

DSB PRODUCT COMMITTEE MEETING MINUTES

Meeting: The 169th DSB Product Committee Meeting

Date: 05-Oct-2021 **Time:** 15.00 – 16.30 UTC **Location:** DSB Offices /
Teleconference

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.	Absent
Uwe Hillnhuetter	Product Committee Member	Tradeweb	Yes
Nicholas Moger	Product Committee Member	J.P Morgan	Yes
Navraj Panesar	Product Committee Member	Citigroup	Absent
Gregg Rapaport	Product Committee Member	DTCC	Apologies
Kirston Winters	Product Committee Member	IHS Markit	Apologies
Mari Asakura	Regulatory Observer	JSDA	Absent
Davide Panadori Cino	Regulatory Observer	ESMA	Yes
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	Yes
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	Yes
Simon Wiltshire	Alternate DDO	DSB	Yes
Adam Grace	Alternate DDO	DSB	Yes
Yuval Cohen	<u>Presenter</u>	DSB	Yes
Andy Hughes	<u>Presenter</u>	DSB	Yes

No Topics

1 Introduction & Agenda

2 Competition Law Reminder

Presented

3	Review Minutes from Previous Meeting		
	The prior meeting's minutes were approved and are now considered final.		
4	Announcements		
	UPI Fee Model Consultation The Final UPI Fee Model Consultation has been published via the DSB website, subscriber notifications, and press updates.		
	UPI Legal Consultation UPI Legal Consultation timelines have been announced and published via the DSB website subscriber notifications, and press updates; with the consultation to be published on 2 nd November 2021.		
5	Open Actions		
412	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. <i>Update: Principles reviewed and agreed at the PC meeting, with final details to be closed out at the next meeting</i>	DDO	OPEN
413	The DSB to obtain regulatory feedback on CFI 2019 adoption after the initial outreach by the DSB, following completion of action 412.	DDO	OPEN
485	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	OPEN
497	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. <i>Update: Target Date extended – Additional review sessions required. Related to action 412.</i>	DDO	OPEN
500	The DSB to publish best practice and/or updates to the UPI FAQ following questions from PC members.	DDO	OPEN
505	DSB to update the PC regarding Dynamic Enumerations.	DSB	CLOSED
506	PC to discuss feedback from regulators relating to questions received regarding UPI.	DDO	OPEN
508	PC to discuss feedback from CFI maintenance agency regarding NDF's on Bitcoin. <i>Update: awaiting review and feedback from ISO</i>	DDO	OPEN
511	The DSB to raise the issue of Backwards Compatibility for the OTC ISIN and UPI with the CDIDE for further consideration.	DDO	OPEN
514	This new OTC ISIN status and status reason regarding Orphan ISINs to be reflected in the OTC ISIN status materials.	DDO	OPEN
515	The DSB to revert with a date for PC review of the UPI Status document.	DDO	OPEN

516	The DSB to publish the updated CRFs including details of the structured Underlier Input Method	DSB	OPEN
517	The DSB to ask responsible institutions for information concerning the creation of Non-Standard Options without Option Type / Exercise Style.	DDO	OPEN
6-8 Current DSB Tasks		Status	Priority
DSB-8	Review Source of Commodity Index 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	Set Maximum Number of Items in Arrays 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	CFI Code Service 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	RTS 2 Sub-Asset Class Mapping 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	GUI Search Utility Improvements 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	Price Multiplier Validation The Price Multiplier is subject to inconsistent rounding when very large numbers are input (eg: greater than 18 digits).	Tech	Med
DSB-133	Prop Index Process Analysis Analyse the Proprietary Index management provision to identify efficiency and service improvements.	Tech	Low
DSB-370	CFI 2019 Support Support the updated 2019 ISO Standard for CFI (10962) throughout the DSB product suite.	Tech	High
DSB-974	New Attribute: Standard Contract Type Add Standard Contract Type to Single Name CDS templates. <i>Item to be released on 28th November 2021.</i>	Schd	Med
DSB-1076	Structured Email Messages To allow users to specify the types of DSB notification that they receive.	In Prog	Low

DSB-1120	ISDA 2021 New GUI Titles To provide solution options in implementing ISDA 2021 changes in the GUI to enhance user-experience.	On Hold	Med
DSB-1132	Search Only User Type 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.	Tech	Low
DSB-1376	NOK-NIBOR-NIBR-Bloomberg New Reference Rate Add new FRO to the Rates and Non-Standard Enumerated Lists. <i>Item to be closed. Superseded by DSB1002.</i>	In Prog	Med
DSB-1502	RATES : Add new FROs to the to the Rates and Non-Standard Enumerated Lists (part 1)	In Prog	High
DSB-1503	RATES : Add new FROs to the to the Rates and Non-Standard Enumerated Lists (part 2)	In Prog	High

8 ISDA 2021 Definitions : Release Status

The PC were reminded that 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** : 24th October 2021 : Development to start no later than 11th October. (*DSB-1502*)
- **Release 2** : 28th November 2021 : Development to start no later than 15th November. (*DSB-1503*)

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.

