

## DSB TAC MEETING MINUTES

**Date:** 20 April 2022 **Time:** 13.00 – 15.00 UTC **Location:** WebEx/Teleconference

**Chairperson:** Chris Pulsifer

<b>In attendance:</b>	<b>TAC Members</b>	<b>Regulatory Observers</b>
	Chris Pulsifer, Bloomberg (Chair) Felix Ertl, BVI Lisa Taikitsadaporn, FIX James Cowie, HSBC Jim Northey, Independent Expert Richard Gee, SIX Group Services AG Rocky Martinez, SmartStream William Rodiger, State Street Bank Jefferson Braswell, Tahoe Blue Ltd Zintis Rullis, Refinitiv MTF Rajkamal Roka, State Street FX Connect Elodie Cany, Tradeweb	Robert Stowsky, CFTC  Eiichiro Fukase, JSDA <b>DSB</b> Marc Honegger, DSB Board Sponsor Emma Kalliomaki, DSB Managing Director Andy Hughes, Designated DSB Officer - DDO Will Palmer, CISO Tom Smith, DSB Project Manager Yuval Cohen, TAC Secretariat David Lane, MSP Chief Technical Officer
<b>Apologies</b>	Paul Everson, FCA Torbjörn Cronbladh, SEB	Ian Sloyan, ISDA
<b>Absences:</b>	Olga Petrenko, ESMA Nadav Krispin, JP Morgan Martijn Groot, Asset Control James Colquhoun, UBS Yan Hui, CFETS Huang Lu, CFMMC Souvik Deb, Citigroup Billy Chen, CSIS	Amit Bairagi, Deutsche Bank AG Warren Rubin, DTCC James McGovern, Independent Expert Niteen Shastri, LSEG Bharat Kanase, Morgan Stanley James Brown, Rabobank Anthony Brennan, Standard Chartered Bank Jimmy Chen, BGC Partners

### No Topics

#### 1 Governance

##### Slides 1 through 4 – Welcome

CP (Chair) introduced the meeting and described Competition Law expectations and responsibilities of TAC members.

##### Slide 5 - Roll Call

AH (DDO) undertook the roll call.

##### Slide 6 – Governance IV of IV - Minutes

AH presented the full list of minutes that were distributed to the TAC members and outlined the agenda for the meeting.

#### 2 CASC Presentation

##### Slide 7 – CASC Deliverables

AH presented the CASC Deliverables slide that included a summary of the two 2020 industry consultation questions and how the DSB produced the Multi-Cloud Report and the Single Active Region Report and highlighted the common conclusions across both reports which were summarised in a final report.

##### Slide 8 – CASC Approach

DL (MSP CTO) discussed the original approach undertaken by the CASC– firstly Multi-Cloud Report which followed an RFI based approach, reaching out to several vendors with expertise in this area

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covering multi-cloud databases, connectivity, the cloud service providers, multi-cloud support and billing aggregators and multi/hybrid platforms that manage the differences between the cloud vendors.

The Single Active Region question was addressed in a different way, taking on a risk-based approach which looked at the DSB's current risk profile associated with the existing active-passive setup and considered how moving to an active-active approach would mitigate these but also what residual risks this approach would introduce.

A number of common conclusions were identified from both papers.

#### **Slide 9 – Summary of CASC Conclusions**

AH presented the CASC conclusions found from the Multi-Cloud Report and Single Active Region risk assessment.

#### **Slide 10 – Breakdown of CASC Conclusions**

AH highlighted the common conclusions from both reports, which need to be undertaken before either option can be progressed.

#### **Slide 11 – CASC Proposal**

AH presented the CASC proposal. The CASC proposal was originally to embark on a 3-year programme of work to address the top six conclusions, working closely with the TAC. AH explained the various challenges that had been identified.

#### **Slide 12 – Global Agile Architecture**

AH presented the graphic view of the project which had been named Global Agile Architecture (GAA).

#### **Slide 13 – Why are we doing it?**

AH explained the reasons why the DSB are doing the work, especially the significant interest of the use of the cloud to the financial regulators. Some examples were included for reference. AH then listed the improvements that are expected to be delivered by the GAA.

#### **Slide 14 – What will the Programme deliver?**

AH presented what the programme will look to deliver. The key improvements were:

- Agility
- A new delivery team to focus on this project
- Updating the governance process
- Immutable infrastructure with auto-scaling
- More frequent automated deployments
- Modernising client access to the DSB service

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

AH presented the Governance and Delivery model for the 3-years GAA programme covering the DSB deliveries under guidance of the TAC with engagement with the two Industry Representation Groups with the final decisions being made by the DSB Board.

DL highlighted the DSB wants to deliver real value in an iterative fashion as quickly as possible with real value to the clients e.g.: quarterly deliverables.

#### **Slide 16 – CASC Update I of II**

AH advised that the presentation so far was based on the December meeting with the CASC. The next slides provide an update on the approach since that meeting.

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DL presented the updates, the first being the delays to the UPI Regulatory Mandate which has altered the way we should approach this project. Also, the DSB's 4-hour Recovery Time Objective (RTO) was discussed recently and there is some value to be added by making some changes.

#### **Slide 17 – CASC Update II of II**

DL presented the DSB Deliveries which have incorporated the CASC's recommendations. This included UPI onboarding programme and DSB BAU Website Improvement Plan. The CASC work has allows the DSB to look at projects differently and thinking more globally.

