

## DSB PRODUCT COMMITTEE MEETING MINUTES

**Meeting:** The 72<sup>nd</sup> DSB Product Committee Meeting

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**Date:** 15-May-2018                      **Time:** 15.00 – 16.30 BST                      **Location:** Teleconference

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**Chairperson:** Sassan Danesh, DSB

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**In attendance:**

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| <b>Committee Members</b><br>Peter Gratwick, JP Morgan<br>Michael Bauch, Allianz Global Investors<br>Stephen White, Fidelity<br>Joseph Berardo, Intercontinental Exchange<br>Tia Ellerman, Citi<br>Bill Stenning, Soci ete Generale | <b>Regulators (Observers)</b><br>Takahiro Onojima, JSDA<br>Eiichiro Fukase, JSDA<br>Robert Stowsky, ISO<br>Alejandro De La Rocha, FCA |
| <b>ANNA Board (observer)</b>   | <b>DSB Secretariat / PMO</b><br>Nathan Dagg, DSB<br>Malavika Solanki, DSB   |

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**Apologies:** Danielle Wissmar, GSAM  
Trevor Mallinson, Bloomberg  
Ayala Truelove, Tradeweb

**Absences:**

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| No | Topics |
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### 1 Open Actions

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- **Action 190:** Secretariat to publish Challenge Process document for industry consumption. Discussed in today's call. Remain open.
  - **Action 200:** The DSB to assess timing of updating the Venezuelan Bolivar across all template based on the three approaches defined by PC (impacted templates first, asset class by asset class and all templates at once). Discussed in today's meeting. Closed.
  - **Action 201:** DSB to follow up with ANNA Secretariat to understand how other NNA's will be processing the Venezuelan redenomination
  - **Action 202:** DSB to follow up with ISDA to understand how other industry groups will be handling the Venezuelan redenomination
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### 2 Change Process Document

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- Secretariat provided more information in relation to feedback received on the Change Process document for further discussion in the PC meeting today
  - PC discussed the role of the requestor and who would should raise requests to the DSB. Comments revolved around the type of organisation submitting a request (Regulator, Industry body or sole firm), and PC felt it would be beneficial to have requests arise from industry body's which would form broader agreement on the issue or change, and would be more considered in presenting the request
  - PC also discussed scenario management and process for a particular issue / change, and it was suggested these would have be considered on an individual basis, as particular scenarios could call for different approaches, rather than one for all. This approach would be in line with document being iterative once first published
  - Secretariat agreed that feedback would be consolidated and added to the document for further PC review
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### 3 Product Committee Composition

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- The DSB advised the PC meeting last week that two members of the PC have moved on from their current roles and would no longer be able to serve as PC members. Another PC member is currently on paternity leave and likely be unavailable until at least mid-June
  - It was noted that the current interim composition of 7 member vs. the full complement of 9, thus resulting in the interim quorate group being based active attendance of more than 50% of Members
  - The DSB mentioned that it is currently in discussion with colleagues of the previous PC members in order to find a suitable replacement in a timely manner and further updates would be made when available
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#### **4 Secured Overnight Financing Rate (SOFR)**

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- The DSB advised the PC that updated templates had been released in the DSB's UAT environment over the weekend and there had been a small amount of testing by a handful of users
  - The DSB is on schedule to deliver the functionality on the weekend of 19<sup>th</sup> / 20<sup>th</sup> May 2018, which is the most appropriate date for deployment after it is made available by ISDA/FpML on the 16<sup>th</sup> May 2018
  - The DSB advised the proposed timelines which were predicated on successful public testing and internal testing, and mentioned the aggressive timeline were due to appetite from the industry to support the new reference rate
  - Members discussed the need to make the future updating of enumeration lists or data changes more agile and with minimal effort by both the DSB and users. This approach would also benefit providers of both proprietary and third-party indices, thus allowing the DSB to provide greater index granularity for OTC Derivative ISINs.
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#### **4 Venezuela Bolivar redenomination**

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- The DSB provided an overview of some timing on implementation based on a staggered approach rather than a big bang (all templates at once) as requested by the PC last week
  - The DSB noted that the pros for the staggered approach mean a more manageable deployment in terms of bandwidth and better roll back capability, while the cons would mean it would make deployment pack more complex if it coincided with another release in the same asset class, which would make it difficult to isolate changes and could result in greater error rates in testing
  - The DSB noted the pros for the big bang approach, would mean the DSB would only need to reserve a smaller window for deployment go-live, which would make it easier to test and the change would be more focused and contained. The cons would mean the DSB having to reschedule other product definition templates deployment to production
  - The DSB mentioned the impacted templates would be Rates Inflation Basis and Commodities Multi Exotics templates which were planned for May 26<sup>th</sup> 2018
  - The PC discussed both approaches and while there was some concern over a big bang approach (preference was for staged), the majority of attendees agreed that it was an approach that should be taken given the timeliness of the change
  - The DSB provided a proposed timeline for deployment which would give users the ability to test all asset class templates over a two-week period prior to production deployment on the 10<sup>th</sup> June 2018, which would be based on successful internal and public testing
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#### **5 Commodities Multi Exotic Templates**

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- Secretariat provided some feedback from a member of the commodities taskforce relating to some of the current functionality in the Multi Exotic templates that are currently in UAT
  - The DSB had previously planned these templates to be deployed to production on the weekend of 21<sup>st</sup> / 22<sup>nd</sup> April, but were delayed due to the priority of the SONIA release
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- The DSB mentioned that there had been upwards of 4,500 ISIN created across ~15 firms (a handful of firms making up a lot of that number) since the DSB has had these available in UAT and no other issues had been raised during user testing
  - Secretariat discussed the examples that had been provided, where an issue was raised on the interpretation of the CFI code returned was indicating a single index underlier (STICXP) and the user was expecting to have returned a multiple index underlier (STQCXP) when the user input a single underlying instrument index
  - PC commented that a waterfall approach could be more beneficial when assessing how to create the correct CFI with Index 'I' or Multi Commodity 'Q' as the underlying asset (character #3 of CFI code)
  - PC would discuss this scenario at the next meeting with further information to be supplied by the Secretariat to enable further discussion
  - PC agreed that scenario two that was submitted was deemed to be a non-issue, with the use of 'Q' by the DSB being valid in the example provided
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**6 AOB**

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- The DSB advised they would be running a webinar and subsequent consultation on the DSB 2019 User Fee and User Agreement on Friday 18<sup>th</sup> May
  - The DSB advised the deadline for the Technology Advisory Committee would be on Thursday 17<sup>th</sup> May
  - The DSB noted user feedback about the possible need to accommodate additional credit index families, with further analysis to be conducted
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Respectfully submitted,

DSB Secretariat

Minutes Approved on: 8-Jun-2018

## Summary of Open Actions

| <b>No</b>  | <b>Actions</b>  | <b>Owner</b> | <b>Target Date</b> |
|------------|---|--------------|--------------------|
| <b>190</b> | Secretariat to publish Challenge Process document for industry consumption  | DSB Sec      | 01-May-18          |
| <b>201</b> | DSB to follow up with ANNA Secretariat to understand how other NNA's will be processing the Venezuelan redenomination | DSB Sec      | 22-May-18          |
| <b>202</b> | DSB to follow up with ISDA to understand how other industry groups will be handling the Venezuelan redenomination     | DSB Sec      | 22-May-18          |