

DSB COMMODITIES TASKFORCE MINUTES

Date: 13-Sep-2017 **Time:** 15.00 – 16.00 BST **Location:** Teleconference

Chairperson: Tony Birrell, DSB Chair

In attendance:

<p>Committee Members Russell Lowell, BAML Carrie Southard, Citi Tia Ellerman, Citi Nandini Kwiez, Goldman Sachs Jacob Stevens, Morgan Stanley Shari Lines, Morgan Stanley Robin Kirkpatrick, Standard Chartered Richard French, BAML Caroline Woodley, BNP Oliver Mistry, Goldman Sachs Shanshan Yang, JP Morgan Glade Wishart, Citi Harry McAllister, BNP Derek Brown, BNP Kerry Chapman, JP Morgan</p>	<p>DSB Secretariat / PMO</p>
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Apologies:

- Melissa Ratnala, ICE
- Carolyn Van den Daelen, ICE
- Harleen Rahi, Goldman Sachs
- Natasha Willie, BAML
- Paul Savage, Citi
- Jeremy Goldman, Goldman Sachs

Absences:

No	Topics
1	<p>Currency of the Notional</p> <ul style="list-style-type: none">• Members discussed whether to use settlement currency of the trade or settlement currency of the underlying• Members agreed to recommend using the settlement currency of the trade
2	<p>RTS 23 Taxonomy</p> <ul style="list-style-type: none">• An issue was raised that the RTS 23 taxonomy does not cover all market possibilities especially Natural Gas• Secretariat confirmed that where applicable, the full 3 levels of hierarchy are required• Members agreed that if the exact product hierarchy is not available then Base Product of 'Other' should be used and the Reference Rate used to specify the underlying• Members agreed that given expected volume, this behaviour would trigger ESMA consideration and potential amendments to RTS 23.
3	<p>ISDA Reference Rate</p> <ul style="list-style-type: none">• Secretariat confirmed that 'Other' should be selected where a specific reference does not exist

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- Secretariat confirmed that this ISIN is valid and should a specific enumeration be added in future this would not be retrospectively applied to existing ISINs
 - Members discussed the implications of this on transactional reporting in the context of a termination to an existing trade
 - **Action:** Members agreed to escalate to ISDA for comment regarding whether a new ISIN with a specific Reference rate should be generated & reported in the event of a termination of an existing trade that contained a reference rate of 'Other'
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4 Reference Price

- Member observed differences in the ISDA 2.0 taxonomy listed within the JSON templates vs their institutional copy
 - **Action:** Secretariat to determine the version of the 2015 ISDA 2.0 taxonomy used and circulate to the taskforce
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5 Final Price Type

- Members agreed to request direction from ISDA on the interpretation of this field
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6 Underlying ISIN

- Secretariat confirmed that underlying ISIN is only required for a Swaption and users must have obtained the ISIN of the swap prior to the request for the swaption
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7 Transaction Type

- Secretariat asked members if any validations should be applied to Transaction Type.
 - Members agreed this was not required
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Respectfully submitted,

DSB Secretariat

Minutes approved on: 20-Sep-17

Summary of Actions

- Greyed out items are complete

No	Actions	Owner	Target Date
1	Member to distribute to the group a potential new source for the Reference Rate enumerations for Commodities product definitions.	Members	07-Jul-17
2	Members to review proposed Reference Rate amendment	Members	13-Jul-17
3	Members to investigate internal requirements regarding custom indices and baskets	Members	13-Jul-17
4	Members to consider the proposals on Custom baskets and Reference Rate for the Multi-Exotic Options product definition	Members	13-Jul-17
5	Secretariat to circulate the two taxonomies and members are to opine on their preference by Thursday 20 th July	Sec/Members	20-Jul-17
6	Secretariat to add 'Custom Index' to the list of enumerations	Sec	20-Jul-17
7	Secretariat to amend Price Multiplier from derived to User Input in the Product Definitions	Sec	20-Jul-17
8	Members agreed to contact ISDA to understand their change process and SLAs for adding new indexes to their taxonomy	Members	
9	Secretariat to design a change management process and discuss with the taskforce	Sec	
10	Secretariat to add normalisation rules into the Basis Product Definition	Sec	27-Jul-17
11	Secretariat to assess the impact of Underlying Index a mandatory field	Sec	27-Jul-17
12	Members agreed to escalate to ISDA for comment regarding whether a new ISIN with a specific Reference rate should be generated & reported in the event of a termination of an existing trade that contained a reference rate of 'Other'	Members	TBC
13	Secretariat to determine the version of the 2015 ISDA 2.0 taxonomy used and circulate to the taskforce	Sec	15-Sep-17