

DSB PRODUCT COMMITTEE MEETING MINUTES

Meeting: The 73rd DSB Product Committee Meeting

Date: 22-May-2018 **Time:** 15.00 – 16.30 BST **Location:** Teleconference

Chairperson: Sassan Danesh, DSB

In attendance:

Committee Members Peter Gratwick, JP Morgan Stephen White, Fidelity Joseph Berardo, Intercontinental Exchange Tia Ellerman, Citi Bill Stenning, Société Generale	Regulators (Observers) Takahiro Onojima, JSDA Eiichiro Fukase, JSDA Robert Stowsky, ISO Alejandro De La Rocha, FCA
ANNA Board (observer) Emma Kalliomaki, DSB	DSB Secretariat / PMO Nathan Dagg, DSB Malavika Solanki, DSB

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

Absences: Michael Bauch, Allianz Global Investors

No	Topics
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1 Open Actions

- **Action 190:** Secretariat to publish Challenge Process document for industry consumption. Discussed in today's call. Remain open.
 - **Action 201:** Secretariat to follow up with ANNA to understand how other NNAs propose to address the Venezuelan redenomination. Discussed in the call and moved to open issues. Closed.
 - **Action 202:** Secretariat to follow up with ISDA to understand how other industry groups propose to address the Venezuelan redenomination. Discussed in the call and moved to open issues. Closed.
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2 Change Process Document

- The DSB's intention was to publish to the industry on the 1st May, however material feedback has now been received from one member
 - PC to review and feedback on the revised document and feedback next week, following which the document would be published
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3 Secured Overnight Financing Rate (SOFR)

- SOFR is a new rate the New York Federal Reserve started publishing in which is based on the transactions in the repurchase market and was created as an alternative to the Libor rate
 - The PC was advised that updated templates were now available in Production and that there were no reported issues relating to the change
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4 Venezuela Bolivar redenomination

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- Secretariat presented the PC with proposed implementation timelines as requested noting that all but one DSB Product Definition, with timelines predicated on successful internal and public testing
 - The implications for other UAT templates were also discussed and it was agreed that rollout should be expedited where possible
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5 Euro Unsecured Overnight Interest Rate (ESTER)

- ESTER is a new rate being developed by the ECB's Governing Council
 - The need for early engagement with benchmark administrators was noted considering the reference data implications and lessons learned as part of the DSB's effort on SONIA benchmark reforms.
 - The PC recommended that the DSB reach out to ISDA to understand their intended approach and timelines
 - **Action 203:** Secretariat to reach out to ISDA to understand their approach and timelines to including the ESTER rate in their definitions and including it into the FpML enumerations list
 - **Action 204:** DSB to reach out to the ESTER benchmark administrators and an engage with working group or forums where necessary
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5 Commodities Multi-Exotic Templates

- The PC discussed feedback received from a single user on the three templates currently in UAT to determine implementation impact of a particular use case. The PC also reviewed UAT activity for the scenario in question
 - Discussions were wide ranging and touched upon the naming convention of the DSB Product Definition itself, interpretations of the ISO standard with respect to CFI codes – in particular, the use of “I” and “Q” and the possible reliance on underlying reference rates in order to determine whether an instrument was a true multi-commodity product vs. creating separate templates for index vs. basket instruments
 - **Action 205:** Secretariat to evaluate timelines to enable the PC to determine next steps. It was noted that due to staff absences, this matter would likely be followed up in 2-4 weeks' time.
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6 Correction Scripts

- The PC reviewed the timeline for implementation and the Secretariat commented that relevant notifications had been sent to users.
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7 ISDA/FpML to ISO mapping Taskforce – Update

- Members to provide feedback on the mapping document for the Rates asset class, following which the document would be shared with ISDA and updated as necessary
 - Discussions about next steps were held and it was agreed that the document should be circulated to industry to allow all DSB users to review and provide feedback before finalising
 - It was noted that discussions with ISDA had thus far focused solely on the rates asset class but had recently evolved to encompass all asset classes, including cross-asset templates
 - The DSB noted that significant governance and implementation effort would be required to facilitate ISDA's request and that work was ongoing to agree an approach for possible timelines and underlying assumptions, including provision for both build and ongoing maintenance
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6 AOB

- The Secretariat noted a PC member's feedback on a user request for a review of the DSB's credit index enumeration content to ensure that a current list was available to
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industry. It was noted that the DSB was also waiting feedback from other market participants, following which the PC would be provided with further updates.

Respectfully submitted,

DSB Secretariat

Minutes Approved on: 8-Jun-2018

Summary of Open Actions

No	Actions	Owner	Target Date
190	Secretariat to publish Challenge Process document for industry consumption	DSB Sec	01-May-18
203	Secretariat to reach out to ISDA to understand their approach and timelines to including the ESTER rate in their definitions and including it into the FpML enumerations list	DSB Sec	12-Jun-18
204	DSB to reach out to the ESTER benchmark administrators and an engage with working group or forums where necessary	DSB Sec	12-Jun-18
205	Secretariat to evaluate timelines to enable the PC to determine next steps. It was noted that due to staff absences, this matter would likely be followed up in 2-4 weeks' time.	DSB Sec	19-Jun-18