

DSB TAC SSC MEETING MINUTES

Date: 28 September 2022 **Time:** 13.00 – 14.00 UTC **Location:** Zoom/Teleconference

Chairperson: Andy Hughes

In attendance:	TAC Members Amit Bairagi, Deutsche Bank AG Atara Sender-Stein, JP Morgan Bharat Kanase, Morgan Stanley Elodie Cany, Tradeweb Felix Ertl, BVI Ian Sloyan, ISDA 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 Simon Wiltshire, Chair Andy Hughes, Designated DSB Officer – DDO Michael Brindley, DSB Technology Manager Will Palmer, DSB CISO Yuval Cohen, DSB TAC Secretariat
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Apologies

Absences: Anthony Brennan, Standard Chartered Bank Souvik Deb, Citigroup

No Topics

1 Welcome

AH (DDO) introduced the agenda for the meeting and described Competition Law expectations and responsibilities of TAC SSC members. AH advised that no objections to the minutes from the December meeting had been received so they were made final and uploaded to the website.

2 Roll Call

AH undertook the roll call.

3 Interim Report Review

Slide 7 – Document Review Status

AH updated the members that the outstanding question has moved to the Product Committee, so section 3 is now considered final. Section 7 has been reopened for further discussion.

Slide 8 – Technical Review Update

Version 2.12 of the report was shared with members, section 3.1 was updated, section 7.2 was updated to include deprecation, section 8 was removed, the TAC SSC members have been updated and the usual document maintenance has been carried out.

Slides 9 – 12 Assumptions, Recommendations & Questions

There have been no changes to the assumptions and recommendations since the last meeting, however, as there are no outstanding questions this slide has been removed.

AH provided an update regarding the question around the long name for the UPI. This has moved to a discussion regarding a long name to describe the underlier. There could be future technical considerations in relation to this discussion, but these will be brought back to the forum should the need arise.

SW confirmed that this is now a PC matter with the view that the underlier long name could be added as an additional attribute alongside the FISN. There are two considerations, how to source the long name and how to make it available to the user.

JB (Tahoe Blue Ltd) asked if the long name of the UPI would become an attribute of the ISIN?

SW advised this was the name of the underlier rather than the name of the UPI itself and this would be implemented in the UPI only.

AS asked if the same FIX protocol used today would be used to fetch the ISIN and UPI's in the future?

AH advised that the UPI would have its own service, the report describes these in detail, the RoE for both ReST and FIX has been published on the DSB's website. The DSB is expecting new users who only consume the UPI service. For existing ISIN customers, they will be able to access the UPI code associated with the ISIN, or they can subscribe to the UPI service if they need to create UPI's. Existing customers will be able to reuse their existing connectivity with the DSB to access the additional methods.

IS (ISDA) asked about the relationship between ISIN and UPI which refer to many different interacting standards e.g.: the name of a company can change even though the stock remains the same. The ISDA taxonomy is built in – do we have a set of rules/principles in how we deal with changes to the taxonomy?

SW advised that the name change issue forms part of the requirements for the solution. Regarding ISDA taxonomy, these will be subject to the standard governance procedures e.g.: to introduce a new template.

IS advised that V2 of the taxonomy is being used which contains some bugs, but keen to understand if we must change, what is the impact and lead times associated with this?

SW advised that V2 is the base but there is some flexibility, e.g.: templates have been introduced in the past.

4 Updates

Slide 13 – UPI Release Framework

AH reminded the members of the framework for the UPI release which is an agreed approach which can be applied to the earliest regulatory mandate. The framework identifies UAT start as 9 months before the regulatory mandate with the production system available 3 months before the first mandate.

FE (BVI) asked if there was any information regarding the dates relating to this?

AH advised this will be covered on the next slide.

The framework also shows the plan for existing ISIN users who will need to adapt their systems to accommodate the UPI.

Slide 14 – UPI Current Plans

AH presented slide 14 which showed what the framework looks like when applied to the current understanding of the earliest possible regulatory mandate which is December 2023. This would mean UPI in UAT in March 2023 and a production release in September 2023.

FE advised this answered his question and added that the final RTS and official journal is due in the next couple of days which will provide the final date for the EMEA reporting obligation to kick in.

AH reminded the members that the December 2023 date was not yet confirmed.

Slide 15 – Pre-Population

AH revisited the members around the pre-population process which was discussed at the last meeting. AH advised that there was a new situation that has been identified which is that not all existing ISIN's can have a UPI created. This is due to stricter validation being in force for the UPI than was used originally for the ISIN. The assumption is that the OTC ISIN record will be marked as deprecated in this situation and it will not contain a UPI parent.

