

DSB PRODUCT COMMITTEE MEETING MINUTES

Meeting: The 66th DSB Product Committee Meeting

Date: 03-Apr-2018 **Time:** 15.00 – 16.30 BST **Location:** Teleconference

Chairperson: Sassan Danesh, DSB

In attendance:

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

Apologies: Trevor Mallinson, Bloomberg
Ayala Truelove, Tradeweb

Absences: Danielle Wissmar, GSAM
Peter Gratwick, JP Morgan

No	Topics
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1	Open Actions
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- **Action 153:** No update, remain open
 - **Action 189:** No update, remain open
 - **Action 190:** No update, remain open
 - **Action 193:** PC was asked to provide the DSB with any relevant data issues they are currently seeing with existing ISINs for analysis. Closed.
 - **Action 194:** Chair to propose some text to the PC which will be used to gain an understanding from regulators for including additional layers into the existing ISIN. Closed.
 - **Action 195:** DSB to provide analysis of CFI submission to FIRDS vs CFI creation in the DSB upon ISIN creation. Item provided to PC and blog post to be circulated. Closed.
 - **Action 196:** The DSB to review whether it can produce any analysis on next steps for the new SONIA reference rate based on current information is has obtained and revert. Preliminary analysis provided to PC for review. Closed.
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3	SONIA Index Reform – Update
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- The DSB advised they are still pending notification of timelines and approach from ISDA on the update to the SONIA rate reference coding in FpML, which would enable the DSB to create and plan for accommodating the change
 - The DSB provided an overview of discussions held with key administrative stakeholders of SONIA, in which the DSB to gathered further clarification about the upcoming change
 - The DSB discussed some analysis prepared last week for the anticipated change in SONIA based on current information that has been made available
 - Members discussed possible options presented by the DSB (based on assumptions relying on third party information) and agreed they were minded towards option one;
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where separate ISINs would represent financial instruments that refer to the new naming convention. This would allow users to continue to generate ISINs for retrospective trades or unwinds where necessary

- Members discussed the possibility of adding business rules for handling the existing SONIA value listed in FpML and the incoming SONIA values FpML enumeration (which serves as the reference rate source), and decided they would bring business cases for discussion at the next PC meeting which would help define the business rules applied by the DSB
 - **Action 197:** PC members to provide the DSB with business cases for the use of ISINs referencing the current SONIA FpML value and cases where ISINs reference the new SONIA FpML value post the 23rd April 2018
- DSB is dependent upon the Fpml codeset and dependant on that becoming available and continues to follow up with ISDA and again advised that the user impact is the risk that the DSB will not be able to facilitate the creation of ISINs with the new SONIA value on the 23rd April 2018
- The DSB is working to facilitate expedient delivery to the extent feasible but does not currently have insight into the intended industry approach. The DSB will review its approach to determine whether it can front-run any analysis based on the existing incomplete information it has received

4 Data Quality

- DSB presented some analysis undertaken on CFI submissions to FIRDS vs CFI codes generated by the DSB upon ISIN creation
- Analysis provided showed that the majority discrepancies of CFIs created by ISIN generation vs submitted to FIRDS was in the Foreign Exchange asset class, while Rates has no discrepancies and Commodities, Credit and Equity had small number of discrepancies

5 ISDA/FpML to ISO mapping Taskforce – Update

- Secretariat advised document is pending finalisation based on the value being used of Delivery Type in Rates templates
- Once document has been finalised it will be shared with the PC for review and sign off
- DSB advised the timelines for implementation will be discussed with the ISDA Taskforce on 9th April

6 AOB

- DSB confirmed that following the SFTR – Repo from discussion last week, that Repos and related instruments would not be classed as OTC Derivative covered by the DSB for ISIN creation based on feedback received by the Product Committee
- The DSB confirmed that it would reach out to ANNA with relation to the need for ISINs for other instruments under the remit of SFTR

Respectfully submitted,

DSB Secretariat

Minutes Approved on: 10-April-2018

Summary of Open Actions

No	Actions	Owner	Target Date
153	DSB PC to continue to conduct bilateral discussions with vendors and index providers to enhance the enumerated Equity index list	DSB Sec	31-Mar-18
189	DSB to continue discussion with Commodity index providers with the aim of having an agreed design and an agreement in principle by end of Q3. Smaller milestones to be made available to PC over coming quarters to track progress	DSB Sec	Q3
190	Secretariat to publish Challenge Process document for industry consumption	DSB Sec	20-Mar-18
197	PC members to provide the DSB with business cases for the use of ISINs referencing the current SONIA FpML value and cases where ISINs reference the new SONIA FpML value post the 23 rd April 2018	DSB PC	10-Apr-18