

## DSB PRODUCT COMMITTEE MEETING MINUTES

**Meeting:** The 29th DSB Product Committee Meeting

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**Date:** 11-Jul-2017                      **Time:** 15.00 – 16.30 BST                      **Location:** Teleconference

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**Chairperson:** Tia Ellerman, DSB Chair (Interim)

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<b>In attendance:</b>	<b>Committee Members</b> Stephen White, Fidelity Peter Gratwick, JP Morgan Bill Stenning, Société Generale Joseph Berardo, Intercontinental Exchange Ayala Truelove, Tradeweb Danielle Wissmar, GSAM Tia Ellerman, Citi	<b>Regulators (Observers)</b> Takahiro Onojima, JSDA Eiichiro Fukase, JSDA
	<b>ANNA Observer</b> Emma Kalliomaki, ANNA Board Observer	<b>DSB Secretariat / PMO</b> Tony Birrell Kuhan Tharmananthar Natalia Kozlovich Malavika Solanki Nathan Dagg

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**Apologies:** Franz Ruckermeier, Allianz Global Investors  
Trevor Mallinson, Bloomberg Trading Facility

**Absences:**

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No	Topics
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### **1      Open Actions**

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- **Action 86:** 'Exotic templates' to be discussed in today's meeting
  - **Action 89:** PC agreed to schedule ISIN status discussion for a later PC meeting
  - **Action 102:** Awaiting feedback from ESMA
  - **Action 111:** Secretariat developing CP3 to propose new index process and current enumeration lists for those indices the DSB will maintain
  - **Action 114:** Secretariat preparing materials for the PC to examine regarding credit underliers
  - **Actions 116-118:** New product definitions being discussed in today's meeting
  - **Action 119:** Secretariat to present FX Options definition at the next PC meeting
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### **2      FX Swap Product Definition**

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- ESMA have responded that no further clarification was required given the level 1 text in the directive: Annex I Section C
  - Member proposed the Secretariat to reach out to GFXD
    - **Action:** Secretariat to discuss the FX Swap definition with GFXD
  - Member proposed treating the FX Swap in the same way as an interest rate swap and ignore the effective date/near date
  - Members agreed for the secretariat to develop the product definition for the FX Swap
    - **Action:** Secretariat to draft a product definition for the FX Swap
    - **Action:** Secretariat to assess whether the PC Final Principles paper requires revision
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<b>3</b>	<b>Portfolio Swap Definition</b>
	<ul style="list-style-type: none"> <li>• Member agreed to obtain product definitions from an internal source <ul style="list-style-type: none"> <li>○ <b>Action:</b> Member to pass portfolio product definition to secretariat</li> </ul> </li> <li>• Members agreed that the secretariat develop a template and examples to present to ESMA <ul style="list-style-type: none"> <li>○ <b>Action:</b> Secretariat to develop a portfolio swap template and examples to present to ESMA</li> </ul> </li> </ul>
<b>4</b>	<b>Final UAT Change Window</b>
	<ul style="list-style-type: none"> <li>• Secretariat walked through slide on final UAT change window before 2 October 2017 go-live. The Committee noted the limited change window considering the industry's need for a finalised set of product templates.</li> </ul>
<b>5</b>	<b>Product Definition Amendments</b>
	<ul style="list-style-type: none"> <li>• Secretariat proposed a new approach to introduce more flexibility into the current set of product definitions such that the individual user-defined templates may become unnecessary</li> <li>• Member concerned regarding the number of products that do not fit into the current product definitions <ul style="list-style-type: none"> <li>○ <b>Action:</b> Member and Secretariat to meet bilaterally to better understand the requirement</li> </ul> </li> </ul>
<b>7</b>	<b>FX Option - Challenge</b>
	<ul style="list-style-type: none"> <li>• Secretariat raised a challenge raised by the industry on the current FX option template that can create two ISINs for the same instrument and both those ISINs would have different CFI Codes</li> <li>• Members discussed the proposed solution and agreed for the secretariat to continue to work with PC members offline to resolve <ul style="list-style-type: none"> <li>○ <b>Action:</b> Secretariat to continue developing a solution for FX options</li> </ul> </li> </ul>
<b>8</b>	<b>Strike Price removal for Equity Options</b>
	<ul style="list-style-type: none"> <li>• Committee awaiting industry responses</li> </ul>
<b>9</b>	<b>Correlation of Strike Price &amp; Price Field (#33)</b>
	<ul style="list-style-type: none"> <li>• Committee awaiting industry responses</li> </ul>
<b>10</b>	<b>Commodities Taskforce</b>
	<ul style="list-style-type: none"> <li>• Taskforce held its first meeting – three more scheduled in July</li> </ul>
<b>10</b>	<b>DSB ISO/FpML Taskforce: Update</b>
	<ul style="list-style-type: none"> <li>• Secretariat briefed the committee on the status of the taskforce</li> </ul>
<b>11</b>	<b>AOB</b>
	<ul style="list-style-type: none"> <li>• Members agreed the Final Report for CP2 is now ready for publication</li> <li>• Members discussed the principles to be addressed in the creation of an enumeration change workflow</li> </ul>

Respectfully submitted,

DSB Secretariat

Minutes Approved on:

## 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	04-Jul-17
<b>89</b>	Secretariat to schedule ISIN Status discussion in future PC meeting	DSB Sec	25-Jul-17
<b>102</b>	Secretariat to verify with ESMA that term of the underlying index is not required for equity derivatives	DSB Sec	18-Jul-17
<b>111</b>	Secretariat to explore the best medium to announce proposed new index additions	DSB Sec	30-Jul-17
<b>114</b>	Secretariat to prepare materials for the Product Committee to re-examine the data quality of credit underliers of CDS Single Name	DSB Sec	14-Jul-17
<b>117</b>	Secretariat to obtain full definition of the MAC swap from the current ISIN issuer	DSB Sec	04-Jul-17
<b>119</b>	Secretariat to continue developing a solution for FX options	DSB Sec	18-Jul-17
<b>120</b>	Secretariat to send proposed approach for Strike Price and price field in transaction reporting	DSB Sec	04-Jul-17
<b>122</b>	Secretariat to discuss the FX Swap definition with GFXD	DSB Sec	25-Jul-17
<b>123</b>	Secretariat to analyse if the Final Principles Paper requires revision because of the FX Swap addition	DSB Sec	31-Jul-17
<b>124</b>	Secretariat to draft a product definition for the FX Swap	DSB Sec	18-Jul-17
<b>125</b>	Member to pass portfolio swap product definition to secretariat	Member	18-Jul-17
<b>126</b>	Secretariat to develop a portfolio swap template and examples to present to ESMA	DSB Sec	18-Jul-17
<b>127</b>	Member and Secretariat to meet bilaterally to increase understanding of 'exotic' products – with especial focus on equities	DSB Sec	18-Jul-17
<b>128</b>	Secretariat to continue developing a solution for FX options	DSB Sec	18-Jul-17