

## DSB PRODUCT COMMITTEE MEETING MINUTES

**Meeting:** The 168<sup>th</sup> DSB Product Committee Meeting

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**Date:** 21-Sep-2021      **Time:** 15.00 – 16.30 UTC      **Location:** DSB Offices /  
Teleconference

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| Name                 | PC Role                  | Institution                        | Attendance |
|----------------------|--------------------------|------------------------------------|------------|
| Harry McAllister     | Co-Chair                 | BNP Paribas                        | Yes        |
| Joseph Berardo       | Co-Chair                 | Intercontinental Exchange          | Yes        |
| Michael Burg         | Product Committee Member | State Street Financial             | Yes        |
| Martyn Cole          | Product Committee Member | Refinitiv                          | Yes        |
| Jourik De Lange      | Product Committee Member | Smartstream RDU                    | Yes        |
| Dawd Haque           | Product Committee Member | Deutsche Bank                      | Absent     |
| Dominic Harth        | Product Committee Member | Union Investment Privatfonds GmbH. | Yes        |
| Uwe Hillnhuetter     | Product Committee Member | Tradeweb                           | Yes        |
| Nicholas Moger       | Product Committee Member | J.P Morgan                         | Absent     |
| Navraj Panesar       | Product Committee Member | Citigroup                          | Absent     |
| Gregg Rapaport       | Product Committee Member | DTCC                               | Yes        |
| Kirston Winters      | Product Committee Member | IHS Markit                         | Yes        |
| Mari Asakura         | Regulatory Observer      | JSDA                               | Absent     |
| Davide Panadori Cino | Regulatory Observer      | ESMA                               | Apologies  |
| Giulia Ferraris      | Regulatory Observer      | ESMA                               | Apologies  |
| Eiichiro Fukase      | Regulatory Observer      | JSDA                               | Yes        |
| Dr Olaf Kurpiers     | Regulatory Observer      | BaFin                              | Apologies  |
| Frank Lasry          | Regulatory Observer      | AMF                                | Apologies  |
| Jean O Bray          | Regulatory Observer      | FCA                                | Yes        |
| Alex Stirling        | Regulatory Observer      | FCA                                | Apologies  |
| Robert Stowsky       | Regulatory Observer      | CFTC                               | Yes        |
| Dominik Zeitz        | Regulatory Observer      | BaFin                              | Absent     |
| Andrew Bayley        | Observer                 | ISDA                               | Yes        |
| Lisa Taikitsadaporn  | Observer                 | FIX Trading Community              | Yes        |
| Fiona Willis         | Observer                 | GFMA                               | Absent     |
| Emma Kalliomaki      | DSB Board Sponsor        | DSB Board                          | Yes        |
| Malavika Solanki     | DDO                      | DSB                                | Apologies  |
| Simon Wiltshire      | Alternate DDO            | DSB                                | Yes        |
| Adam Grace           | Alternate DDO            | DSB                                | Yes        |

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### No    Topics

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#### 1    Introduction & Agenda

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#### 2    Competition Law Reminder

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Presented

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#### 3    Review Minutes from Previous Meeting

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The prior meeting's minutes were approved and are now considered final.

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#### **4 Announcements**

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##### **DSB Current Technical Status**

The DSB (TAC) reported that there would be no change to the heightened awareness period through to the 30<sup>th</sup> September, 2021.

