

DSB PRODUCT COMMITTEE MEETING MINUTES

Meeting: The 103rd DSB Product Committee Meeting

Date: 18-Dec-2018 **Time:** 15.00 – 16.30 BST **Location:** Teleconference

Chairperson: Malavika Solanki, DSB

In attendance:	Committee Members Uwe Hillnhuetter, Tradeweb Jay Shotton, JP Morgan Jonah Platt, Citadel Joseph Berardo, Intercontinental Exchange Adam Lister, Bloomberg Michael Bauch, Allianz Global Investors	Regulators (Observers) Eiichiro Fukase, JSDA
	ANNA Board (observer) Emma Kalliomaki, DSB	DSB Secretariat / PMO Andy Hughes, DSB Simon Wiltshire, DSB

Apologies: Bill Stenning, Société Générale
David Olgilvie-Forbes, FCA
Nathan Dagg, DSB

Absences: Tia Ellerman, Citi

No Topics

1 Open Actions

- **Action 218:** The DSB to report back to the Product Committee with the detailed response from ESMA to IR Term of Contract guidance once it has been received.
 - **Action 239:** DSB to investigate whether cross-asset templates can accommodate blank input values and send an email to the PC summarising the Underlying Instrument Index Term/Value functionality proposed for use in Cross-Asset templates with a Commodity component. **Closed.**
 - **Action 240:** DSB to distribute an email to the PC providing a summary of the proposal with analysis of existing ISINs that include Place of Settlement and/or CNH along with an example of a CNY/CNH ISIN record. **Closed**
 - **Action 241:** DSB to distribute an email to ISDA explaining the guidance that is proposed to be provided for Basis / Basis OIS to the user community and provide feedback to the PC. **Closed.**
 - **Action 242:** PC requested to investigate whether the Effective Date of a Swap is adjustable and agree how that should impact the Tenor Calculator design. **Closed.**
 - **Action 243:** DSB to update the Tenor Calculator diagram to reflect the current design and distribute to PC members. **Closed.**
 - **Action 244:** DSB to present the technical details of the Tenor Calculator to the TAC for approval before proceeding further. **Closed.**
 - **Action 245:** DSB to distribute the Tenor Calculator functional and non-functional specification to the members of the PC – following (by 2 weeks) technical agreement by the TAC.
 - **Action 246:** DSB to document the current Tenor Calculator FAQs before the next PC meeting. This document is to be in draft form and will be based on the questions and answers presented to the PC. Once published, the FAQ is intended to be a living
-

document with updates based on incoming user queries and is intended to aid user readiness. **Closed.**

- **Action 247:** PC to consider the necessary response to the question concerning Partial Termination / Modification that is to be included in the Field 41 FAQ. **Closed.**
- **Action 248:** DSB to present the issue of AUP and Volume Cap for the Tenor Calculator to the TAC for consideration so that the appropriate levels can be documented and applied.
- **Action 249:** DSB is awaiting feedback for the FISN update from the relevant ISO working group and will communicate this to the PC once received. **Closed.**
- **Action 250:** PC to consider the issues around support for digital assets and respond to the PC. **Closed.**
- **Action 251:** DSB to contact the institution that raised the issue of support for digital asset derivatives for further information and present to the PC when a response is received. **Closed.**

2 FX Forward: Place of Settlement (CNY/CNY)

- The Product Committee agreed to expand the current validation of Non-Standard Forwards, Non-Standard Options and Non-Deliverable Swaps to support ISINs where the currencies are identical as long as a Place of Settlement is provided.
- In the first instance, only CNY/CNH (with CNY + HK as a place of settlement) instruments will be accepted by the DSB, but the request will be monitored to see whether the validation rules need to be extended to include other currencies, based on user request.
- In addition, guidance on this subject will be provided in the DSB FAQ on the DSB website.
- **Action 240:** Closed.
- The DSB raised a question that had been received asking whether the name of the recently released Non-Deliverable Swap (NDS) should be amended to reflect the fact that offshore CNY instruments are deliverable.
- The Product Committee agreed that this would not be necessary since the currency in question (CNY) was considered non-deliverable and so the name was appropriate.
- **Action 252:** DSB to respond to the initiator of the question concerning CNY/CNY & Place of Settlement with the decision of the Product Committee.

3 Underlying Index Term Value/Unit

- The Product Committee agreed with the functionality presented to the meeting concerning the validation and defaulting of the Underlying Index Term Value/Unit for Cross-Asset templates with a Commodity component.
- **Action 239:** Closed.

4 Tenor Calculator: Effective Date Adjustment

- The Product Committee agreed that, as an input to the Tenor Calculator, it was not necessary to specify whether the Effective Date was adjusted or unadjusted.
- **Action 242:** Closed.
- **Action 253:** The DSB will include an entry in the Field 41 FAQ document that explains that since Clearing Houses are able to support Effective Dates for a non-business day, in the rare instance that a non-business day is specified for the instrument, that date should be used in the definition of the ISIN.
- **Action 255:** DSB to send ESMA the assumptions that are to be used in the development of the Tenor Calculator for their review and feedback.

