

## DSB PRODUCT COMMITTEE MEETING MINUTES

**Meeting:** The 24th DSB Product Committee Meeting

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**Date:** 06-Jun-2017                      **Time:** 15.00 – 16.30 BST                      **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 Danielle Wissmar, GSAM Trevor Mallinson, Bloomberg Trading Facility Ayala Truelove, Tradeweb</p>	<p><b>Regulators (Observers)</b> Takahiro Onojima, JSDA Alejandro De La Rocha Eiichiro Fukase</p> <p><b>DSB Secretariat / PMO</b> Tony Birrell Kuhan Tharmananthar Natalia Kozlovich Malavika Solanki</p>
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**Apologies:** Franz Rockermeier, Allianz Global Investors  
Stephen White, Fidelity  
Bill Stenning, Société Generale  
Peter Gratwick, JP Morgan  
Emma Kalliomaki, ANNA Board

**Absences:**

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No	Topics
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<b>1</b>	<b>Open Actions</b>
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- **Action 86:** PC agreed the exotic templates to be distributed on 13 June
  - **Action 89:** PC agreed to schedule ISIN status discussion for 13 June
  - **Action 91:** Chair explained the FCA will examine this issue closer to MiFID II go-live
  - **Action 93:** PC agreed to close the action on distributing a proposal to be taken to the DSB Board on credit underliers as this was expected to apply to a limited DSB product set – i.e. illiquid single name instruments. Secretariat to open a new action to track ongoing market discussions
    - **Action:** Secretariat to open a new action to track discussions with industry participants
  - **Actions 95:** PC agreed to move the target date for ESMA’s response on portfolio swaps to 12 June as this was not on the critical path
  - **Action 96:** DSB Board approved the default functionality across all DSB interfaces
  - **Action 102:** PC agreed to move the target date for ESMA’s response on the requirement for ‘term of the underlying index’ for equity derivatives to 14 June as this was not on the critical path
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<b>2</b>	<b>UAT Product Definition Issues</b>
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- PC agreed the new template in the Rates class to cover bond options
  - PC agreed the new template for cross-currency zero coupon swaps
  - PC agreed to first examine establishing a sub-week process to add a custom index name to the equity index template
    - **Action:** Secretariat to document the new index process and present to the PC by 13 June
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- PC agreed that further analysis on changing the delivery type to a user-input value across all templates was required
    - **Action:** Secretariat to document the practical implications of changing the delivery type across the templates
  - PC agreed to reduce the number of credit templates
  - PC agreed further discussion was required before agreeing to expand the existing set of credit index enumerations
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### **3 Commodities Review**

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- PC agreed the changes and updates to Commodity derivative templates
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### **4 Review of CP2 Responses**

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- Secretariat explained the approach to the draft CP2 Final Report. PC agreed to discuss in the 13 June PC meeting
  - Secretariat reiterated the overall conclusion that TOTV was required for the industry. In addition, the Secretariat explained the suggested approach of adding the SG1 MiFID II specific attributes to the meta data along with the TOTV flag rather than the core ISIN and provided an update on the latest ToTV related expectations
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### **5 AOB**

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- DSB is waiting for confirmation that Strike Price and Fixed Rate are not required to be part of the OTC ISIN
  - Chair explained that the ISIN is part of TOTV and that the DSB would examine the impact of this change in understanding on the proposed DSB Service
  - Secretariat highlighted the upcoming FpML Task Force meeting and confirmed that it would share its preparatory analysis with the PC
  - Secretariat explained the documentation for the 10 July UAT Refresh would be released on 12 June
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Respectfully submitted,

DSB Secretariat

Minutes Approved on: 13<sup>th</sup> June 2017

### Summary of Open Actions

<b>No</b>	<b>Actions</b>	<b>Owner</b>	<b>Target Date</b>
<b>86</b>	Secretariat to develop an initial exotic product definition for each asset class and schedule for discussion with the Committee in May.	DSB Sec	13-Jun-17
<b>89</b>	Secretariat to schedule ISIN Status discussion in future PC meeting	DSB Sec	13-Jun-17
<b>95</b>	Secretariat to follow up with the RTS 23 text and ESMA to validate their expectations for a Portfolio Swap	DSB Sec	14-Jun-17
<b>102</b>	Secretariat to verify with ESMA that term of the underlying index is not required for equity derivatives	DSB Sec	14-Jun-17
<b>105</b>	Secretariat to document the new index process and present to the PC	DSB Sec	13-Jun-17
<b>106</b>	Secretariat to track and report on Markit proposal for credit underliers to the PC	DSB Sec	13-Jun-17
<b>107</b>	Secretariat to document the practical implications of changing the delivery type to be user input across the all the product definitions	DSB Sec	13-Jun-17