

## DSB PRODUCT COMMITTEE MEETING MINUTES

**Meeting:** The 3rd DSB Product Committee Meeting

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**Date:** 11-Jan-16                      **Time:** 15.00 – 17.00 GMT                      **Location:** Teleconference

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**Chairperson:** Sassan Danesh, DSB Chair

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**In attendance:**

<p><b>Committee Members</b> Joseph Berardo, Intercontinental Exchange Tia Ellerman, CITI Peter Gratwick, JP Morgan Franz Rockermeier, Allianz Global Investors Bill Stenning, Societe Generale Stephen White, Fidelity Danielle Wissmar, GSAM Ayala Truelove, Tradeweb</p>	<p><b>Regulators (Observers)</b> Eiichiro Fukase, JSDA Takahiro Onojima, JSDA Olga Petrenko, ESMA Rob Stowsky, CPMI-IOSCO</p> <p><b>DSB Secretariat / PMO</b> Tony Birrell Jason Fernandes Kuhan Tharmananthar</p>
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**Apologies:** Trevor Mallinson, Bloomberg Trading Facility

**Absences:**

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No	Topics
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**1 Minutes: Review of open actions**

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- **Action 11:** The Product Committee discussed the Trading Venue Analysis approach and agreed that it was sensible to utilise the Trading Venue Analysis response to determine UAT product sequencing.
  - The Product Committee agreed that approaching potential SI's for their input was duplicative as the Trading Venue Analysis provided sufficient product coverage. However, it should be recognised that a timeline and process should be in place for adding new products
    - Action:** Product Committee to sign off on Trading Venue email outlining the Product Committee request and review list of Trading Venue's with a view to supplying additional Trading Venue names if appropriate
    - Action:** Secretariat to develop timeline and process for adding new products to the ISIN Engine
  - **Action 13:** Secretariat to overlay the SG2 products into the Trading venue analysis to validate product coverage - closed.
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**2 Phase1 CP: Industry Feedback**

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- The Product Committee agreed that all responses will be reviewed with equal weighting, however proposals for consideration/action must be supported by evidence
  - The Product Committee also agreed that responses to questions which have been clearly misunderstood would be discounted from the review process
    - Action:** Secretariat to send industry feedback to ANNA Web coordinators for publication
  - The Product Committee agreed to focus on Q 6,7,12 first as the answer to these questions would provide a common framework and principles for how the Product Committee should approach its work.
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- **Design Scope: Number of jurisdictions / business use cases (Q6)**
    - The chair noted the ISO leadership requirement that the Day 1 design should support multi-jurisdiction/business use case, albeit with implementation sequencing being at the discretion of ANNA
    - The chair further noted that the ANNA Board's day 1 implementation priority was on support for MIFID II requirements, which based on ESMA feedback, meant satisfying RTS 23 requirements
    - The Product Committee agreed with this approach in principle, but requested additional clarity from the ANNA Board on what is meant by "Design support".  
**Action:** Secretariat to request ANNA Board to provide definitive guidance on what is meant by "Design Support for multiple jurisdictions / business use cases" if day 1 implementation were to be focused on a single requirement only
  - **Jan 2018 Implementation scope: Number of levels in the hierarchy (Q7)**
    - The chair noted the ISO leadership requirement that the Day 1 design should support multi-hierarchy use case, albeit with implementation sequencing being at the discretion of ANNA
    - The chair further noted that the ANNA Board's day 1 implementation priority was on support for MIFID II hierarchy requirements, which based on existing ESMA feedback, meant a single level satisfying RTS 23 requirements
    - The Product Committee agreed with this approach in principle, but requested additional clarity from the ANNA Board on what is meant by "Design support".  
**Action:** Secretariat to request ANNA Board to provide definitive guidance on what is meant by "Design Support for multiple hierarchies" if day 1 implementation were to be focused on a single level only
  - **Recommendation to use ISDA vs CFI asset class taxonomy (Q12)**
    - Some Product Committee members raised concerns with the use of ISO 10962 (CFI) as a Taxonomy for determining the Product Definition Templates as they lacked granularity to fully determine the derivative product.
    - The Product Committee were advised by an Observer that the CFI code was being bought up to date by ISO to provide more granularity, however this work is in progress and would unlikely be ready to meet the timeline set out by MIFID II  
**Action:** Secretariat to confirm timeline for enhancement to CFI taxonomy granularity
    - Some Product Committee members suggested that the ISDA Taxonomy could be the external interface to identify and select product definition templates on the inbound messages to the ISIN engine, as the standard is well established and understood across the industry
    - The Product Committee was reminded that not all market participants would utilise proprietary ISDA FpML and the longer term strategy of transitioning to ISO 20022 for which there is significant regulatory support
    - The Product Committee discussed the possibility of supporting both ISO and ISDA Taxonomies for selecting Product Definition Templates  
**Action:** Secretariat to review ISDA Taxonomy with a view to incorporating it as an interface to be used in Use Case selection
    - The Product Committee recognised that the CFI must be part of the ISIN design and would be generated by the user inputting the designated data attributes  
**Action:** Secretariat to provide two worked examples of the Product Templates showing the Mandatory attribute fields required to meet RTS23 and CFI requirements and the additional SG2 suggested data attributes fields

