

DSB COMMODITIES TASKFORCE MINUTES

Date: 14-Aug-2017 **Time:** 14.00 – 15.00 BST **Location:** Teleconference

Chairperson: Tony Birrell, DSB Chair

In attendance:

Committee Members Natasha Willie, BAML Tia Ellerman, Citi Nandini Kwiez, Goldman Sachs Jeremy Goldman, Goldman Sachs Jacob Stevens, Morgan Stanley Shan Shan Yang, Morgan Stanley	DSB Secretariat / PMO
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Apologies:

- Russell Lowell, BAML
- Richard French, BAML
- Carrie Southard, Citi
- Paul Savage, Citi
- Melissa Ratnala, ICE
- Carolyn Van den Daelen, ICE
- Harleen Rahi, Goldman Sachs
- Kerry Chapman, JP Morgan
- Shari Lines, Morgan Stanley
- Robin Kirkpatrick, Standard Chartered

Absences:

No	Topics
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1 Reference Rate – ISDA 2.0 taxonomy

- Secretariat requested that members reach out to ISDA representatives to determine their change management process
 - Members agreed to revert with any feedback
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2 Treatment of Notional currency for 2 floating legs

- Secretariat provided 4 options to the taskforce on how to interpret which leg Notional currency should apply to for instruments with two floating legs
 - Members agreed that Notional currency should represent the currency in which the trade was settled
 - This approach also aligns with the usual convention for calculating notional for a basis swap
 - **Action:** Members to revert to the secretariat if this is not an acceptable approach within their organisation
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3 Treatment of Final Price Type for 2 floating legs

- Secretariat provided 4 options to the taskforce on how to interpret the Final Price type for instruments containing two floating legs
 - Members agreed on an approach to select the corresponding Final Price Type if it matches to the Reference Rate selected
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- For basis instruments, following alphabetical normalisation, users should select the Final Price type that corresponds to the first leg Reference rate
- If there are no corresponding values then 'Other' should be selected.
 - **Action:** Members to revert to the secretariat if this is not an acceptable approach within their organisation

4 Default interpretation for Return or Payout Trigger

- Members agreed that 'Contract for Difference (CFD)' should be the default selection for Commodity Swaps
 - Members agreed that 'Forward Price of an Underlying Instrument' should be the default selection for Commodity Forwards
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Respectfully submitted,

DSB Secretariat

Minutes approved on: 21-Aug-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	31-Aug-17
9	Secretariat to design a change management process and discuss with the taskforce	Sec	31-Aug-17
10	Secretariat to add normalisation rules into the Basis Product Definition	Sec	27-Jul-17
11	Secretariat to assess the impact of Underlying Index as mandatory field	Sec	27-Jul-17
12	Members to revert if the treatment of Notional currency or Final Price Type for Basis instruments is not acceptable	Members	21-Aug-17