the pay-out/risk profile, and hence would recommend the most granular approach to building the enumerated list <ul style="list-style-type: none"> <li>○ <b>Action:</b> PC to discuss the optimal approach of obtaining all Equity indices at the ticker code level</li> </ul> </li> </ul>
<b>6</b>	<b>FX Normalisation</b>
	<ul style="list-style-type: none"> <li>• Members discussed the two approaches to normalising FX products – Alphabetically or following market convention <ul style="list-style-type: none"> <li>○ <b>Action:</b> Secretariat to follow up with industry participants to establish best approach FX normalisation</li> </ul> </li> </ul>
<b>7</b>	<b>DSB Taskforce</b>
	<ul style="list-style-type: none"> <li>• Secretariat provided an update to the PC on activity in the DSB Taskforce and advised of the progress made for Rates &amp; Credit</li> <li>• Equities and FX mappings are expected this week</li> </ul>
<b>8</b>	<b>AOB</b>
	<ul style="list-style-type: none"> <li>• ISINs for MAC swaps were discussed and it was proposed that the DSB review these in Q1 2018 once core delivery (including ToTV) was complete in Q4 2017</li> <li>• Secretariat confirmed with members that there was no feedback on the DSB ISIN guidelines</li> <li>• Secretariat asked members to confirm why Strike price had been added for Equity options only and not options across all asset classes – PC advised that they had been added at the request of ISDA and associated members</li> </ul>

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- Members asked to be notified once the DSB's ToTV/ uToTV analysis was complete and final specification published
  - Members discussed Put or Call normalisation of Option type for Swaptions – members agreed to apply RTS23 guidance for mapping swaptions
    - **Action:** Secretariat to provide feedback o DSB Task force on how to apply Put or Call to Swaptions
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Respectfully submitted,

DSB Secretariat

Minutes Approved on:

### Summary of Open Actions

No	Actions	Owner	Target Date
89	Secretariat to schedule ISIN Status discussion in future PC meeting	DSB Sec	15-Aug-17
111	Secretariat to explore the best medium to announce proposed new index additions and amend existing	DSB Sec	15-Aug-17
114	Secretariat to prepare materials for the Product Committee to re-examine the data quality of credit underliers of CDS Single Name and its effect on classification of uToTV	DSB Sec	15-Aug-17
129	Secretariat to liaise with ESMA on issue where no LEI or ISIN exist for CDS products	DSB Sec	08-Aug-17
130	PC to determine final approach for where there is no LEI or ISIN for CDS products pending ESMA's response	Member	15-Aug-17
131	Secretariat to seek an estimate from the DSB Tech team to complete and build the functionality for an FX Swap	DSB Sec	08-Aug-17
132	Secretariat to conduct analysis of non-standard products received to ascertain if they are satisfied by the 'Other' CFI codes in scope	DSB Sec	15-Aug-17
133	PC to discuss the optimal approach of obtaining all Equity indices at the ticker code level	Member	08-Aug-17
134	Secretariat to follow up with industry participants to establish best approach FX normalisation	DSB Sec	08-Aug-17
135	Secretariat to provide feedback o DSB Task force on how to apply Put or Call to Swaptions	DSB Sec	08-Aug-17