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**3 AOB**

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- Product Committee discussed the possibility that meetings may need to be held on a weekly basis going forward

**Action:** Secretariat to propose weekly meeting schedule to the Product Committee

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**4 Next meeting**

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- Tuesday 17<sup>th</sup> January 2017

Respectfully submitted,

DSB Secretariat

Minutes Approved on:

## Summary of Open Actions

No	Actions	Owner	Date to be Completed
18	Secretariat to develop timeline and process for adding new products to the ISIN Engine	DSB Secretariat	3-Feb-17
20	Secretariat to request ANNA Board to provide definitive guidance on what is meant by “Design Support for multiple jurisdictions / business use cases” if day 1 implementation were to be focused on a single requirement only	DSB Secretariat	20-Jan-17
21	Secretariat to request ANNA Board to provide definitive guidance on what is meant by “Design Support for multiple hierarchies” if day 1 implementation were to be focused on a single level only	DSB Secretariat	20-Jan-17
22	Secretariat to confirm timeline for enhancement to CFI taxonomy granularity	DSB Secretariat	20-Jan-17
23	Secretariat to review ISDA Taxonomy with a view to incorporating it as an interface to be used in Use Case selection	DSB Secretariat	20-Jan-17
24	Secretariat to provide two worked examples of the Product Templates showing the Mandatory attribute fields required to meet RTS23 and CFI requirements and the additional SG2 suggested data attributes fields	DSB Secretariat	17-Jan-17

## Summary of Closed Actions

No	Actions	Owner	Date to be Completed
1	Secretariat to recirculate the governance document – DSB Product Committee Framework	DSB Secretariat	07-Dec-16
2	Secretariat to circulate written direction from ESMA on scope of instruments requiring an ISIN	DSB Secretariat	13-Dec-16
3	Amend the product committee pack to include a statement that we are aware of the broader global implications of an ISIN and we will explore as a group how these can be met, however, our primary focus will be to satisfy MiFID 2 requirements	DSB Secretariat	06-Dec-16
4	Iterate the draft Consultation Paper to enhance the high level executive summary and expand on rationale of focusing on RTS 23	DSB Secretariat	06-Dec-16
5	Secretariat to update meeting minutes from 5th December per Product Committee feedback and send for publication	DSB Secretariat	13-Dec-16
6	Secretariat to present new timelines to the Product Committee based on the Product Committee feedback	DSB Secretariat	14-Dec-16
7	Secretariat to include the medium associated with each of the Phase 1 Consultation Paper (CP) Next steps	DSB Secretariat	15-Dec-16
8	Secretariat to submit to the Product Committee the list of outstanding questions with ESMA for consideration	DSB Secretariat	15-Dec-16
9	Secretariat to request update from ESMA on the current list of outstanding questions	DSB Secretariat	16-Dec-16
10	Product Committee Member to identify sections of the CP which exclude instruments whose underlying is traded on a Trading Venue	Product Committee member	16-Dec-16
11	Secretariat to repeat the Trading Venue analysis with as wide a range of trading venues as possible	DSB Secretariat	13-Jan-17
12	Secretariat to replace commodities in Use Case Grouping 1 with those Credit indices currently identified in Use Case Grouping 2	DSB Secretariat	14-Dec-16
13	Secretariat to overlay the SG2 products into the Trading venue analysis to validate product coverage	DSB Secretariat	13-Jan-17
14	Secretariat to schedule a Product Committee meeting placeholder for January 5th 2017	DSB Secretariat	13-Dec-16
15	Secretariat to update respondent table	DSB Secretariat	09-Jan-17
16	Secretariat to distribute a consolidation of responses to the Product Committee	DSB Secretariat	09-Jan-17
17	Product Committee to sign off on Trading Venue email outlining the Product Committee request and review list of Trading Venue's with a view to supplying additional Trading Venue names if appropriate	Product Committee	13-Jan-17
19	Secretariat to send industry feedback to ANNA Web coordinators for publication	DSB Secretariat	13-Jan-17