

## DSB PRODUCT COMMITTEE: PORTFOLIO SWAPS SUB-COMMITTEE

**Purpose:** Review of CFI Code for Portfolio Swaps

**Date:** 9<sup>th</sup> April 2021

**Time:** 16.00 – 17.00 BST

**Location:** Teleconference

### Attendees:

<b>BNPP</b>	Harry McAllister
<b>CFTC/ CDIDE</b>	Robert Stowsky
<b>Citigroup</b>	Craig
<b>Citigroup</b>	Daniel
<b>Citigroup</b>	Duncan Cams
<b>Citigroup</b>	Panesar, Navraj
<b>Deutsche</b>	Dawd Haque
<b>DTCC</b>	Gregg Rapaport
<b>ESMA</b>	Davide Panadori Cino
<b>ESMA</b>	Giulia Ferraris
<b>FCA</b>	Ayo Fashina
<b>FIX TC</b>	Lisa Taikitsadaporn
<b>IHS Markit</b>	Kirston Winters
<b>ISDA</b>	Andrew Bayley
<b>ISDA</b>	Michelangelo de Marzio
<b>J.P. Morgan</b>	Nicholas Moger
<b>Refinitiv</b>	Martyn Cole
<b>State Street</b>	Michael Burg
<b>The IA</b>	David Broadway

DSB Designated Officer: Malavika Solanki

### Summary of Discussions:

The group met to discuss:

1. Whether Portfolio Swaps should be distinguishable at the CFI level
2. The most appropriate mechanism to enable the distinction, if a change was required to the CFI code

The group examined the motivation for the request, potential impact on the UPI (if any), industry's current approach when obtaining OTC ISIN, whether Portfolio Swaps needed to be introduced in any other asset class beyond the proposed addition to the "Equity" asset class. The discussion also included an examination of the original proposal received and put to the DSB Product Committee by ISO AG1, and discussed appropriate alternatives that might suit market requirements.

### Conclusions Reached:

1. Portfolio Swaps do need to be distinguished at the level of the CFI
2. A change is only required for Equity Swaps and no other asset classes at this time, with no requirement for a new instrument type to be introduced (as set out in the original proposal received and forward for consideration by the ISO AG1 group)
3. The letter "P" to denote "Portfolio Swaps" should be introduced in the third attribute of the CFI code for Equity Swaps, alongside the existing value of "X", which would be used to denote any other kind of Swap. The proposal to be put forward by the PC would thus result in the following:

Category	Group	1st Attribute	2nd Attribute	3rd Attribute	4th Attribute
Swaps	Equity	S - Single Stock	P - Price	X - NA	C - Cash
		I - Index	D - Dividend	P - Portfolio Swap	P - Physical
		B - Basket	V - Variance		N - Non-Deliverable
		M - Other	L - Volatility		
			T - Total Return		
			C - Contract for Difference		
M - Other					

4. Changes would only be reflected in the OTC ISIN on a forward looking basis i.e. in keeping with current policy, no changes would be made to OTC ISIN records created before the CFI code change is introduced
5. The summary above would be shared with the PC and subsequently shared with the ISO AG1 group, following which a discussion about implementation timing would be held at the appropriate time

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Respectfully submitted,  
DSB DDO

21 April 2021