

DSB PRODUCT COMMITTEE MEETING MINUTES

Meeting: The 63rd DSB Product Committee Meeting

Date: 13-Mar-2018 **Time:** 15.00 – 16.30 BST **Location:** Teleconference

Chairperson: Sassan Danesh, DSB

In attendance:

Committee Members Joseph Berardo, Intercontinental Exchange Peter Gratwick, JP Morgan Tia Ellerman, Citi Danielle Wissmar, GSAM Michael Bauch, Allianz Global Investors Trevor Mallinson, Bloomberg	Regulators (Observers) Takahiro Onojima, JSDA Eiichiro Fukase, JSDA Robert Stowsky, CFTC Alejandro De La Rocha, FCA Jeremy Clivaz, FCA
ANNA Board (observer) Emma Kalliomaki, DSB	DSB Secretariat / PMO Nathan Dagg, DSB Malavika Solanki, DSB

Apologies: Ayala Truelove, Tradeweb

Absences: Bill Stenning, Société Generale
Stephen White, Fidelity

No	Topics
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1	Open Actions
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- **Action 153:** No update, remain open
- **Action 165:** No update, remain open
- **Action 182:** No update, remain open
- **Action 184:** Secretariat advised that an industry participant has been contacted to provide a use case for FX Proprietary indices but nothing has been received yet. Secretariat to contact participant again and time box a response to a week before closing if not response received. Remain open
- **Action 185:** Secretariat to provide analysis on the introduction of Place of Settlement for impacted Rates templates and reference against FX implementation and present to the PC. Given the potential impact on a broad set of DSB product templates, it was discussed the best approach would be from an ISO perspective to seek clarity from the CFI WG to ensure consistency, then bring to the PC for discussion. Item moved to open issues pending feedback from CFI WG. Closed
- **Action 186:** No update, remain open
- **Action 187:** No update, remain open
- **Action 189:** No update, remain open
- **Action 190:** No update, remain open
- **Action 191:** No update, remain open

2	Regulatory Feedback
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- DSB provided feedback from received an NCA in relation Rates for Delivery Type (Cash vs Physical), Different (but equivalent) Reference Rates, Forward Starting Swaps

- **Delivery Type** – there were various comments about the industry understanding of Cash vs Physical for Interest Rates Swaps and how it related to the corresponding CFI value. DSB advised that their understanding from an ISO 10962:2015 (CFI) point of view, that Physical should be used for single currency interest rate swaps that are settled in the same currency; and Cash should be used where the settlement currency differs from the traded currency.
- It was suggested that CFI (ISO 10962) Working Group (WG) should provide guidance on which values should be used to ensure consistency across the market
- NCA mentioned that this was not particularly time critical, but a resolution was needed
- Delivery type qualification for Rates to be sought from CFI WG by having this added to their WG agenda, which can then be brought back to the PC
- **Reference Rates** – various comments made about different but equivalent reference rates (e.g. EURIBOR – Reuters vs. EURIBOR – Telerate), and it was commented that certain regulators view these separately when valuing a swap, but others will take a less granular approach
- Members commented on whether DSB should carry its own mapping of reference rates currently being sourced from FpML, but it was noted that this would carry its own complexities and it could be better to point to a consistent source
- **Forward Starting dates** – the topic of forward starting dates was brought up and members had commented on previous discussion in which this attribute was discussed and subsequently omitted from the ISIN due to the complexity this creates e.g. which dates is used, all swap or just forward starting, duplicate ISINs, separate template for forward starting etc.
- Members stated that more information and examples would need to be provided in order to complete a thorough analysis
- NCA mentioned would like this item to be put in the DSB's backlog of items for consideration
- Secretariat to carry forward starting date inclusion as an open issue which can be discussed at a later date

3 Product Committee Progress Report

- Secretariat advised the Product Committee Progress Reports for January and February have now been made available with feedback needed by COB Friday 16th March before being made final

4 2018 Product Development

- Secretariat item held over for discussion pending broader attendance of PC as this relates to item 5

5 ISIN Hierarchy Discussion

- Secretariat item held over for discussion pending broader attendance of PC

6 ISDA/FpML to ISO mapping Taskforce – Update

- Secretariat advised document has been sent back to ISDA for review late last week and is pending finalisation around some questions on delivery type
- Once document has been finalised it will be shared with the PC for review and sign off

7 AOB

- Chair mentioned following the introduction of a new Product Committee member last week, that this was the first in which the member was in attendance and that the new member would serve for the remainder of the PC term
- A member enquired if a delivery roadmap or schedule could be published for the remainder of the year at some point, in order to help firms plan future development
- A member noted the potential need for additional ISIN validation to be conducted and agreed to share examples that might benefit from further consideration

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- Chair commented that the DSB is currently focusing on stability and performance as primary needs and would be holding a technology webinar on the 22nd March to discuss the coming year. It was noted this would form the basis for the potential agenda of the Technology Advisory Committee that will be constructed by the end of Q2
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Respectfully submitted,

DSB Secretariat

Minutes Approved on: 23rd March 2018

Summary of Open Actions

No	Actions	Owner	Target Date
153	DSB PC to continue to conduct bilateral discussions with vendors and index providers to enhance the enumerated Equity index list	DSB Sec	31-Mar-18
165	Secretariat to develop a Non-Deliverable FX Swap template for delivery in 2018	DSB Sec	13-Feb-18
182	Secretariat to report back to the PC with the activity over the Easter holidays to help shape the approach for future holidays	DSB Sec	10-Apr-18
184	Secretariat to obtain a business use case from industry to accommodate ISIN creation over FX Proprietary indices	DSB Sec	16-Mar-18
186	Secretariat to discuss removal of the validation that prevents 0 in the Equity Non-Standard Option Strike price field and revert to the PC with a timeline	DSB Sec	27-Mar-18
187	Secretariat to investigate the technical requirements along with accept/reject conditions for a nested ISIN request approach and revert to the PC for review	DSB Sec	27-Mar-18
189	DSB to continue discussion with Commodity index providers with the aim of having an agreed design and an agreement in principle by end of Q3. Smaller milestones to be made available to PC over coming quarters to track progress	DSB Sec	Q3
190	Secretariat to publish Challenge Process document for industry consumption	DSB Sec	20-Mar-18
191	Secretariat to investigate design for the Floating Rate and OIS schema validation on impacted templates and present back to the PC	DSB Sec	03-Apr-18