5 Term of Contract: Partial Termination / Modification

- The Product Committee agreed that, industry should continue with current practice as the changes introduced to the reporting of field 41 did not affect the ESMA transparency principles.
- **Action 247:** Closed.

6 Digital Asset / Crypto-Currency Derivatives

- The Product Committee agreed to close this issue until regulators and the international standards bodies start to make provisions that facilitate the reporting of such instruments.
- **Action 250:** Closed.
- In addition, the DSB confirmed that the institution responsible for raising the issue of support for Digital Asset Derivatives had been contacted for further information. No information has yet been received.
- **Action 251:** Closed.

7 FISN

- The Product Committee was informed that the new FISN abbreviation for Single Stock (“SStk”) had been approved by ANNA Secretariat WG2 and that it would be included in the next version of the FISN abbreviation list.
- **Action 249:** Closed.
- The DSB asked the Product Committee whether a wider review of the FISN structure was necessary at this time and the matter has been put on hold pending other industry priorities at this time. No action.

8 Basis / Basis OIS Template Guidance

- The Product Committee was informed that an email has been sent to ISDA outlining the proposed guidance for the use of the Basis and Basis OIS templates.
- **Action 241:** Closed.
- **Action 256:** DSB to present ISDA’s feedback on Basis/Basis OIS issue to the PC and to add it to the FAQ on the website.

9 Tenor Calculator: Technical Requirements

- Andy Hughes provided the meeting with an update on the review of the Tenor Calculator by the TAC – the guidance has been posted in the private TAC bulletin board.
- **Action 243:** Closed.
- **Action 244:** Closed.
- The Product Committee agreed the following steps for this review, once the TAC had completed its deliberations:
 - **Action 257:** DSB to ensure that the Tenor Calculator Functional Specification document is updated in line with decisions made by the TAC.
 - **Action 258:** DSB to present any changes made to the Tenor Calculator Functional Specification to the Product Committee.
 - **Action 259:** PC to determine whether the Tenor Calculator Functional Specification should be subject to further industry review.

10 Tenor Calculator: FAQ

- The Product Committee reviewed the current draft FAQ document (version 2) and agreed to review the document and provide further comment.
- **Action 246:** Closed.
- **Action 254:** PC to review the current draft Tenor Calculator FAQ document (version 2) and agreed to review the document and provide further comment.
- The PC reaffirmed that in order to satisfy the ESMA requirement that “If the contract duration fits a standard term, the standard term should be populated in field 41”, an ISIN for a 10Y IMM Swap should be created using “10 YEAR” as a tenor, as the ISIN would reflect the correct expiry date.

11 UAT Release Notifications and Documents

The DSB provided an update to the PC on the progress of releases to support the SI regime and field 41 enhancements, including a reminder of target release dates.

12 AOB

The DSB Chair and ANNA Representative expressed their gratitude to the members of the Product Committee for their time and effort over the lifetime of this committee and looked forward to working with those members of the group who were moving forward to the next iteration of the Product Committee.

Respectfully submitted,

DSB Secretariat

Minutes Approved on: 22nd December 2018

Summary of Open Actions : to be carried forward to the Product Committee in 2019.

No	Actions	Owner	Target Date
218	The DSB to report back to the Product Committee with the detailed response from ESMA to IR Term of Contract guidance once it has been received.	DSB Sec	28-Nov-18
245	DSB to distribute the Tenor Calculator functional and non-functional specification to the members of the PC – following (by 2 weeks) technical agreement by the TAC.	DSB Sec	TBC
248	DSB to present the issue of AUP and Volume Cap for the Tenor Calculator to the TAC for consideration so that the appropriate levels can be documented and applied	DSB Sec	TBC
252	DSB to respond to the initiator of the question concerning CNY/CNY & Place of Settlement with the decision of the Product Committee.	DSB Sec	8-Jan-19
253	The DSB will include an entry in the FAQ document that explains that since Clearing Houses are able to support Effective Dates for a non-business day, in the rare instance that a non-business day is specified for the instrument, that date should be used in the definition of the ISIN.	DSB Sec	8-Jan-19
254	PC to review the current draft Tenor Calculator FAQ document (version 2) and agreed to review the document and provide further comment.	DSB PC	8-Jan-19
255	DSB to send ESMA the assumptions that are to be used in the development of the Tenor Calculator for their review and approval.	DSB Sec	11-Jan-19
256	DSB to present ISDAs feedback on Basis/Basis OIS issue to the PC and to add it to the FAQ on the website.	DSB Sec	11-Jan-19
257	DSB to ensure that the Tenor Calculator Functional Specification document is updated in line with decisions made by the TAC.	DSB Sec	11-Jan-19
258	DSB to present any changes made to the Tenor Calculator Functional Specification to the Product Committee.	DSB Sec	11-Jan-19
259	PC to determine whether the Tenor Calculator Functional Specification should be subject to further industry review.	DSB PC	11-Jan-19