

## DSB PRODUCT COMMITTEE MEETING MINUTES

**Meeting:** The 25th DSB Product Committee Meeting

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**Date:** 13-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> Stephen White, Fidelity Tia Ellerman, CITI Peter Gratwick, JP Morgan Danielle Wissmar, GSAM Trevor Mallinson, Bloomberg Trading Facility Ayala Truelove, Tradeweb</p> <p><b>ANNA Board Observer</b> Emma Kalliomaki</p>	<p><b>Regulators (Observers)</b> Takahiro Onojima, JSDA Alejandro De La Rocha Robert Stowsky, CFTC</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  
Bill Stenning, Société Generale  
Joseph Berardo, Intercontinental Exchange

**Absences:**

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<b>No</b>	<b>Topics</b>
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**1            Open Actions**

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- **Action 86:** PC agreed that the exotic templates are still being developed and require further analysis before they are ready for discussion
  - **Action 89:** PC agreed to schedule ISIN status discussion for a later PC meeting
  - **Action 95 & 102:** Both these actions are awaiting feedback from ESMA. PC agreed to add FX Swap explicitly to the action text
  - **Action 106:** The DSB continues to engage with market participants to explore possible solutions however discussions are nascent
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**2            UAT Product Definition Issues**

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- **Credit Indices:** A UAT participant raised the request for additional indices (sourced from an extended range of market participants) be added to the DSB's current list for CDS Index Instrument. They reiterated their requirement when queried by the Secretariat
  - PC agreed that the matter of indices and dealing with custom values if necessary should be examined holistically across all asset classes so that the DSB has, where possible, a common approach with respect to granularity of underlying instruments
    - **Action:** Secretariat to complete further analysis and then draft a holistic proposal to deal with indices, including a process for new index management – reopen #105
  - PC agreed on the guidelines for Call currency and Put currency and to remove normalization for the relevant product
  - PC agreed to follow up proposal regarding Touch and Digital options over email
  - PC required further analysis on Price Multiplier suggestion – potentially will consider Commodities but reluctant to implement the default option across all asset classes
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- **Action:** Secretariat to investigate Price Multiplier further and potentially narrow the scope of the proposed change
  - **Action:** Secretariat to share full list of Product Definition Issues with the Product Committee
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### 3 Review of CP2 Responses

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- Secretariat explained the approach to the draft CP2 Final Report. PC agreed to discuss in the 20 June PC meeting
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### 4 DSB Taskforce

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- First taskforce meeting occurred on 12 June 2017
  - The taskforce is still considering final timelines
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  - DSB Secretariat has shared an initial draft of the mapping with ISDA that they using as a foundation
  - ISDA will deliver questions on Rates and Credit by COB 16 June 2017
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### 5 AOB

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- Discussion on TOTV:
    - Member raised the issue of ongoing confusion in the industry around TOTV, whether it includes the Strike Price and Fixed Rate; the inclusion of the ISIN in the definition
    - Chair explained that the Secretariat has supplied the CFI codes to ESMA for them to confirm that the Fixed Rate and Strike Price are not required for those products. ESMA would now need to go through a process to approve the exception
    - Member requested that the DSB ask ESMA to publish a further clarification once the matter is resolved – DSB Secretariat agreed to do so
      - **Action:** DSB to request ESMA to publish a further clarification once Strike Price and Fixed Rate is resolved
  - 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 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:

### 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	20-Jun-17
<b>89</b>	Secretariat to schedule ISIN Status discussion in future PC meeting	DSB Sec	27-Jun-17
<b>95</b>	Secretariat to follow up with the RTS 23 text and ESMA to validate their expectations for Portfolio Swaps and FX Swaps	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	20-Jun-17
<b>106</b>	Secretariat to track and report on Markit proposal for credit underliers to the PC	DSB Sec	20-Jun-17
<b>108</b>	Secretariat to investigate Price Multiplier further and potentially narrow the scope of the proposed change	DSB Sec	20-Jun-17
<b>109</b>	Secretariat to share full list of Product Definition Issues with the Product Committee	DSB Sec	20-Jun-17
<b>110</b>	Secretariat to request ESMA to publish clarification on Strike Price and Fixed Rate for reference data reporting on OTC derivatives once the matter has completed due process	DSB Sec	14-Jun-17