

DSB TAC MEETING MINUTES

Date: 23 June 2020

Time: 13.00 – 15.00 BST

Location: WebEx/Teleconference

Chairperson: David Broadway

1 In attendance:	TAC Members David Broadway, The IA (Chair) James Cowie, HSBC Nadav Krispin, JP Morgan Shari Lines, Morgan Stanley James Brown, Rabobank Henrik Martensson, SEB Andrew Poulter, Standard Chartered Bank Chris Pulsifer, Bloomberg LP Zintis Rullis, Refinitive MTF Elodie Cany, Tradeweb Kamal Singh, SIX Group Service AG Lisa Taikitsadaporn, FIX Karel Engelen, ISDA Robert Stowsky, CFTC Paul Everson, FCA Eiichiro Fukase, JSDA	DSB Sassan Danesh (Designated DSB Officer - DDO) Will Palmer (DSB CISO) Andy Hughes (TAC Secretariat)
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Apologies	Marc Honegger (Sponsor) Rajkamal Roka, State Street FX Connect
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Absences:	Souvik Deb, Citigroup Prem Ananthakrishnan, Credit Suisse Stephen Pond, Lloyds Bank Kimberly Cohen, State Street Bank Tony Chau, UBS Jimmy Chen, BGC Partners Ziv Yankowitz, Nex Martijn Groot, Asset Control	Aanya Madhani, Simplitium Rocky Martinez, SmartStream David Bull, Refinitive Felix Ertl, BVI Vincent Dessard, EFAMA Jim Northey, Independent Expert Olga Petrenko, ESMAQ
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No Topics (recording time)

1 Roll Call (00:00)

AH (TAC Secretariat) undertook the roll call.

The Chair welcomed Kamal Singh who has replaced Michele Vuerich as the TAC member for SIX Group Services.

2 Welcome (01:30)

Welcome from the Chair

3 Agenda (02:32)

The Chair described the Agenda. No questions or comments were raised.

4 Governance (03:31)

Slides 3 & 4 – Competition Law

The Chair reminded the members of the expectations and responsibilities of TAC members with respect to Competition Law. No questions or comments were raised.

Slide 5 – Charter Update (05:24)

AH (TAC Secretariat) provided an update on progress made with the TAC Charter since the March meeting.

Slide 6 - Membership Update (07:08)

AH (TAC Secretariat) provided an update on the changes to the TAC Charter concerning membership.

Action: DSB to undertake an outreach to industry to request for additional TAC Members

Action: TAC Members to re-apply for membership of the TAC for a further two-year term and to confirm acceptance of the competition law protocol described in the revised charter

Slide 7 – Membership Update (09:37)

The Chair provided an update on his own position which is that he plans to retire within the next twelve months. As a result, this would be his last TAC meeting as Chair. The Chair invited any existing TAC members who were considering taking on the role to contact the TAC Secretariat.

Action: TAC Members who are interested in taking on the role of TAC Chair to contact the TAC Secretariat.

5 Industry Consultation Introduction

Slide 8 – Industry Consultation Introduction (13:25)

The Chair introduced this year's industry consultation and covered the changes made this year to the timeline. There were five questions out of the seven that were discussed at the TAC today.

Slide 9 – Milestones (15:18)

AH (TAC Secretariat) reminded the members of the key milestones from the Industry Consultation process.

7 Topics Under Consideration

Slide 10 – Overview (16:57)

AH (TAC Secretariat) provided an overview on this year's process, the questions being considered by the TAC and a summary of the responses received. The forum was reminded that all information from past and present consultations is available on the DSB's website¹.

Slide 11 –Functionality Summary (18:51)

AH (TAC Secretariat) provided a summary of the three functionality questions, covering a summary of the response received and the proposed next steps for each item.

Slide 12 – Functionality Question 1 – Structured Communication (20:22)

AH (TAC Secretariat) reviewed the question, advised that all users were in support of this option, comments were in favour as long as there were no additional costs. The proposed next steps were to proceed via BAU. No objections were received.

Slide 13 – Functionality Question 2 – Read Only User (22:55)

¹ <https://www.anna-dsb.com/industry-consultation/>

AH (TAC Secretariat) reviewed the question, advised that the majority of users were in support of this option, with just one against, so the proposal was to proceed with the item, however, the comments received led us to add that we need to review the thresholds in light of the cannibalization risk and to calculate the number of users required to recover the build cost of the service.

CP (Bloomberg) raised concern about the impact on the overall fee calculation particularly the risk of a reduced number of power users resulting in an increase in power user fees.

The Chair advised that the analysis undertaken should specifically address the concern raised.

EC (TradeWeb) echoed both comments and said that the analysis should be made public before proceeding further.

