

## DSB TAC MEETING MINUTES

**Date:** 22 June 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)	Robert Stowsky, CFTC
	Amit Bairagi, Deutsche Bank AG	Paul Everson, FCA
	Warren Rubin, DTCC	Eiichiro Fukase, JSDA
	Lisa Taikitsadaporn, FIX	<b>DSB</b>
	James Cowie, HSBC	Andy Hughes, Designated DSB Officer – DDO
	Ian Sloyan, ISDA	David Lane, MSP Chief Technical Officer
	Atara Sender-Stein, JP Morgan	Will Palmer, CISO
	Niteen Shastri, LSEG	Tom Smith, DSB Project Manager
	Bharat Kanase, Morgan Stanley	Yuval Cohen, TAC Secretariat
	Jefferson Braswell, Tahoe Blue Ltd	
	Zintis Rullis, Refinitiv MTF	
	Rajkamal Roka, State Street FX Connect	

<b>Apologies</b>	Marc Honegger, DSB Board Sponsor Richard Gee, SIX Group Services AG	Rocky Martinez, SmartStream
------------------	--	-----------------------------

<b>Absences:</b>	Olga Petrenko, ESMA Martijn Groot, Asset Control Felix Ertl, BVI Yan Hui, CFETS Huang Lu, CFMMC Souvik Deb, Citigroup Billy Chen, CSIS James McGovern, Independent Expert	Jim Northey, Independent Expert James Brown, Rabobank Torbjörn Cronbladh, SEB Anthony Brennan, Standard Chartered Bank William Rodiger, State Street Bank James Colquhoun, UBS Jimmy Chen, BGC Partners Elodie Cany, Tradeweb
------------------	--	--

### No Topics (recording time)

#### 1 Governance (00:00:00)<sup>1</sup>

##### Slides 1 through 4 – Welcome

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

##### Slide 5 - Roll Call (00:01:22)

AH (DDO) undertook the roll call.

##### Slide 6 – Governance – HAP (00:03:05)

AH reminded the members of the decision in March to extend the HAP to the end of Q2 2022, but to revisit the topic at the June TAC meeting. AH asked the members for updates on the two problems called out previously, market volatility and Cyber Security.

*JC (HSBC) Supported the HAP extension in March, however, the market is now a lot more stable, still some risks, however, difficult to justify staying in HAP, so time to consider going back to BAU.*

*WP (CISO) Advised that analysis on attacks and scans on the DSB during Q1 2022 has shown a marked uptick, but no breaches have occurred. The analysis indicates that this increase is unrelated to the ongoing conflict.*

<sup>1</sup> <https://www.anna-dsb.com/wp-content/uploads/2022/06/DSB-TAC-2022-IC-Meeting-20220622.mp4>

---

*CP agreed that it was time to return to BAU. CP asked if there were any other opinions?*

AH advised that the TAC's recommendation to return to BAU will be taken to the DSB Board next week, and a further notification will be sent to industry after that.

#### **Slide 7 – Governance – TAC Charter (00:08:25)**

AH introduced the topic relating to the renewal of the TAC's Charter for a 3<sup>rd</sup> two-year term. AH advised that the members have been sent a link to a bulletin board topic to record any proposed changes to the Charter. AH advised that the DSB will be undertaking an outreach to Industry for any new members. The DSB are looking to consolidate any new member requests and changes to the Charter by Friday 9<sup>th</sup> September 2022 so these can be presented to the DSB Board for approval ahead of the first TAC meeting of the new term which will be on Wednesday 26<sup>th</sup> October 2022.

AH asked the members if there were any questions. There were none received.

---

## **2 Industry Consultation (00:11:19)**

---

#### **Slide 8 – Introduction**

AH introduced the 2022 Industry Consultation process for the 2023 service proposition. AH advised that the DSB had only received one response before the due date and one anonymous response after the deadline. The responses have been published on the DSB website (link available in the footnote on this slide).

The DSB is seeking the TAC's guidance on how to proceed given the low level of feedback received. The DSB has put forward a proposal for review with the TAC, the recommendations from today will be taken forward to the DSB Board.

#### **Slide 9 – Milestones (00:13:10)**

AH reminded the members of the timeline of the process and the key milestones.

#### **Slide 10 – Overview (00:14:03)**

AH a summary of the DSB's proposal for each of the three questions for review by the TAC, noting that two other questions in the consultation were discussed and reviewed by the DSB's Product Committee.

#### **Slides 11 & 12 – Q1 Global Agile Architecture (00:16:16)**

AH presented the original question along with the supporting information. The estimated costs and the next steps were described. The members were then invited to ask questions.

*JB (Tahoe Blue Ltd) welcomed the opportunity to review the options relating to agile processes and continuous deployment ahead of any work starting in 2023.*

The TAC members were asked if they recommended the inclusion of this question in the 2023 OTC ISIN service proposition.

*JC (HSBC) advised he was supportive, and we should recommend the item, but raised concern about the low level of responses received. However, both responses implied this was a good thing to do, with one asking why this was not already budgeted. For future exercises, we need to understand why there is such a low level of responses submitted, and to caveat that the TAC would have liked more responses on which to opine.*

AH agreed and was disappointed with the low level of responses received. This is something that will be raised with the DSB Board. AH asked the members to reach out to their organisations to see if they could find out why a response has not been submitted – any feedback would be invaluable and would, of course, be treated confidentially.