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#### **5 Open Actions**

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|------------|--|-------------|---------------|
| <b>412</b> | DSB to provide an update to regulators on CFI 2019 adoption following any updated approach being shared with the DSB PC once TAC feedback has been received.<br><i>Update: A review of the proposed approach is ongoing, update to be provided at the next meeting.</i>                      | <b>DDO</b>  | <b>OPEN</b>   |
| <b>413</b> | The DSB to obtain regulatory feedback on CFI 2019 adoption after the initial outreach by the DSB, following completion of action 412.  | <b>DDO</b>  | <b>OPEN</b>   |
| <b>435</b> | CFTC to present agreed UPI masking requirement for less liquid underliers to the PC.<br><i>Presented as part of agenda item 12.</i>  | <b>CFTC</b> | <b>CLOSED</b> |
| <b>465</b> | AG1 to present details of the proposed ISO 20022 changes.  | <b>AG1</b>  | <b>CLOSED</b> |
| <b>485</b> | The DSB are to work with the PC to produce best practice guidance on the treatment of the funding leg in the generation of UPIs.   | <b>DDO</b>  | <b>OPEN</b>   |
| <b>497</b> | The DSB to arrange a dedicated review session of the proposed approach to facilitate support for the transition from the ISO 10962 (CFI) 2015 standard to 2019 version of the code-set.<br><i>Update: Target Date extended – Additional review sessions required. Related to action 412.</i> | <b>DDO</b>  | <b>OPEN</b>   |
| <b>500</b> | The DSB to publish best practice and/or updates to the UPI FAQ following questions from PC members.<br><i>Update: work in progress and related to agenda item 10 below</i>   | <b>DDO</b>  | <b>OPEN</b>   |
| <b>505</b> | DSB to update the PC regarding Dynamic Enumerations.   | <b>DSB</b>  | <b>OPEN</b>   |
| <b>506</b> | PC to discuss feedback from regulators relating to questions received regarding UPI.<br><i>Update: work in progress and related to agenda item 10 below</i>  | <b>DDO</b>  | <b>OPEN</b>   |
| <b>508</b> | PC to discuss feedback from CFI maintenance agency regarding NDF's on Bitcoin.<br><i>Update: awaiting review and feedback from ISO</i>   | <b>DDO</b>  | <b>OPEN</b>   |
| <b>511</b> | The DSB to raise the issue of Backwards Compatibility for the OTC ISIN and UPI with the CDIDE for further consideration.   | <b>DSB</b>  | <b>OPEN</b>   |
| <b>514</b> | This new OTC ISIN status and status reason regarding Orphan ISINs to be reflected in the OTC ISIN status materials.  | <b>DSB</b>  | <b>TBC</b>    |
| <b>515</b> | The DSB to revert with a date for PC review of the UPI Status document.  | <b>DDO</b>  | <b>TBC</b>    |

| 6-8      | Current DSB Tasks   | Status  | Priority |
|----------|---|---------|----------|
| DSB-8    | <b>Review Source of Commodity Index</b><br>DSB to continue discussion with Commodity index providers with the aim of having an agreed design and an agreement in principle by end of Q3 2020. | In Prog | Med      |
| DSB-53   | <b>Set Maximum Number of Items in Arrays</b><br>The system needs to impose a maximum number of input values against each array to protect the system from unvalidated input.                  | Tech    | Low      |
| DSB-62   | <b>CFI Code Service</b><br>DSB-managed service that will return CFI codes for any OTC derivative products without the associated generation of an ISIN (Analysis Only).                       | Tech    | Med      |
| DSB-63   | <b>RTS 2 Sub-Asset Class Mapping</b><br>To provide a mapping of DSB products to MiFID II (RTS 2) Sub-Asset Class and publication in machine-and human-readable formats (Analysis Only).       | In Prog | High     |
| DSB-67   | <b>GUI Search Utility Improvements</b><br>To examine how the GUI-based search utility may be improved to allow users to perform searches without search semantic knowledge (Analysis Only).   | Tech    | Low      |
| DSB-90   | <b>Price Multiplier Validation</b><br>The Price Multiplier is subject to inconsistent rounding when very large numbers are input (eg: greater than 18 digits).                                | Tech    | Med      |
| DSB-133  | <b>Prop Index Process Analysis</b><br>Analyse the Proprietary Index management provision to identify efficiency and service improvements.   | Tech    | Low      |
| DSB-370  | <b>CFI 2019 Support</b><br>Support the updated 2019 ISO Standard for CFI (10962) throughout the DSB product suite.  | Tech    | High     |
| DSB-974  | <b>New Attribute: Standard Contract Type</b><br>Add Standard Contract Type to Single Name CDS templates.  | In Prog | Med      |
| DSB-1076 | <b>Structured Email Messages</b><br>To allow users to specify the types of DSB notification that they receive.  | In Prog | Low      |
| DSB-1120 | <b>ISDA 2021 New GUI Titles</b><br>To provide solution options in implementing ISDA 2021 changes in the GUI to enhance user-experience.   | On Hold | Med      |
| DSB-1132 | <b>Search Only User Type</b>  | Tech    | Low      |

