DSB PRODUCT COMMITTEE MEETING MINUTES

Meeting: The 38th DSB Product Committee Meeting

Date:	12-Sep-2017	**Time:**	15.00 – 16.30 BST	**Location:**	Teleconference

Chairperson: Sassan Danesh, DSB

In attendance:

Committee Members
Joseph Berardo, Intercontinental Exchange
Tia Ellerman, Citi
Stephen White, Fidelity
Bill Stenning, Sociéte Generale
Trevor Mallinson, Bloomberg

ANNA Observer
Emma Kalliomaki, ANNA Board

Regulators (Observers)
Takahiro Onojima, JSDA
Eiichiro Fukase, JSDA

DSB Secretariat / PMO
Tony Birrell, ANNA DSB

Apologies: Franz Rockermeier, Allianz Global Investors
Ayala Truelove, Tradeweb
Peter Gratwick, JP Morgan

Absences: Danielle Wissmar, GSAM

No	Topics
1	**Open Actions**

- **Action 138:** ISIN status document now posted to Github, action closed
- **Action 142:** Bilateral discussions have taken place, DSB awaiting response from Reuters, remain open
- **Action 143:** Bilateral discussions have taken place, DSB awaiting response from ISDA, remain open
- **Action 144:** Bilateral discussions have taken place, DSB awaiting response from IHSMarkit, remain open
- **Action 145:** Secretariat circulated options for Credit enumerations to the PC, action closed

2 Implementation of Credit Indices – IPR issue

- Chair explained to the PC the challenge faced regarding the use of Markit Index names within the Credit Product Definitions and the fact that usage must be fit for purpose for MiFID II in relation to open data principles
- Chair advised that the DSB is awaiting an update from Markit on the matter
- Pending the outcome, the PC may have to consider other options for index enumerations
    - **Action 146:** Chair to provide update on the use of Markit Indices following conversations with Markit

3 Implementation of standard market Equity Indices – IPR Issue

- Secretariat explained to the PC that a common IPR issue may be relevant for Equity Index names as well and that ESMA has advised the list of Indices submitted by Trading venues as part of interim transparency calculations is a suitable enumerated list

	- Chair explained that ESMA is opposed to the use of a more granular approach to Equity Indices as it is contradictory to the objectives of MiFID II and invites industry to explain why a more granular approach is deemed as necessary ○ **Action 147:** Secretariat to confirm the content and update schedule of the ESMA Index Equity list and revert
4	**Equity Indices - Proprietary**
	- Secretariat outlined a conceptual approach to accommodating proprietary indices involving the maintenance of an independent index list comprising industry submitted indices allowing real time updates and ISIN creation ○ **Action 148:** Secretariat to continue to develop the proprietary index maintenance approach and present to the PC once full technical specifications are agreed
5	**New CDS Product Definition – Loan**

	- Secretariat presented a new Product Definition to the PC for Credit Default Swap with a Loan underlier
	    ○ **Action 149:** Secretariat to progress the Credit Default Swap Loan Underlier Product Definition into the DSB release schedule
	- Member raised the requirement to enhance the Seniority enumerations with 'Senior Non-Preferred' by year end
	    ○ **Action 150:** Secretariat to discuss the enhancement of the Seniority enumerations with 'Senior Non-Preferred' with ESMA & CPIMI-IOSCO

6	**Strike Price Interpretation**
	- Secretariat explained a scenario raised by industry whereby the Strike price is not known at the time of execution and proposed the value of 'PNDG' be introduced into the Non-standard Equity Product Definitions ○ **Action 151:** Secretariat to discuss technical specifications of providing functionality to enable 'PNDG' as the strike price for equity options
7	**Change Management Process**
	- Secretariat advised that ISDA is still to advise the change management process for both FpML & ISDA Taxonomy
8	**Option Type**
	- Secretariat raised an enquiry to provide 'Asian' as an option type - An observer advised that this value does not exist as a valid option type in practice and was erroneously included in a historical CPSS-IOSCO document
9	**Non-Standard Product Definitions Taskforce: Update**
	- Secretariat advised the Taskforce is due to complete its analysis this week and will present findings to the PC next week
10	**DSB Taskforce: Update**
	- Secretariat advised that ISDA is competing final analysis and the DSB is beginning the design of the FpML based Product Definition requests
11	**AOB**
	- Member raised concern about the use of LEI in place of ISIN for Credit - Members agreed this is now for ISDA to progress with ESMA

Respectfully submitted,

DSB Secretariat

Minutes Approved on: 19-Sep-17

Summary of Open Actions

No	Actions	Owner	Target Date
142	DSB to carry out discussion with Reuters regarding retrieving ticker level equity indices	DSB Sec	19-Sep-17
143	Secretariat to liaise with ISDA to agree index change workflow	DSB Sec	19-Sep-17
144	Secretariat to liaise with IHS Markit to agree index change workflow	DSB Sec	19-Sep-17
146	Chair to provide update on the use of Markit Indices following conversations with Markit	DSB Sec	19-Sep-17
147	Secretariat to confirm the content and update schedule of the ESMA Equity Index list and revert	DSB Sec	19-Sep-17
148	Secretariat to continue to develop the proprietary index maintenance approach and present to the PC once full technical specifications are agreed	DSB Sec	29-Sep-17
149	Secretariat to progress the Credit Default Swap Loan Underlier Product Definition into the DSB release schedule	DSB Sec	29-Sep-17
150	Secretariat to discuss the enhancement of the Seniority enumerations with 'Senior Non-Preferred' with ESMA & CPIMI-IOSCO	DSB Sec	29-Sep-17
151	Secretariat to discuss technical specifications of providing functionality to enable 'PNDG' as the strike price for equity options	DSB Sec	29-Sep-17