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## DSB CASC MEETING 5 MINUTES

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**Date:** 02 December 2021

**Time:** 14.00 – 15.00 UTC

**Location:** WebEx/Teleconference

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**Chairperson:** Andy Hughes

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**In**

**attendance:**

**TAC Members**

Chris Pulsifer, Bloomberg  
Jim Northey, Fintech Standards  
Ian Sloyan, ISDA

**Regulatory Observer**

Eiichiro Fukase, JSDA

**DSB**

Tom Smith (TAC Secretariat)  
Andy Hughes (Designated DSB Officer - DDO)  
David Lane (DSB Technology)  
Michael Brindley (DSB Technology)  
Yuval Cohen (DSB Technology)  
Will Braithwaite (DSB Technology)

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**Apologies**

Richard Gee, SIX Group Services AG  
Iain Lyon, Tradeweb

Robert Stowsky, CFTC & ROC

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**Absences:**

George Svedloff, State Street

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**No Topics**

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**1 Welcome**

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AH (TAC Secretariat) welcomed all  
TS acknowledged the Competition Law Protocol.

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**2 Roll Call**

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TS undertook the roll call. TS noted the agenda and topics for this meeting.  
AH noted RG (SIX) sent apologies but had reviewed the meeting pack and had no further feedback.

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**3 CASC Deliverables**

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**Slide 7**

AH provided summary of CASC deliverables reminding the members of the two industry consultation questions which drove the formation of the CASC from the existing TAC membership. The meeting today would summarise the three papers shared previously and once agreed the summary would be presented to the TAC at the strategic direction meeting next year and any recommendations would then be made to the DSB board.

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**4 Pack Slides**

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**Slide 8 – CASC Approach**

AH summarised the different approaches undertaken by the CASC with respect to each question.

**Slide 9-10 – Summary of CASC Conclusions and Breakdown of CASC Conclusions**

AH presented a summary of the conclusions from both questions and noted that six conclusions were relevant to both Multi-Cloud and Multi-Region.

**Slide 11 – CASC Proposal**

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AH summarised the CASC proposal which is to embark on a three-year programme of work to address the common issues, with a decision in that period to undertake a further piece of work for multi-cloud and/or multi-region or possibly some other option.

*CP (Bloomberg) asked a question about slide 10 as to why Global Traffic distribution was not considered a common conclusion?*

DL noted when we originally reviewed Multi-Cloud, the DSB were based around the model the DSB had today of an active and passive site, so dynamically distributing client traffic based on their location was not as relevant.

The TAC Secretariat took an action to add further commentary to the pack (2112-01).

DL noted the 6 conclusions the DSB picked out was to allow the DSB to have the agility to move to Multi-Cloud or Multi-Region or a combination of both.

*CP noted we do not want to assume too much with the Multi-Cloud but acknowledged this point.*

DL agreed.

AH asked if any further comments on proposal. No further comments from CASC members.

### **Slide 12 - Global Agile Architecture (GAA)**

AH noted the DSB had selected Global Agile Architecture (GAA) as the project name. The project would likely be split into two phases - phase 1 being a 36 months project to address the common issues followed by an optional further 24 month project to adopt multi-cloud, multi-region or something else.

AH asked if there were any questions on this slide.

*CP raised a concern about additional risk given that this was a major change, how would it tie in with other ongoing work in those three years. CP noted the risk of the different agendas of the other major changes and what the impact of this would be. CP added the consideration of how spending more to complete the change earlier could be considered. CP noted this could cause some conflict but is something we need to keep in mind.*

DL noted this was a valid point. The DSB considered this for a while given other major changes such as the UPI coming into this. The approach would be to introduce a smaller team and introduce changes in a softer manner to add more value. To plan and deliver this, the DSB would need to look at the book of work. DL added this would benefit the ISIN and UPI userbase and suggested that when we do start the work, it would be when we have the UPI user base. We could look to start with some of the smaller changes in the meantime.

*CP noted he liked the agile approach but added that with regulatory changes over the course thirty-six months, this would cause us to change the approach with the next steps.*

DL agreed and took an action for the TAC Secretariat to add a RAID log in the appendices to capture any potential disruption that could be caused to this programme. (2112-02)

*IS (ISDA) concurred with this and stated we do not know in three years the regulatory requirements and how industry will change. IS added breaking down into agile chunks is beneficial.*

DL noted the DSB had done a governance plan overview and there would be a six-month period to get the DSB ready, that had already started and been integrated into the plan. DL noted we did not want a six-month ramp up to get started.

