DSB TAC SSC MEETING MINUTES

Date: 15 September 2021	**Time:** 13.00 – 15.00 UTC		**Location:** WebEx/Teleconference

Chairperson: Simon Wiltshire		

In attendance:	**TAC Members** Amit Bairagi, Deutsche Bank AG Elodie Cany, Tradeweb Jefferson Braswell, Tahoe Blue Ltd Lisa Taikitsadaporn, FIX Richard Gee, SIX Group Services AG Rocky Martinez, SmartStream	**Regulatory Observer** Robert Stowsky, CFTC & ROC **DSB** Marc Honegger, DSB Board Sponsor Emma Kalliomaki, DSB MD Simon Wiltshire, Chair Andy Hughes, Designated DSB Officer - DDO Ben Lloyd, DSB Technology Manager Michael Brindley, DSB Technology Manager Yuval Cohen, DSB Architect
Apologies	Alan Milligan, ISDA	Will Palmer, DSB CISO
Absences:	Abhishek Jain, Morgan Stanley Felix Ertl, BVI Nadav Krispin, JP Morgan	Anthony Brennan, Standard Chartered Bank Souvik Deb, Citigroup

No	Topics

1   Welcome

SW (Chair) introduced the agenda for the meeting and described Competition Law expectations and responsibilities of TAC SSC members. SW advised that no objections to the minutes from the August meeting had been received so they will be made final.

2   Roll Call

AH undertook the roll call.

3   Interim Report Review

Slide 7 – Interim Report RAG Status

AH advised that further work would continue on the interim report once the final UPI fee model is published on the 27th of September 2021. The RAG status table was updated to reflect the Technology Service Levels and Connectivity items that moved to green after the last meeting. Version 2.9 of the interim report was distributed to the members, this contained housekeeping changes –acceptance of the 2.8 changes, correction of the two on-screen typos and an update to the table of contents.

Slides 10-14 Assumptions, Recommendations and Questions

AH advised that the assumptions had not changed and as the recommendation tables had been updated during the last meeting there were no further changes to these either.

AH asked RS if there had been any further update regarding the two outstanding questions from the CDIDE?

RS (CFTC & ROC) advised that these would be discussed at the CDIDE meeting on the 16th of September 2021.

AH asked if the expired status would be covered as well?

RS advised that the UPI was originally not envisaged to have a status like the LEI but was aware of the requirement from the PC to support a deleted status, the error conditions being the only case where a UPI is created then not used.

AH advised that the PC may be discussing another status, so would be worth including that and suggested carrying this forward to the October TAC SSC meeting. AH then introduced MB (DSB) who was presenting the FIX Certification Vendor Selection topic.

| 4 | **UPI Scalability Vendor Selection** |

MB introduced the FIX Certification vendor selection topic which is part of the UPI Scalability workstream. The DSB had undertaken an assessment consisting of two rounds. MB explained the criteria used in the two rounds. The top two vendors from round one were taken forward to round two.

MB advised that six options were considered, these were a mixture of both vendor and in-house. The in-house options considered both a manual solution as well as building a bespoke service. Four vendors were considered including the current incumbent utilised by the DSB for the OTC ISIN service today, these vendors covered both SaaS and off the shelf software which would be hosted by the DSB.

MB then presented a summary of the round 1 assessment.

FixSpec and FIXSIM scored highly in round 1, B2Bits was third with just one amber rating, the other three options had one rating that was not fit for purpose. As a result, FixSpec and FIXSIM were taken forward to round 2, B2Bits was discounted because of the need for the DSB to deploy and host the software.

MB took the user through the round 1 assessment for each of the six options in detail.

MB asked the members if there were any questions relating to the round 1 assessment, none were received so MB moved on to the round 2 assessment and explained the differences between the two vendors.

FIXSIM

With FixSpec, DSB FIX users would still connect to the DSB, the DSB would then ship the logs over to FixSpec for assessment. With FIXSIM, however, the DSB users would actually connect to FIXSIM infrastructure. Connectivity testing is an important part of the certification exercise to ensure the users are able to connect to the DSB, so this was an important difference between the two vendors.

FIXSIM did not have integration with 3rd party identity providers which is a key requirement from the UPI Scalability project. This could be added but would require additional time and cost. While FIXSIM supports white labelling it still requires use of the FIXSIM domain name. FIXSIM requires manual onboarding of DSB clients onto the FIXSIM solution and we are seeking to build out automated workflows for onboarding. FIXSIM were able to offer ReST certification, but at additional cost. The exact implementation fee was not provided and Opex significantly exceeded the planned budget.

FixSpec

Scored one red mark due to being outside the pre-approved budget in year 2 or 3 once the solution grows.

MB asked the members if there were any questions.

LT (FIX) asked how this could be considered an automated testing solution if the fix logs have to be shipped to FixSpec?

MB advised that as part of the configuration S-Tunnels would be setup to the SaaS vendor at the infrastructure level and these will be used to transfer the logs to the vendor for assessment.

LT wanted to confirm that the DSB was not planning on using FixSpec's simulation environment but are re-running the logs in their environment.

MB confirmed that was the case, they use our logs to generate their outputs.

LT asked if there was any concern with sending logs which may reveal the organisation's identity?

MB advised that this is only undertaken in the UAT environment and that this is something that is undertaken today with the manual iTiviti service.

MB then presented a summary of the FixSpec pricing which is a volume drive licence. The implementation fee was 2.8k higher than the forecast, however, the year one Opex costs were 22.2k under forecast. The user

numbers for Year 2 onwards suggest that Opex costs would rise to 18k over forecast. FixSpec do offer a discount for a 3-year deal which would bring the Opex much closer to the forecast. The recommendation being to undertake an initial 1-year term then look to negotiate a better deal once the numbers have firmed up.

The members were then asked if they agreed that FixSpec was the best option for UPI FIX certification from those presented and if they agreed for that recommendation to be presented to the full TAC?

RG agreed based on the information presented.

LT asked if the DSB had put the vendor through their paces by sending logs?

MB advised that would be covered as part of the proof-of-concept phase.

JB asked if there would be issues if the client only undertook a subset of the FIX functionality?

MB agreed to take that away for further consideration.

LT added that the DSB may want to test that the client can do what the DSB's FIX specification describes.

MB advised that connectivity testing was just one aspect, the existing OTC ISIN test cases will be reviewed and tailored to form the UPI tests.

The TAC SSC concluded that based on the information presented this should go forward to the full TAC.

MB handed back to the Chair.

5	**AOB**

The Chair asked the members if there was any other business?

RS asked a question regarding the proposed UPI product definitions – the CDIDE were still pulling together some responses and questions so what is the deadline date for these to be provided?

SW took an action to refer that question to the PMO.

RS asked if there was a document for the ISIN Status values?

SW advised there was and took an action to send RS the link to this document.

There were no items raised so the Chair thanked the members for their attendance and contribution to the forum. The meeting ending at 12:34 UTC.

6	**Actions**

Two new actions were recorded:

- 2109-001 SW to raise the CDIDE deadline for responses question from RS with the PMO.
- 2109-002 SW to send the link to the ISIN Status document to RS.

The following actions remain open:

- 2101-001 DSB to consider as part of the go-live considerations if the ISIN to UPI mapping can be made available prior to go live?
- 2104-002 TAC Secretariat to present the proposed dynamic enumerations approach for both the ISIN and UPI to the full TAC membership.
- 2106-001 AH to ask the DSB Product team if changing the OTC ISIN records to introduce the Source and Identifier underlier pairs is a requirement?

Respectfully submitted,

DSB Designated Officer.