

DSB PRODUCT COMMITTEE MEETING MINUTES

Meeting: The 97th DSB Product Committee Meeting

Date: 06-Nov-2018 **Time:** 15.00 – 16.30 BST **Location:** Teleconference

Chairperson: Malavika Solanki, DSB

In attendance:	Committee Members	Regulators (Observers)
	Michael Bauch, Allianz Global Investors Uwe Hillnhuetter, Tradeweb Jay Shotton, JP Morgan Bill Stenning, Société Générale Tia Ellerman, Citi Jonah Platt, Citadel Joseph Berardo, Intercontinental Exchange	David Olgilvie-Forbes, FCA Eiichiro Fukase, JSDA DSB Secretariat / PMO Andy Hughes, DSB Simon Wiltshire, DSB Nathan Dagg, DSB

Apologies: Adam Lister, Bloomberg,
Emma Kalliomaki, ANNA Board Observer

Absences:

No	Topics
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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. 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. Remain open.
 - **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. Closed.
 - **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.). Scenarios provided. Closed.
 - **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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2 **IR Term of Contract – Proposed Solution**

- DSB advised the PC of the proposed solution for supporting the population of IR Term of Contract fields in the ISIN request and record. The solution allows for users to enter the tenor information where the contract duration fits a standard term, in addition to the DSB supporting a date calculator that returns tenor (via an API for Power Users and via GUI for others). The tenor calculation would be a combination of unadjusted expiry date and unadjusted effective date, and is expected to be based on the calculation set out in ESMA guidance on 26th September
 - PC agreed this approach as two-part solution in light of regulatory constraints and existence of a single ISIN hierarchy at this time, with the following caveats
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- DSB to work with the PC to agree a FAQ advising industry of how the revised templates are to be populated – to aid consistency of ISIN creation submissions
 - Asked that the DSB TAC review the architectural and performance aspects to support the new tenor calculator
 - Continue development of templates to cater for user input of term unit and term value - normalizations to be consistent with equivalent values for reference rate term value
 - The PC was requested to provide feedback on the proposed implementation approach by COB Friday 9th November
 - **Action 229:** PC members to provide any additional feedback to the DSB on the proposed implementation approach by end of the week
 - The PC agreed that the proposed implementation date should be moved back to 24th March so that it was set for the last possible date ahead of the regulatory implementation (26th March 2019, given the six-month horizon) to be consistent with other major industry initiatives. This approach would allow users the greatest possible opportunity to test the revised templates and that this delayed adoption date was preferable to having a pre-population period as the revised date allowed smaller institutions adequate time to adapt
 - The PC approved distribution of a user notification within the next week to allow industry time to prepare
 - **Action 230:** DSB to draft a user notification and distribute to the PC members for approval prior to sending the notification to the DSB user base
 - The PC requested the DSB investigate if templates could be released in a manner which allowed for 'optional' adoption ahead of go-live
 - **Action 231:** DSB to review whether it might be able to release the templates in a manner that allowed for 'optional' adoption ahead of go-live

3 Items not discussed and held over to next meeting

- Portfolio Swap
- FX Index – Proposed Templates
- Cross-Asset Templates
- Rates Inflation Year on Year

4 AOB

Respectfully submitted,

DSB Secretariat

Minutes Approved on: 19th November 2018

Summary of Open Actions

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
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.	PC Members	20-Nov-18
225	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
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	DSB Sec	13-Nov-18
229	PC members to provide any additional feedback to the DSB on the proposed implementation approach by end of the week	DSB PC	09-Nov-18
230	DSB to draft a user notification and distribute to the PC members for approval prior to sending the notification to the DSB user base	DSB Sec	16-Nov-18
231	DSB to review whether it might be able to release the templates in a manner that allowed for 'optional' adoption ahead of go-live	DSB Sec	04-Dec-18