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To provide a cost-effective solution for DSB API users who wish to perform searches against the OTC ISIN database in real-time without the ability to create ISINs.

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|                 |   |         |     |
|-----------------|---|---------|-----|
| <b>DSB-1376</b> | <b>NOK-NIBOR-NIBR-Bloomberg New Reference Rate</b><br>Add new FRO to the Rates and Non-Standard Enumerated Lists. | In Prog | Med |
|-----------------|---|---------|-----|

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## **8 ISDA 2021 Definitions : Release Status**

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The DSB successfully released the 144 new FROs into production on Sunday 19<sup>th</sup> September, ahead of the 4<sup>th</sup> October go-live.

Additional FROs and changes to the ISO 20022 mappings are expected to be received from ISDA over the next few weeks and in order to avoid disruption to the existing release schedule, the DSB proposed the following scheduled dates for further production releases:

- **Release 1** : 24<sup>th</sup> October 2021 : Development to start no later than 11<sup>th</sup> October.
- **Release 2** : 28<sup>th</sup> November 2021 : Development to start no later than 15<sup>th</sup> November.

Each release will include all changes made to the published FpML Coding Scheme before the Dev Start Date (following FpML Notification) and any changes received after that date will be rolled into a future scheduled release.

PC members **APPROVED** the above release schedule but requested an updated regarding the dynamic enumeration project. >**Action505**.

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## **9 Underlier Input Method : Summary**

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The UPI product definitions need to allow the user to define the following; Asset Class, Underlier Structure, Underlier Type, Multiple Underlier IDs (Primary and Alternative). The DSB presented the PC the proposed changes to the structure of the JSON request templates and the GUI. It was noted that these changes do not impact the core attributes defined for each product.

PC members **APPROVED** this approach. The DSB will reflect this in the DRAFT CRF's. >**Action516**.

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## **10 UPI – Non-Standard Templates : Summary**

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The UPI Service requires the development of three Non-Standard product definitions / templates to support ISO 4914 (UPI) & CDIDE requirements. In order to maintain the UPI/OTC ISIN hierarchy it will be necessary to update the current OTC ISIN product definitions/templates.

The DSB presented the PC proposal to bring OTC ISIN Product Definition into line with UPI Product Definition by introducing specific Asset Class definitions/validation and supporting the additional fields required for the UPI.

It was noted that it is not possible to determine the updated OTC ISIN from the current OTC ISIN and so existing Non-Standard OTC ISIN records will be retrievable by ISIN and through Search but not by attribute.

PC members **APPROVED** the proposed approach.

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## 11 DSB-139 : Non Standard Option : For Approval

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Non-Standard Options across all OTC ISIN asset assets include Option Type / Exercise Style as an optional input attributes. This has resulted in Non-Standard Options that do not include an Option Type and Option Exercise Style. The PC accepted the principle that this is not desirable, but marked it as a low priority item (DSB-139 / Sept 2020).

The introduction of the UPI and the need to support the ISIN/UPI hierarchy however means this attribute would need to be either an Optional or Mandatory attribute for both OTC ISIN and UPI templates.

The PC were presented with the following options and asked to provide the DSB with direction:

1. Support Option Type / Exercise Style as optional input attributes for both the OTC ISIN and UPI.
2. Support Option Type / Exercise Style as mandatory input attributes for both the OTC ISIN and UPI.

The members of the PC indicated a preference for Option 2 (with the provision of Best Proactive guidance) but asked the DSB to request background information from the institutions responsible for the creation of such OTC ISINs before a decision could be reached.>**Action517**. This item is to be re-presented to the PC once feedback is received.

