

DSB PRODUCT COMMITTEE MEETING MINUTES

Meeting: The 52nd DSB Product Committee Meeting

Date: 19-Dec-2017 **Time:** 15.00 – 16.30 BST **Location:** Teleconference

Chairperson: Sassan Danesh, DSB

In attendance:

<p>Committee Members Joseph Berardo, Intercontinental Exchange Tia Ellerman, Citi Peter Gratwick, JP Morgan Danielle Wissmar, GSAM Bill Stenning, Société Generale Stephen White, Fidelity</p> <p>ANNA Board (observer) Emma Kalliomaki</p>	<p>Regulators (Observers) Takahiro Onojima, JSDA Eiichiro Fukase, JSDA Alejandro De La Rocha, FCA</p> <p>DSB Secretariat / PMO Tony Birrell, DSB Nathan Dagg, DSB Malavika Solanki, DSB</p>
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Apologies: Franz Ruckermeier, Allianz Global Investors
Ayala Truelove, Tradeweb

Absences: Trevor Mallinson, Bloomberg

No	Topics
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1	Open Actions
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- **Action 153:** No update, remain open
 - **Action 165:** No update, remain open
 - **Action 168:** Secretariat advised that a draft version of the process documents including PC Terms of Reference to define the process for Product definition changes, new product introduction & challenges to existing ISINs will be presented to the PC on 8th January, remain open
 - **Action 169:** No update, remain open
 - **Action 170:** No update, remain open
 - **Action 171:** Secretariat advised that issuing entity has been contacted regarding IPR uncertainty over commodity indices, remain open
 - **Action 172:** Secretariat advised that ISDA has been contacted regarding the classification of Floating Indices into OIS and non-OIS, remain open
 - **Action 173:** Secretariat advised that ISDA has been contacted regarding guidance on the appropriate delivery type for Cap/Floor, remain open
 - **Action 174:** Secretariat advised that GFXD has been contacted regarding guidance on the appropriate delivery type for FX Forwards, remain open
 - **Action 175:** Secretariat advised that the user has been contacted for a use case regarding their request to consider Fixed Fixed Rates Non-Standard options, remain open
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2	Commodity IPR Issues
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- Secretariat advised that the Board had determined that, given the uncertainty surrounding the IPR issue, the three affected Commodity multi-exotic templates should be removed from the 18th December production release until the IPR issue has been investigated and resolved
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- The Secretariat walked through an alternative proposal from industry that could facilitate an interim solution until a resolution of the IPR constraint could be identified and reflected in the product definitions. Members agreed that the proposal would potentially result in multiple ISINs for a given instrument as additional time was required to identify a solution
 - Members agreed that the index provider should be engaged in an attempt to resolve the IPR issues (per **Action 171**) and revert with an update to the PC on 9th January after which time a release contingent proposal could be considered
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3 Rates FpML Index enumerations

- Secretariat advised they had received feedback from industry that gaps have been identified between Rates FpML Floating Rate schema and the current indices traded in market
 - Members agreed that the DSB should contact ISDA in an attempt to understand the delta between Rates FpML Floating Rate indices & industry traded indices and understand timelines to close said gaps
 - **Action 176:** Secretariat to reach out to ISDA to understand the delta between Rates FpML Floating Rate Index enumerations & industry traded indices and understand timelines to close said gaps
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4 Proprietary Index workflow update

- Secretariat advised that the DSB has implemented list of indices submitted during October window into Production and a further update on 27th December into Production will be executed comprising of Indices received by 18th December
 - Secretariat advised that going forward an update will take place each weekend given requirement to ensure environment stability
 - The chair provided further explanation that the ultimate goal is an API driven model however the volume needs to be assessed and the workflow tested via the weekly and daily process prior to developing the API
 - Secretariat advised that to meet the required 24-hour SLA, a daily production update is being rigorously tested and will require industry testing involvement as early as possible in Q1 in UAT.
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5 2018 Book of Work

- Secretariat invited the PC to opine on areas of focus for the DSB in 2018 including whether a different level of granularity should be considered
 - Secretariat also requested in light of the above, what frequency of meetings would be optimal in 2018
 - **Action 177:** Members to consider areas of focus for 2018 including granularity of the ISIN for discussion at the PC meeting on 23rd January
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6 DSB Taskforce – Update

- Pending feedback from ISDA
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7 AOB

- None
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Respectfully submitted,

DSB Secretariat

Minutes Approved on: 02-Jan-18

Summary of Open Actions

No	Actions	Owner	Target Date
153	DSB PC to continue to conduct bilateral discussions with vendors and index providers to enhance the enumerated Equity index list	DSB Sec	31-Mar-18
165	Secretariat to develop a Non-Deliverable FX Swap template for delivery in 2018	DSB Sec	31-Jan-18
168	Secretariat to develop process documents including PC Terms of Reference to define the process for Product definition changes, new product introduction & challenges to existing ISINs and present to the PC for review	DSB Sec	08-Jan-18
169	Secretariat to include the update to existing expired ISINs in the change process document per action 168 for PC review	DSB Sec	08-Jan-18
170	Secretariat develop a new Product Definition for Inflation Basis for PC review and implementation in 2018	DSB Sec	31-Jan-18
171	DSB to engage the issuing entity around licensing requirements for Commodity Indices and also engage industry for alternative index sources	DSB Sec	31-Jan-18
172	Secretariat to reach out to ISDA and have them clarify which reference rates in their FpML reference rates enumeration list are OIS based	DSB Sec	31-Jan-18
173	Secretariat to reach out to CFI Working Group and ISDA to obtain guidance on the treatment Cap/Floor delivery type in relation to CFI creation	DSB Sec	31-Jan-18
174	Secretariat to reach out to GFXD to provide guidance as to how delivery type should be treated for Forward FX products	DSB Sec	31-Jan-18
175	Secretariat to obtain further information from on the particular use case from the industry participants who rather the query for a Fixed-Fixed Underlying Asset Type where the option type it not known	DSB Sec	31-Jan-18
176	Secretariat to reach out to ISDA to understand the delta between Rates FpML Floating Rate Index enumerations & industry traded indices and understand timelines to close said gaps		31-Jan-18
177	Members to consider areas of focus for 2018 including granularity of the ISIN for discussion at the PC meeting on 23 rd January	PC	23-Jan-18