

DSB PRODUCT COMMITTEE MEETING MINUTES

Meeting: The 19th DSB Product Committee Meeting

Date: 02-May-2017 **Time:** 15.00 – 16.30 BST **Location:** Teleconference

Chairperson: Sassan Danesh, DSB Chair

In attendance:

<p>Committee Members Joseph Berardo, Intercontinental Exchange Tia Ellerman, CITI Peter Gratwick, JP Morgan Ayala Truelove, Tradeweb Danielle Wissmar, GSAM Stephen White, Fidelity</p> <p>ANNA Board (Observer) Emma Kalliomaki</p>	<p>Regulators (Observers) Eiichiro Fukase, JSDA Takahiro Onojima, JSDA Robert Stowsky, CPMI-IOSCO</p> <p>DSB Secretariat / PMO Kuhan Tharmananthar Natalia Kozlovich</p>
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Apologies: Franz Rockermeier, Allianz Global Investors
Trevor Mallinson, Bloomberg Trading Facility
Bill Stenning, Société Generale

Absences:

No	Topics
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1	Open Actions
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- **Action 71:** Secretariat distributed ISIN Status documentation 02 May 2017 – Close
 - **Action:** Secretariat to schedule ISIN Status discussion in future meeting
 - **Action 81:** To be discussed in this meeting
 - **Action 83:** To be discussed in this meeting
 - **Action 84:** PC agreed that derived currency for a CDS Single Name would not work but preferred the DSB to implement a default approach – when the currency is not provided over FIX, the DSB would return the default currency - Close
 - **Action:** Secretariat to discuss with the ISIN Engine team the technical feasibility of the preferred default approach
 - **Action 85:** Awaiting response from PC Member to send text to ESMA
 - **Action 86:** Target date of 16 May 2017
 - **Action 87:** Fee Model CP2 now distributed to the Product Committee – Close
 - **Action 88:** Secretariat explained that ESMA has responded they will only be able to provide the format of their FIRDS output once the ToTV has been finalized – Close
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2	UAT Product Definition Issue Identification
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- Committee agreed the treatment of currency for CDS Single Name will be dependent on the technical feasibility of the preferred default approach
 - **Action:** Secretariat to investigate the technical feasibility of providing a default approach for the currency attribute
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3	DSB Taskforce Update
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- ANNA Observer reported the Taskforce Terms of Reference negotiation is mostly complete by end of this week and will be discussed in the PC next week. It will specify responsibilities and the delivery timeline
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4 ISDA Taxonomy v1.0 to v2.0

- Product Committee discussed the potential challenges presented by attempting to integrate ISDA Taxonomy v1.0 and agreed that some challenges were more significant than others
 - Product Committee agreed to the following:
 - The DSB will implement ISDA Taxonomy v2.0 for Product Selection
 - The DSB will document and publish guidance on how users can complete Product Selection if they only have ISDA Taxonomy v1.0 available
 - In addition, the Product Committee agreed to the following:
 - The DSB will provide a link at convenient points on the website to find the above guidance
 - The DSB will consider, at a lower priority, the possibility of providing contextual guidance for users
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5 Credit: Underlier Identification

- Product Committee discussed the challenge presented by the ESMA requirement for LEI or ISIN versus the industry use of other forms of identification. As stated in previous meetings, LEIs are not universal and some CDS Single Names do not have an underlying obligation specified.
 - Product Committee agreed the issue should be escalated along with a recommendation to the DSB Board
 - **Action:** Secretariat to obtain clarity from the FCA to understand their approach for CDS Single Name swaps without an underlying ISIN or LEI
 - **Action:** Secretariat to liaise with Committee Members to understand the practical significance and size of the problem
 - **Action:** Secretariat to distribute the text of the escalation document to the Product Committee before submitting to the DSB Board with the recommendation of setting up an additional task force
 - Regulatory Observer noted that the UPI is designed to be jurisdiction-neutral. If one jurisdiction approves the use of a type of identifier, then that will be a permitted value. The UPI supplier itself would be expected to resolve these different underlier identifiers to a single UPI
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6 Product Definition Review (Equities)

- Product Committee reviewed the outstanding issues in the Equities Product Template
 - #1: Other leg for an Equity Swap can be either fixed or floating. Product Committee agreed to omit this detail from this level
 - #2: No 'standard' source for benchmark names. Observer noted that the UPI's current approach was to request the trademark name
 - **Action:** Secretariat to follow up with the RTS 23 text and ESMA to validate their expectations for the Underlying index attribute
 - #3: Product Committee discussed Portfolio Swaps and whether they required an ISIN at the 'group' level or if the identifiers for their constituents were sufficient
 - **Action:** Secretariat to follow up with the RTS 23 text and ESMA to validate their expectations for a Portfolio Swap
 - #4, #5 and #6: Not discussed
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7 Next meeting

- Tuesday 9 May 2017
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Respectfully submitted,

DSB Secretariat

Minutes Approved on:

Summary of Open Actions

No	Actions	Owner	Target Date
85	Secretariat to pass on the suggested treatment of Expiry Date as equalling Settlement Date for FX derivatives to ESMA.	DSB Sec	28-Apr-17
86	Secretariat to develop an initial exotic product definition for each asset class and schedule for discussion with the Committee in May.	DSB Sec	16-May-17
89	Secretariat to schedule ISIN Status discussion in future PC meeting	DSB Sec	08-May-17
90	Secretariat to discuss with the ISIN Engine team the technical feasibility of the preferred default approach and feedback to the PC	DSB Sec	08-May-17
91	Secretariat to obtain clarity from the FCA to understand their approach for CDS Single Name swaps without an underlying ISIN or LEI	DSB Sec	08-May-17
92	Secretariat to liaise with Committee Members to understand the practical significance or size of the problem	DSB Sec	08-May-17
93	Secretariat to distribute the text of the above to the Product Committee before submitting to the DSB Board with the recommendation of setting up an additional task force	DSB Sec	08-May-17
94	Secretariat to follow up with the RTS 23 text and ESMA to validate their expectations for the Underlying index attribute	DSB Sec	08-May-17
95	Secretariat to follow up with the RTS 23 text and ESMA to validate their expectations for a Portfolio Swap	DSB Sec	08-May-17