

**Derivatives Service Bureau**  
**CHANGE REQUEST FORM**

Version	State	Author	Date	Description
1	Draft	S. Wiltshire	28 July 2020	Initial Document
1	Final	S. Wiltshire	04 August 2020	Finalised (no changes made)

Title	Add GBP-SONIA-COMPOUNDED-INDEX to the list of valid Reference Rates		
<b>Background</b>	<p>The introduction of a new floating rate was confirmed by ISDA on 28<sup>th</sup> July 2020 - to take effect from 3<sup>rd</sup> August 2020. The name is to be:</p> <p><b>GBP-SONIA-COMPOUNDED-INDEX</b></p> <p>The DSB is obliged to ensure that the list of Reference Rates available as underlier for Rates products in the DSB are kept in line with the FpML Coding Scheme and so, under the assumption that this will be added to the FpML Coding Scheme in the near future, it is necessary to add this value to the enumerated list.</p> <p>Please be aware that the ISO Reference Rate translation is based on the value held against SONIA within the BenchmarkCurveNameCode Codeset using the derivation logic that is being used for the September 2020 release.</p> <p>This update will impact all templates within the RATES and OTHER Asset Classes that include a Reference Rate as an Underlying.</p>	<b>DSB-ID</b>	<b>DSB-659</b>
		<b>Type</b>	Enumeration
		<b>Owner</b>	S. Wiltshire
		<b>Version</b>	1
		<b>State</b>	Final
		<b>Validation</b>	<p>The new Reference Rate will not be subject to validation or expiry date validation.</p>
<b>Change Details</b>	<p>For each of the in-scope templates, the following enumerated values will be added to the <u>Reference Rate</u> and, where applicable, <u>Other Leg Reference Rate</u> attributes:</p> <ul style="list-style-type: none"> <li>• GBP-SONIA-COMPOUNDED-INDEX</li> </ul> <p>The elaboration for this entry will be set to:</p> <ul style="list-style-type: none"> <li>• SONA</li> </ul> <p><i>Note: For Rates.Option.CapFloor, the above enumerated value will be added to <u>Underlying Instrument Index</u> attribute.</i></p>		

<p><b>Derivation</b></p>	<p>The following derivations will be applied:</p> <ul style="list-style-type: none"> <li>• If Reference Rate = "GBP-SONIA-COMPOUNDED-INDEX"</li> <li>• Set ISO Reference Rate to "SONA"</li>   <li>• If Other Leg Reference Rate = "GBP-SONIA-COMPOUNDED-INDEX"</li> <li>• Set ISO Other Leg Reference Rate to "SONA"</li> </ul> <p>For Rates.Option.CapFloor:</p> <ul style="list-style-type: none"> <li>• If Underlying Instrument Index = "GBP-SONIA-COMPOUNDED-INDEX"</li> <li>• Set ISO Underlying Instrument Index to "SONA"</li> </ul>	
<p><b>Impacted Products</b></p>	<p>Please note the Request and Record templates for the below values will be impacted.</p> <p>Enumerated value to be added to <u>Reference Rate</u>:</p> <ul style="list-style-type: none"> <li>• Rates.Swap.Cross_Currency_Fixed_Float =</li> <li>• Rates.Swap.Cross_Currency_Fixed_Float_NDS =</li> <li>• Rates.Swap.Cross_Currency_Zero_Coupon =</li> <li>• Rates.Swap.Fixed_Float =</li> <li>• Rates.Swap.Fixed_Float_OIS =</li> <li>• Rates.Swap.Fixed_Float_Zero_Coupon =</li> <li>• Rates.Option.Non_Standard =</li> <li>• Rates.Forward.FRA_Index =</li> </ul> <p>Enumerated value to be added to <u>Underlying Instrument Index</u>:</p> <ul style="list-style-type: none"> <li>• Rates.Option.CapFloor =</li> </ul> <p>Enumerated value to be added to <u>Reference Rate</u> and <u>Other Leg Reference Rate</u>:</p> <ul style="list-style-type: none"> <li>• Rates.Swap.Basis =</li> <li>• Rates.Swap.Basis_OIS =</li> <li>• Rates.Swap.Cross_Currency_Basis =</li> <li>• Rates.Swap.Non_Standard =</li> <li>• Other.Swap.Non_Standard =</li> <li>• Other.Option.Non_Standard =</li> <li>• Other.Other.Non_Standard =</li> </ul> <p>Enumerated value to be added to <u>Other Leg Reference Rate</u> where the component is "Inflation vs Floating":</p> <ul style="list-style-type: none"> <li>• Rates.Swap.Inflation_Basis</li> </ul>	
<p><b>User Impact?</b></p>	<p><b>Yes</b></p>	<p>Users will need to download the updated templates in order to access the new Reference Rate.</p>
<p><b>User Impact?</b></p>	<p><b>Versions</b></p>	<p>The version number of all in-scope Record templates will not be impacted.</p>
<p><b>Use Cases</b></p>	<p>For each of the in-scope templates: Valid Request:</p> <ol style="list-style-type: none"> <li>1. Select the new enumerated value within the impacted attribute(s).</li> <li>2. Search for products that include the new enumerated value.</li> </ol>	

<b>Documentation</b>	<p>The following DSB documents are to be updated:</p> <p>DSB UAT Annex 7 Indices : <a href="https://www.anna-dsb.com/download/dsb-uat-product-definitions-annex-7-indices/">https://www.anna-dsb.com/download/dsb-uat-product-definitions-annex-7-indices/</a></p> <p>DSB PROD Annex 7 Indices : <a href="https://www.anna-dsb.com/download/dsb-prod-product-definitions-annex-7-indices/">https://www.anna-dsb.com/download/dsb-prod-product-definitions-annex-7-indices/</a></p>
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