#### **Slide 18 – CASC Revised Approach**

AH presented the CASC revised approach – where does the DSB go next given the updates. The DSB proposed raising a question to industry to increase the bandwidth of the DSB to focus on the recommendations from the CASC the cost consequences of that were detailed on the slide. This would be included in the industry consultation paper being published on Friday 29<sup>th</sup> April. Feedback received from industry would be discussed with the TAC on the 22<sup>nd</sup> of June and the recommendations from the TAC would be presented to the DSB Board. If this is supported then further engagement with the TAC would take place in Q4 leading to work commencing in January 2023.

#### **Slide 19 – What could we deliver with the dedicated team?**

AH presented some initial thoughts on what the DSB could deliver with the new team in place. AH added if this approach was agreed, the DSB would look for the TAC to advised what the DSB should focus on first. AH advised there was an opportunity to update the TAC's charter to incorporate any changes to support the new way of working.

AH asked the members for their thoughts:

*JB (Tahoe Blue Ltd) recognised the efforts around DR load balancing replication and asked about continuous improvement or continuous deployment. Is CICD needed in this type of delivery as may carry additional risk?*

DL advised that there is a lot changing on a constant basis. However, changes are functionally driven, there is a risk element, but we are limited by the amount we can programmatically do at the moment. We are looking to undertake smaller change on a more regular basis due to the backlog we have been sitting on.

*JB highlighted his main point which was the level of automation and changes being made without due testing.*

DL – Advised that this is where the governance piece comes in, there are elements of the system we would not want to change without going through the due diligence.

*RG (Six) advised that the CASC focus was on the automation part of CICD rather than the continuous part, this needs to be more cheaply repeatable.*

*RM (Smart) question the process – how would the agile process be fed back to the TAC given the infrequency of TAC meetings?*

DL Advised that set what we thought was realistic, we need to ensure we are keeping state in as few places as possible, this is difficult to show in a demonstration, but we hope to be able to show evidence on at least a quarterly basis.

*CP reminded the members of two public incidents, both Amazon and Facebook having major outages – 'Too big to fail'. This was a timely reminder that we must always be available without being too fast.*

#### **Slide 20 – Next steps**

AH presented the next steps. AH asked the TAC members:

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**Are the TAC supportive of the approach presented to establish a new delivery team to focus on these specific delivery items?**

AH described both outcomes around this decision then invited the members for their views:

*JB – Advised he was supportive of removing a single point of failure, multi-platform/multi-vendor is a good approach, so great steps. If the Data can be preserved and redeployed quickly and the programs can be reinstalled on alternate platforms a lot of the goals for rapid recovery will be met.*

*JC (HSBC) – thanks the DSB for taking the time to explain what is a complex topic and advised that he was supportive of the work, but there was not clarity on what the items are and when it will finish.*

AH advised that the original ask was for 3-years, some benefits of the CASC work had already been adopted, but it is harder changing systems that are in production. There is no definitive list at this time, but we tried to give a flavour of the items but would look to work with the TAC to agree this.

*JC gave an example which was DR, will the items come as extra costs.*

DL advised that the ask is for a 2-year period only and apologised that this was not clear in the pack.

*CP advised that this is critical to the industry consultation, so there needs to be enough details so they get a better feel for what they are buying.*

AH advised that we will be trying to get the question wording as correct as possible.

*RM advised that this is a case of pay me now or pay me later. It will cost the same if not more.*

*JC agreed that the cost avoidance / risk of not doing this should be included.*

DL agility is one of the key aspects of this approach and asked if the members would be supportive of reviewing the question on the bulletin board.

*CP advised that it was a case of pay me now or pay me later with pay me later costing more. CP requested members to provide their feedback on this question.*

*RG was supportive and advised that it is normally pay me now or pay me later with interest. RG advised this was still a fair way off (2023).*

*ZR was supportive.*

*WR (State Street) Agreed, later costs can get deferred and can become astronomic and impractical to implement.*

*JB Advised that this seems to be the right approach.*

*JN advised via chat that the approach is sensible, timely and appropriately forward looking. Thank you.*

*JB asked if the 625K figure was annual*

AH confirmed it was.

*JB said that one approach was to take this incrementally and redirect at the end of each phase.*

AH agreed and stated that we are looking to the TAC to keep this on the straight and narrow, including the ability to stop if required.

*JB advised there will always be a change in the evolution.*

DL looking to manage the state better, to low us to be more flexible with the way in which the infrastructure is architected/.

*JB agreed – goal to have redundant facilities that can do that. It would be good to consider having the UPI implemented as open source.*

*LT supported via chat (caveated with it may be useful to see a high-level project plan with milestones and checkpoints)*

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*CP asked if the DSB can consider the CICD/agile development process, how can a review process between the committee/subcommittee and the development process be established?*

DL advised that the DSB will issue a Terms of Reference for that group.

*CP advised that the first year would establish the infrastructure baseline. Need to explain that there will be a committee with oversight of this work.*

AH asked the members to keep an eye on the bulletin board for the draft question.

AH asked if there were any objections.

None were received.

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### **3 AOB**

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CP – asked the members if there was any other business?

No points were received.

CP thanked the members and asked the members to look out for emails and the bulletin board updates.

CP closed the meeting.

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### **4 Actions**

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The following new actions were recorded:

2204-001 DSB to draft the industry consultation on the bulletin board and to notify the members via email.

2204-002 DSB to create a terms of reference for the committee/subcommittee if the work is to be progressed.

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Respectfully submitted,  
DSB Designated Officer.