---

---

*CP advised that the reduction in feedback is typical as the service matures, so we need to look and see what can be done to improve feedback.*

*CP then asked the members if anyone does not agree with recommending this item to the DSB Board?*

*There were no objections, so the TAC's recommendation to proceed with Q1 will be presented to the DSB Board.*

### **Slides 13 & 14 – Q2 Technology Control – Tools (00:29:19)**

DL presented the original question along with the supportive information. In response to the feedback from the consultation, DL advised that the DSB's BAU pool is very small with the majority of this being taken up by Product Committee items. However, some items, such as this, require the DSB to take some time out to address. However, we are aiming to be as transparent as possible, working closely with the TAC. DL invited the members to ask questions.

*NS (LSEG) asked when the risk-based assessment is done, is dealing with the recommendations identified part of the agenda?*

DL advised that is the intention, and there is scope to deliver improvements. We are looking to address the highest risk-based problems and to provide solutions for as many as we can. Again, we would work closely with the TAC for further guidance.

AH advised of the cost estimates and proposed next steps.

AH then asked the TAC if they recommend the inclusion of this question in the 2023 OTC ISIN service proposition?

JC & HS agreed.

*CP asked if there were any dissenting thoughts. None were received so CP advised that we should proceed with recommending Q2 to the Board.*

### **Slides 15 & 16 – Q5 Removal of VPN Connectivity from Cost Recovery (00:37:29)**

AH presented the original question along with the supporting information. The estimated costs and the next steps were described.

*JC asked if the options were to stop using the VPN or to take a different charge for it?*

AH advised that was correct, they could move to an internet-based connection or convert to a commercial option.

*NS asked what the reason was for the reduction in VPN users?*

AH advised that the DSB have not undertaken an outreach to know exactly and invited DL

DL advised that there has been a general downturn in the use of VPN, SSL technologies can suffer with performance but offer end to end encryption and this is a trend that has been observed outside the DSB.

*CP advised that at such low numbers it doesn't seem fair to share the cost across everyone.*

The members were asked if they had any questions.

*BK (Morgan Stanley) asked if VPN becomes popular in the future would this cost more?*

AH advised that the proposal is not to remove VPN as a service, but to make it a commercial service and only the users that want it would pay for it.

BK asked if there were ideas of costs?

AH advised that we were waiting for a steer from the TAC & Board before undertaking the analysis.

---

---

*BK asked what number of users the current infrastructure can support?*

AH was unsure of the exact number but was originally built to support a higher number of users and may need scaling back as part of this exercise.

*CP asked if this became popular again, would this be a case of bringing this back into cost recovery or are there other technology changes planned?*

AH advised that we need to look at the technical options in the second half of the year as there may be better options to provide the service. However, of course if there is a future shift in demand for the VPN option then we could be having the reverse conversation.

*BK said that the reason for asking this is if this becomes a mandate from cyber security then it could suddenly become popular and hence a rise in the user base.*

WP advised that a lot of Banks are veering away from VPN due to the overheads and it is harder to establish VPNs to various products.

AH asked if there were any other questions.

*JC advised that both sets of feedback were supportive of this option.*

AH then asked the TAC if they recommend the inclusion of this question in the 2023 OTC ISIN service proposition?

*CP advised that we had already had some agreeable responses, so asked if there were any dissenting views?*

None were received, so CP recommended that Q5 is recommended to proceed to the DSB Board.

AH thanked the members for their support and handed over to CP for AOB.

---

### **3 AOB (00:50:24)**

---

CP invited WP to raise one item.

WP raised a concern regarding Information Security governance risk and compliance around third-party assessments for the DSB's vendors, noting that supply chain attacks are up 62% this year. WP would like to approach the DSB Board to obtain permission to undertake the analysis on what it would take to introduce the relevant governance, risk and compliance around third-party assessments. The DSB vendors are currently assessed at the time of onboarding and again on contract renewal, but we should strive to review this at least annually. One of the IOSCO key principles suggests that the DSB should be undertaking this activity as a critical market supplier.

WP asked the members if there were any objections with the CISCO team raising this item with the DSB Board?

*NS – Suggested that this makes sense but wanted to clarify the frequency and some of the details of how this will work?*

WP advised that this would be delivered as part of the analysis, but would be at least annually, noting that some tools are real time.

*NS also advised that this makes sense.*

*JC – Advised that there were two things relating to this. 1. We should progress with a request to implement a sensible and necessary set of TPSR, what level of risk are we carrying by not having this. 2. We should have a transparent risk assessment to say this is our exposure and that we would like to do something about this.*

WP – Advised that this has already been discussed with the DSB's CEO who recommended that we should be looking at the risk profile – WP offered to share this with the TAC members when produced.

*JC – Welcomed this.*

WP – Took an action to share this information with the TAC Members via the Bulletin Board.

---

---

*CP added that this is another item that will cost us to do the work but what is the cost of doing nothing and having something fail?*

WP added an example where the accounting software in the cloud fails due to an attack, and we suffer the reputational risk of the DSB not being paid and unable to pay people – despite the service itself remaining available.

*CP added that moving items to the cloud brings a whole new set of problems to think about.*

*CP asked if there were any dissenting thoughts on taking this item forward?*

None were received.

*CP asked if there was any other business?*

*CP raised two items:*

*It is time to review the Charter, we have already moved to a more global membership due to UPI, CP asked the members to think about where we are going, the CASC technology changes, and how this might impact both the Charter and the TAC membership. E.g.: do we need more technical members given the direction?*

*Industry Consultation Responses – We don't want to assume that silence is yes, so would welcome responses even if simple yes/no. CP asked the members if they could reach out to their organisations to see if we can get responses going forward.*

There were no other items raised.

CP thanked the members for their contribution and closed the meeting at 2:13pm.

---

#### **4 Actions**

---

The following new actions were recorded:

2206-001 CISO to provide details of the 3<sup>rd</sup> party supplier risk assessment item on the TAC Bulletin Board

---

Respectfully submitted,  
DSB Designated Officer.