Slide 14 – Functionality Question 3 - One-Time Data Snapshots (29:35)

AH (TAC Secretariat) reviewed the question, advised again that the majority of users were in support of this option with just one against. The proposal is to proceed with this item, but to ensure a review after 3 years and to calculate the usage levels required to recover the build and run costs.

Action: DSB to ensure this topic is discussed during the October TAC meeting.

There were no objections received.

Slide 15 – Service Availability Summary (33:54)

AH (TAC Secretariat) provided a summary of the two service availability questions, covering a summary of the response received and the proposed next steps for both items.

Slide 16 – Service Availability Question 5 - Multi-Cloud Configuration (35:00)

AH (TAC Secretariat) reviewed the question, advised that the majority of users were in support of this with just one against. The comments requested clarification on the cost allocation across UPI and ISIN.

SL (Morgan Stanley) asked about the other considerations regarding UPI, for example, security and scalability of the user base?

AH (TAC Secretariat) replied that the UPI project is considering other items such as the impact of additional users on the service. This was focused primarily on the OTC ISIN service, however, these issues are not quick to solve, so we were aware that UPI is coming in and these questions are equally applicable.

The Chair asked about the Capex cost and would there not be additional costs if you were to move to two cloud providers?

AH (TAC Secretariat) replied that this was undertaking the analysis only for future discussion with the TAC before proceeding further.

CP (Bloomberg) echoed Shari's concerns about the full analysis coverage and asked if there was more risk being locked into a single provider or more risk from a lack of geographic diversity. We need to ensure that everything is covered.

AH (TAC Secretariat) asked what expectations regarding the engagement on this topic?

CP (Bloomberg) suggested that this should be regularly reviewed, it is likely to be complex.

AH (TAC Secretariat) suggested that the bi-annual approach may not be adequate for this, so we may need something more frequent.

CP (Bloomberg) agreed

Action: DSB to agree the approach for regular analysis review of this item with the TAC (carried forward).

The Chair said that this question is very much in the domain of this committee so having regular checkpoints is a very good suggestion.

Slide 17 – Service Availability Question 6 – Single Active Region Risk Assessment (48:28)

AH (TAC Secretariat) reviewed the final question and again advised that the majority of users were in support of this with just one against. The comments also requested clarification on the cost allocation across UPI and ISIN.

AH (TAC Secretariat) proposed that given the previous discussion which had also touched on this subject, that we establish a forum consisting of a smaller number of TAC members to regularly review the status of the analysis around questions 5 and 6.

Action: DSB to establish a forum to regularly review the status of the analysis around questions 5 & 6.

There were no objections raised.

7 AOB (52:23)

The Chair introduced AOB and asked if there were any questions or comments on any of the items discussed at the meeting today.

EC (TradeWeb) raised a general concern regarding the future plans around considerations between the UPI and ISIN. The DSB users would appreciate more clarity.

AH (TAC Secretariat) advised that EC had not missed any notification on this as these matters are still being discussed with the GUUG.

The DDO agreed that this is such an important point it will require feedback from industry via consultation and to work with both industry and the regulators. The ISIN fee model was arrived at by following this approach.

Action: DSB to provide more details on the UPI timeline as soon as possible

AH (TAC Secretariat) thanked the Chair on behalf of the Members and the DDO for his contribution as TAC Chair over the last two years.

The DDO seconded this and reminded any committee members that are interested in the TAC Chair position to contact us.

The Chair asked about the future of the TAC Strategy Subcommittee, in view of the ongoing work on the UPI.

AH (TAC Secretariat) advised that he expected this group to be reinstated in the future.

The DDO is certain that this will be restarted and provided some more details on the current activities.

Action: DSB to provide a UPI update in the October TAC meeting.

SL (Morgan Stanley) said that the key issue was with diversity – the TAC SSC would need to ensure the correct representation.

The Chair agreed and mentioned the need to ensure the geographic diversity.

The Chair reminded members that the next TAC Meeting will be held at 1pm GMT on Wednesday 28th October 2020.

8 Actions

The following new actions were recorded:

- DSB to undertake an outreach to industry to request for additional TAC Members
- All TAC Members to re-apply to the TAC Secretariat for membership of the TAC for a further two-year term and to confirm acceptance of the competition law protocol
- Any TAC Members who are interested in taking on the role of TAC Chair to contact the TAC Secretariat
- DSB to ensure that the one-time data snapshots question is discussed further during the October TAC meeting
- DSB to establish a forum to regularly review the status of the analysis related to questions 5 & 6
- DSB to provide more details on the UPI timeline as soon as possible
- DSB to provide an update on the UPI project at the October TAC meeting

Respectfully submitted,
DSB Designated Officer.