9 Commodity Underlier Review : Summary

PC members were previously asked by email provide their views on the need for a detailed investigation into the following 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 accepted that the proposed approaches would 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. The PC therefore recommended that a detailed examination is not required at this stage of the delivery lifecycle and the initial proposal is pursued.

The original proposal was discussed and the PC **APPROVED** the further detailed analysis to be performed by the DSB.

The proposal is summarized below:

When retrieving a Commodity UPI based on a Reference Price, the user will be able to input one of the following underliers:

a. Reference Price : e.g.: "GASOLINE-RBOB-NEW YORK-NYMEX"

or

b. Commodity Classification / Delivery Region : e.g.: "Petroleum / New England (PADD1A)"

Notes:

Option (a) conforms to the current values used by Commodities for the OTC ISIN and is based on the ISDA CO Taxonomy.

Option (b) would be used for illiquid Commodities and would provide the user with underlier confidentiality. It is based on geographic values from Appendix E of the CFTC's Part 43.

10 Dynamic Enumerations Update

Per the request of the PC an update regarding Dynamic Enumerations work was presented. The DSB confirmed that it was seeking to implement further changes to support expedited implementation of new values for the three most volatile data elements (currencies, reference rates, indices) by March 2022. The changes would be made to the OTC ISIN engine, with the UPI implemented with only normalised templates, dynamic enumerations for these three most volatile data elements being supported from the outset. The PC were satisfied with the proposed approach and timelines and requested an update in June 2022 about DSB plans to extend the support for all enumerated values in DSB templates.

11 CFI 2019

The DSB presented additional information about its intended approach to support transition from the 2015 CFI standard (currently in use by industry and regulators) to the updated 2019 version of the ISO 10962 standard.

PC members were presented with the; Background, Design Principles, Breaking Use Cases (with detailed examples), Conversion rules, Revisions, Implementation Steps and Next Steps – and reminded of updates made in response to prior PC feedback and queries.

The PC concurred with the updated proposal to (a) implement a single hard transition date (to be agreed) for templates where the granularity of the CFI changes (between the 2015 and 2019 versions of the ISO 10962 standard) such that users of the new templates would only be able to create new OTC ISINs based on the 2019 CFI values to facilitate data consistency, (b) pre-populate all legacy OTC ISIN records with a 2019 CFI value alongside the existing 2015 value, (c) new OTC ISIN records created after support for the 2019 CFI standard is introduced will also contain CFI 2015 values except for those in (a) above. This approach is intended to ensure regulatory adoption in a flexible manner, following the DSB's implementation date.

The PC requested further details and discussion take place relating to the specific CFI codes to be used when back-populating the 2015 CFI value, where new DSB templates are introduced (ref. (a) above) as a result of a variation in CFI granularity. >**Action518**

12 Update on FISN Standard Review (ISO 18774)

PC members were provided with an update on developments relating to the upcoming systematic review of the FISN standard (ISO 18774). PC Members discussed the expected introduction of a FISN standard relating to OTC Derivatives, and noted their expectation of being able to provide input on the topic.

13 Update on UPI Standard (ISO 4914)

PC members were advised that UPI Standard (ISO 4914) is expected to be published in November 2021.

Product Release Schedule

N/A

AOB

N/A

Respectfully submitted,

DSB Secretariat

Minutes Approved on: 19/10/2021

Summary of Open Actions		Owner	Target Date
412	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
413	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
485	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
497	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
500	The DSB to publish best practice and/or updates to the UPI FAQ following questions from PC members.	DDO	TBC
506	PC to discuss feedback from regulators relating to questions received regarding UPI.	DDO	TBC
508	PC to discuss feedback from CFI maintenance agency regarding NDF's on Bitcoin.	DDO	TBC
511	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
514	This new OTC ISIN status and status reason regarding Orphan ISINs to be reflected in the OTC ISIN status materials.	DDO	TBC
515	The DSB to revert with a date for PC review of the UPI Status document.	DDO	TBC
516	The DSB to publish the updated CRFs including details of the structured Underlier Input Method.	DSB	05-Oct-21
517	The DSB to ask responsible institutions for information concerning the creation of Non-Standard Options without Option Type / Exercise Style.	DDO	19-Oct-21
518	The DSB to present details of "M" and "X" CFI values for the CFI 2015 / 2019 migration.	DSB	19-Oct-21
Summary of New or Updated DSB Tasks		Status	Priority