

DSB PRODUCT COMMITTEE MEETING MINUTES

Meeting: The 27th DSB Product Committee Meeting

Date: 27-Jun-2017 **Time:** 15.00 – 16.30 BST **Location:** Teleconference

Chairperson: Sassan Danesh, DSB Chair

In attendance:	Committee Members Stephen White, Fidelity Tia Ellerman, CITI Peter Gratwick, JP Morgan Trevor Mallinson, Bloomberg Trading Facility Bill Stenning, Société Generale Joseph Berardo, Intercontinental Exchange Ayala Truelove, Tradeweb	Regulators (Observers) Takahiro Onojima, JSDA Eiichiro Fukase, JSDA Robert Stowsky, CPMI-IOSCO Alejandro De La Rocha, FCA
	ANNA Observer Emma Kalliomaki, ANNA Board Observer	DSB Secretariat / PMO Tony Birrell Kuhan Tharmananthar Natalia Kozlovich Malavika Solanki

Apologies: Franz Ruckermeier, Allianz Global Investors
Danielle Wismar, GSAM

Absences:

No	Topics
----	--------

1 Open Actions

- **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:** To be discussed in today's meeting
 - **Action 102:** Awaiting feedback from ESMA
 - **Action 106:** Market vendors have decided to provide their own services to the industry. The DSB PC agreed to reconsider how to improve the quality of the data - Close
 - **Action:** Re-examine the data quality of credit underliers
 - **Action 110:** To be discussed in today's meeting
-

2 Proposal to create a Commodities Taskforce

- PC agreed to establish a commodities taskforce
 - to focus on any remaining challenges with the provisional product definitions
 - **Action:** Secretariat to build a taskforce membership list and distribute to the PC and schedule first meeting
-

3 FX Swap Definition

- ESMA have confirmed that FX Swaps should be treated as a single instrument rather than a package
 - Members expressed concern that the wider industry were not aware of this position
-

-
- **Action:** Secretariat to ask ESMA if they are planning to clarify this position to the industry
-

4 MAC Swap Product Definition

- The DSB has agreed to issue ISINs for MAC swaps in the long term
 - Member raised the challenge regarding the current MAC definition versus those IRS defined by the PC
 - **Action:** Secretariat to obtain full definition of the MAC swap from the current ISIN issuer
-

5 Portfolio Swap Product Definition

- ESMA have confirmed the portfolio swaps should be treated as a single instrument rather than a package
 - Members discussed the challenges that this approach will generate and requested further clarity and also publicity by the regulator
 - **Action:** Secretariat to obtain further clarity from ESMA on portfolio swap approach
-

7 FX Option - Challenge

- 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
 - Members discussed the proposed solution and agreed for the secretariat to continue to work with PC members offline to resolve
 - **Action:** Secretariat to continue developing a solution for FX options
-

8 Challenge to Fixed Rate/Strike Price removal

- Secretariat presented the text of a question from an anonymous industry participant questioning the removal of strike price and fixed rate from the definitions
 - PC agreed unanimously to maintain the current position of excluding them
-

9 Correlation of Strike Price & Price Field (#33)

- PC agreed that if the premium can be entered in RTS22/Field39 then the strike could be entered in RTS22/Field 33. However, this would require a change of guidance for RTS 22
 - **Action:** Secretariat to send the proposed approach to ESMA
-

10 DSB ISO/FpML Taskforce: Update

- Secretariat briefed the committee on the status of the taskforce
-

11 AOB

- PC discussed the July UAT release product definition using ISINs to identify indices for equity index derivatives. Further discussion and evidence gathering required
 - **Action:** Secretariat and PC Members to discuss further
-

Respectfully submitted,

DSB Secretariat

Minutes Approved on:

Summary of Open Actions

No	Actions	Owner	Target Date
86	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
89	Secretariat to schedule ISIN Status discussion in future PC meeting	DSB Sec	11-Jul-17
102	Secretariat to verify with ESMA that term of the underlying index is not required for equity derivatives	DSB Sec	21-Jun-17
111	Secretariat to explore the best medium to announce proposed new index additions	DSB Sec	30-Jul-17
114	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
115	Secretariat to build a taskforce membership list and distribute to the PC and schedule first meeting	DSB Sec	04-Jul-17
116	Secretariat to ask ESMA if they are planning to clarify the position on FX Swaps to the industry	DSB Sec	04-Jul-17
117	Secretariat to obtain full definition of the MAC swap from the current ISIN issuer	DSB Sec	04-Jul-17
118	Secretariat to obtain further clarity from ESMA on portfolio definition	DSB Sec	05-Jul-17
119	Secretariat to continue developing a solution for FX options	DSB Sec	04-Jul-17
120	Secretariat to send proposed approach for Strike Price and price field in transaction reporting	DSB Sec	04-Jul-17
121	Secretariat and PC Members to investigate and conclude on approach for using ISINs to identify indices versus index names	DSB Sec	04-Jul-17