

## DSB PRODUCT COMMITTEE MEETING MINUTES

**Meeting:** The 96<sup>th</sup> DSB Product Committee Meeting

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**Date:** 30-Oct-2018                      **Time:** 15.00 – 16.30 BST                      **Location:** Teleconference

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**Chairperson:** Malavika Solanki, DSB

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**In attendance:**

<b>Committee Members</b> Michael Bauch, Allianz Global Investors Uwe Hillnhuetter, Tradeweb Jay Shotton, JP Morgan Bill Stenning, Société Générale Tia Ellerman, Citi Adam Lister, Bloomberg Jonah Platt, Citadel	<b>Regulators (Observers)</b> David Olgilvie-Forbes, FCA Takahiro Onojima, JSDA
<b>ANNA Board (observer)</b> Emma Kalliomaki, DSB	<b>DSB Secretariat / PMO</b> Andy Hughes, DSB Simon Wiltshire, DSB Nathan Dagg, DSB

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**Apologies:** Joseph Berardo, Intercontinental Exchange  
Uwe Hillnhuetter, Tradeweb

**Absences:**

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No	Topics
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<b>1</b>	<b>Open Actions</b>
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- **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. Due date to be rolled further out pending response from ESMA. Discussed on today's call. Remain open.
  - **Action 221:** PC members are to provide feedback on the use of Basis/Basis OIS templates following further analysis by COB 5th October 2018. As a part of this analysis, the PC will also review the last week's ESMA guidance to see if there was any additional impact on this issue. Due date to be rolled further out and discussed at a later date.
  - **Action 224:** DSB to recirculate the previously agreed approach for the inclusion on field 41 along with summary of discussion from the meeting. Discussed in today's call. Closed
  - **Action 225:** DSB to review feasibility and cost impact of stopping its existing development approach given the redeployment of resources and roadmap impact given SI readiness work. Remain open
  - **Action 226:** PC member to reach out to ISDA to clarify their discussed approach for the inclusion of effective date and calculation of 'Term of Contract' by the DSB. Remain Open.
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<b>2</b>	<b>Commodity – Multi-Exotic Templates</b>
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- DSB advised that the Multi-Exotic Swap, Option and Forward templates were released into production over the weekend, and noted there has been a small number of created across all templates
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<b>3</b>	<b>IR Term of Contract (Field 41)</b>
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- DSB provided a review of the guidance distributed by ESMA in recent Q&A document published on the 26<sup>th</sup> September, which specified to user should submit tenor where
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known, submit number of days where not a standard tenor and calculation of the remainder (rounding for relevant weeks, months or years)

- DSB and PC reviewed the PC's submission of informal Q&A with ESMA
- The DSB reviewed the PC approved implementation approach which is currently under development
- The DSB review PC discussions last week and the DSB's subsequent proposal
- PC member provided feedback following discussion with ISDA which involved their preference only submit effective date where possible, effective date not be included in the OTC ISIN record and highlighted potential for confusion if two tenor values were included in the OTC ISIN record
- Subsequent discussion about industry implications of the feedback covered the following themes:
  - Alignment of industry calculation and regulatory guidance
  - Acknowledgement that not supporting tenor submission where standard tenors were known would result in mismatch vs. the ESMA guidance. It was agreed that additional information was required to assess the extent of any mismatch vs. industry tenors
    - **Action 227:** PC members requested to summarise scenarios where the ESMA tenor calculation does not align with the industry calculation of tenor (day count conventions, month-end roll, IMM dates etc.)
  - The DSB would continue development on the approved solution (ongoing for 4-6 weeks) for the moment, with agreement on a way forward required at the next PC meeting
    - **Action 228:** DSB to revert with development resourcing/ cost/ time to market impact of introducing support for the calculation of the tenor to allow industry a consistent basis for calculation

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#### 4 AOB

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- DSB advised that the FX NDS templated would be released on the 2<sup>nd</sup> December and focus would now move on to the Portfolio Swap template.
  - DSB advised that the close of responses to the SI readiness reach out was approaching this Friday 2<sup>nd</sup> December
  - DSB mentioned that the close of PC 2019/2020 applications would also close at 5pm UTC on 2<sup>nd</sup> December
  - The DSB formally welcomed Jonah Platt to his first PC meeting
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Respectfully submitted,

DSB Secretariat

Minutes Approved on: 12<sup>th</sup> November 2018

## Summary of Open Actions

<b>No</b>	<b>Actions</b>	<b>Owner</b>	<b>Target Date</b>
<b>218</b>	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
<b>221</b>	PC members are to provide feedback on the use of Basis/Basis OIS templates following further analysis by COB 5th October 2018. As a part of this analysis, the PC will also review the last week's ESMA guidance to see if there was any additional impact on this issue.	PC Members	20-Nov-18
<b>225</b>	DSB to review feasibility and cost impact of stopping its existing development approach given the redevelopment of resources and roadmap impact given SI readiness work	DSB Sec	27-Nov-18
<b>226</b>	PC member to reach out to ISDA to clarify their discussed approach for the inclusion of effective date and calculation of 'Term of Contract' by the DSB	DSB PC	30-Nov-18
<b>227</b>	PC members requested to summarise scenarios where the ESMA tenor calculation does not align with the industry calculation of tenor (day count conventions, month-end roll, IMM dates etc.)	DSB PC	02-Nov-18
<b>228</b>	DSB to revert with development resourcing / cost / time to market impact of introducing support for the calculation of the tenor to allow industry a consistent basis for calculation	DSB Sec	13-Nov-18