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## 12 UPI – Commodity Underlier Review : Summary

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Previously, members of the PC were asked by email provide their views on the need for a detailed investigation into two CDIDE proposals for Commodity Derivatives underliers within the UPI service.

1. *The submitter sends the underlier ID plus the geographic information to DSB for UPI creation and DSB creates two UPIs, a non-public UPI that references the actual underlier and a public UPI that references only the commodity type and geographic information. Both UPIs are reported to the SDR which is required to use the public UPI for PPD. DSB would restrict use of the non-public UPI to regulators and the parties using it for trading.*
2. *The submitter sends the underlier ID plus the geographic information to DSB for UPI creation and DSB creates one UPI and masks the actual underlier in the RDL for everyone but regulators and the parties using it for trading.*

The PC were informed that the DSB had received no support for the investigation of these design approaches and so members of the PC are asked to approve the following recommended response (as documented in the email):

*The DSB believe that the proposed approaches will have a significant impact on the UPI service (in terms of time, cost and functional complexity) and the required detailed analysis would also result in resource and effort being diverted. and it is therefore recommended that a detailed examination is not required at this stage of the delivery lifecycle and the initial proposal is pursued.*

The PC did not have sufficient time to come to a conclusion on the above issue and so this item is to be re-presented at the next PC meeting.

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## 13 Contract Specification : Release Schedule

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Presented.

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**Product Release Schedule**

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N/A

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**AOB**

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N/A

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Respectfully submitted,

DSB Secretariat

Minutes Approved on: 05/10/2021

| <b>Summary of Open Actions</b>             |   | <b>Owner</b>  | <b>Target Date</b> |
|--|---|---------------|--------------------|
| <b>412</b>                                 | DSB to provide an update to regulators on CFI 2019 adoption following any updated approach being shared with the DSB PC once TAC feedback has been received.                            | DDO           | TBC                |
| <b>413</b>                                 | The DSB to obtain regulatory feedback on the CFI 2019 approach after the initial outreach by the DSB, following completion of action 412.   | DDO           | TBC                |
| <b>485</b>                                 | The DSB are to work with the PC to produce best practice guidance on the treatment of the funding leg in the generation of UPIs   | DDO           | TBC                |
| <b>497</b>                                 | The DSB to arrange a dedicated review session of the proposed approach to facilitate support for the transition from the ISO 10962 (CFI) 2015 standard to 2019 version of the code-set. | DDO           | 24-Aug-21          |
| <b>500</b>                                 | The DSB to publish best practice and/or updates to the UPI FAQ following questions from PC members.   | DDO           | TBC                |
| <b>505</b>                                 | DSB to update the PC regarding Dynamic Enumerations .   | DSB           | 10-Aug-21          |
| <b>506</b>                                 | PC to discuss feedback from regulators relating to questions received regarding UPI.  | DSB           | TBC                |
| <b>508</b>                                 | PC to discuss feedback from CFI maintenance agency regarding NDF's on Bitcoin.  | DDO           | TBC                |
| <b>511</b>                                 | The DSB to raise the issue of Backwards Compatibility for the OTC ISIN and UPI with the CDIDE for further consideration.  | DDO           | 24-Aug-21          |
| <b>514</b>                                 | This new OTC ISIN status and status reason regarding Orphan ISINs to be reflected in the OTC ISIN status materials.   | DSB           | TBC                |
| <b>515</b>                                 | The DSB to revert with a date for PC review of the UPI Status document.   | DDO           | TBC                |
| <b>516</b>                                 | The DSB to publish the updated CRFs including details of the structured Underlier Input Method.   | DSB           | 05-Oct-21          |
| <b>517</b>                                 | The DSB to ask responsible institutions for information concerning the creation of Non-Standard Options without Option Type / Exercise Style.   | DSB           | 19-Oct-21          |
| <b>Summary of New or Updated DSB Tasks</b> |   | <b>Status</b> | <b>Priority</b>    |