*IS noted that all decisions made now are cognisant of the future goal is the short way of saying what he said above, and this was great to hear.*

DL noted that the way the DSB is looking at the UPI and the changes that will be required for the UPI and this is already being built in. DL added that with the utility nature of the platform and the way we operate the governance model around it, one of the main aims was we all need to start thinking about this differently i.e.: being available 24/7 all around the globe.

AH asked for any further questions. No further comments from CASC members.

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### **Slide 13 – Why are we doing?**

AH provided a summary of why we are doing this.

AH asked if there were any questions on this slide.

*IS noted this was great analysis and the DSB was calling out real risks. IS had one point on the regulatory interest in the infrastructure and the cloud providers would be unlikely to share their system and processes and this was potentially an issue with regulators not understanding what was going on.*

DL stated that this was a general issue and that cloud providers are very restrictive on how they operate.

*IS asked if we flip this concern on its head and see in the current infrastructure to what extent does the regulatory need to know this information. Is it a genuine issue or it is just people's concern about a new way of doing things?*

DL noted one thing that has been very clear is the cloud exist risk. One thing that ESMA and FCA have been very keen on is an organisation proving their ability to exit from any vendor that you outsource to (not just cloud vendors). DL added it was genuinely a real risk. At present if a financial organisation has on-premises infrastructure a regulator can go ahead them and audit them. However, regulators have been restricted to audit where the infrastructure is all in the cloud. DL added that regulators want to be able to audit freely but can't currently in the cloud, there had been some financial discussions and forums and regulatory question. The TAC Secretariat took an action to send papers related to this to the CASC members (2110-03).

*IS agreed lack of portability is a definite risk.*

DL noted one of the things that the DSB wanted to cover off here was that we had two approaches and completing the six changes from the conclusions allows the DSB to decide what to do next. Consideration also given to on-premises as well as Multi-Cloud or Multi-Region, the added agility gives us the ability to pick different solutions.

*IS agreed this makes sense.*

*CP noted the regulators trail behind knowing technology and are concerned on what they do not know. CP added the trust in companies is not there as regulators do not understand.*

DL agreed this was a good point.

### **Slide 14 – What will the programme deliver**

AH provided a summary as to what the programme will deliver.

AH asked for any further questions. No further comments from CASC members.

### **Slide 15 – Governance and Delivery Model**

AH provided an overview on the changes to the governance and delivery model.

DL added we had added milestones in there aligned to the TAC SSC meetings throughout the programme, but the goal is delivered feature releases on every single milestone we agree to with the TAC SSC. This would then be fed back up to the TAC who would be the gatekeepers, ensuring we are seeing value and progress and allow the project to continue.

AH asked if any questions.

*CP supported the alignment with TAC SSC. CP noted that the TAC SSC having that view of both the vision of the what and the how is a good checkpoint for keeping the process rolling.*

AH thanked CP for the comment and agreed with the point.

AH asked for any further questions. No further comments from CASC members.

### **Slide 16 – Financials**

AH advised that this slide was a placeholder and would be completed ready for the TAC meeting.

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**AOB**

AH added that this pack covers everything, and the goal was to produce a single pack. AH reminded members if they wanted further detail they could look at the packs the CASC produced.

AH opens the floor to questions or comments.

*CP noted one suggestion for finance slide would be to be prepared for questions on how quick we could do it and the risks involved.*

AH and DL agreed. DL added it is a complex task doing the finances due to the fee model the DSB operates under, but the DSB would provide different options.

*CP added he did not envy the task, but the DSB need to be prepared for questions on finance if the TAC pushes one way or another.*

DL added he would be happy if the TAC says to do it quicker.

AH asked for final questions. No further comments from CASC members.

AH asked if the CASC members are happy for this to be basis of TAC meeting.

*CP stated he was very happy for this to be presented to the TAC and the pack is reflective of what we have achieved as part of the CASC this year.*

AH thanked everyone and confirmed this will be the basis for the TAC meeting.

DL added thanks to Chris and the team and would be happy to talk technology anytime.

*CP noted we had a good team for the CASC but with the TAC to prepared for a less specialist team and the DSB would need to be prepared to answer questions.*

AH thanked the CASC members for their support with the subcommittee this year.

Meeting ended.

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**Actions**

2112-01 Add commentary to why the DSB picked the 6 conclusions that overlapped in both Multi-Cloud and Multi-Region.

2110-02 Add RAID Log to appendices.

2110-03 The DSB to send papers on regulators auditing organisations exclusively in the cloud as there have been financial discussions, forums and regulatory questions on this topic.

2110-04 To have financials ready for TAC pack.

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