The Product Committee are currently discussing this topic in detail.

The pre-population process is expected to run as a background process and to take between 1 and 2 months. AH reminded the members of the impact on both the FIX Subscription service and the File Download Service and advised that the metrics had changed since the review in December.

It was noted that the OTC ISIN process underpinning UPI pre-population would be re-used for future updates of the OTC ISIN such as CFI 2019.

Slide 16 – ISIN Creation Volumes

AH provided the members with an update on the OTC ISIN creation volumes based on figures to the end of August 2022. The revised estimate for the total number of ISIN's as at December 2023 is 115,033,479.

Slide 17 – File Download Volumes

AH provided the members with an update on the File Download Volumes again to the end of August 2022. The File Download entries include newly created ISIN records and any ISIN's which have been updated. The largest impact on existing ISIN's is the expiry process which changes the status of ISIN's which have reached their expiry date. Approximately 50% of the entire OTC ISIN population have a status of expired. The typical daily volume of updates in the FDL is around 150,000.

Slide 18 – Pre-Population Impact

AH explained the current understanding of the impact on both FIX subscribers and users of the File Download Service especially considering the growth in expected volume above the original predictions. The questions raised in relation to this were then presented.

Slide 19 – Pre-Population Next Steps

AH reviewed the metrics previously presented and updated the members on the new figures, which have grown to an 8-fold increase in updates, if the 115 million updates are to take place over 32 days. AH referred to the feedback on the bulletin board article, the key outstanding questions were:

- *A six-fold increase in update volume would be impossible for many customers to process within their normal window*
- *Not to trigger updates and to provide a separate (smaller) cross reference*
- *Undertake the UPI updates separately, outside of the time-critical period, allowing users to undertake intraday updates*

AH reminded members that the DSB will be introducing a weekly snapshot representation in the file download area, which will be a single representation of the current state of the OTC ISIN's as at a point in time.

AH then invited the members for their views:

JB thought that expired ISIN's should still be assigned a parent UPI.

EC (TradeWeb) agreed with JB and asked if the DSB had considered an on-demand approach to this issue?

AH advised that there is currently no facility for users to trigger an update to an ISIN, but this could be investigated.

LT (Fix) suggested doing updates in smaller phases over a longer period of time e.g.: 6 months

AH advised that the expiry point may allow the process to be elongated to lessen the impact on the consumers.

LT suggested giving priority to the recently expired ISIN's.

AH agreed.

JB advised that it will still be an issue with the number of updates and decoupling may need to be considered.

This would require two accesses instead of one for users who require the UPI during the pre-population process.

LT suggested updating the database, but not trigger an update. Users requesting one of the older ISIN's would obtain the UPI Code on the next lookup of the record, this would not require as much information to be pushed out.

JB returned to the active 50% is still a lot of updates during the conversion period. If the ISIN update was paused as it is not necessarily considered an update to the ISIN. The activity could be relaxed and resume that later.

AH clarified that we could exclude the UPI population from the file download service – however this raised the question as to how users who want to see these updates access the information?

AH advised that if this was suppressed users would see UPI codes for new iSIN's and UPI codes for existing ISIN's that have been pre-populated then expire. The gap is the ISIN records that are updated with their ISIN and do not expire.

JB suggested that the answer may be to separate the pre-population updates from the file download.

EC liked this idea and asked if this has been considered.

AH advised that we are still investigating the options with the TAC SSC due to the feedback received.

EC asked if we have reached out to the regulatory expert regarding expired ISIN's reporting of the UPI code.

AH advised that this had not been progressed.

EC asked if we have investigated undertaking the update during a blackout weekend.

AH advised this was considered e.g.: an extended downtime window – but the issue still presents itself as we will still trigger the same number of updates. Hence, the approach to slow down and spread over time.

YC advised that users can create new ISIN's with the expiry date in the past, so they will be created as expired ISINs.

AH asked for view on how best to proceed.

JB advised another meeting would be fine given we haven't met in a while.

AH suggested an update on the bulletin board followed by a short meeting in the diary in a couple of weeks' time.

The members agreed so the TAC secretariat took two actions, to update the bulletin board and to arrange a follow up meeting.

5 AOB

No points were raised.

AH thanked the members for their contribution and reminded the members that the main TAC meeting is scheduled for the 26th October 2022.

6 Actions

Three new actions were recorded:

- 2209-001 TAC Secretariat to update the file download topic with proposed next steps
- 2209-002 TAC Secretariat to arrange a follow up SSC meeting within the next couple of weeks

No actions were closed prior to the meeting.

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?
- 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.