

DSB PRODUCT COMMITTEE MEETING MINUTES

Meeting: The 71st DSB Product Committee Meeting

Date: 08-May-2018 **Time:** 15.00 – 16.30 BST **Location:** Teleconference

Chairperson: Sassan Danesh, DSB

In attendance:

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

Apologies: Danielle Wissmar, GSAM
Bill Stenning, Société Generale
Trevor Mallinson, Bloomberg

Absences: Ayala Truelove, Tradeweb

No	Topics
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1	Open Actions
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- **Action 153:** DSB PC to review open data based sources to enhance the enumerated Equity index list as these become available in 2018. Item now carried in open issue list. Closed.
 - **Action 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. Item now carried in open issue list. Closed.
 - **Action 190:** Secretariat to publish Challenge Process document for industry consumption. Discussed in today's call. Remain open.
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2	Change Process Document
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- The DSB's intention was to publish to the industry on the 1st May, however material feedback has now been received from one member. Feedback includes some recommended vocabulary amendments, questions seeking more understanding about the DSB's current processes and also asks that PC members consider Change Initiation, Rules of Engagement, Change Notification and a PC standard for approval/denial of user requests.
 - Some members indicated it would be good to publish the document so the industry has something to reference, and something that could be further refined in the future if published now
 - PC members we asked how to proceed with the document and it was recommended a discussion be held in one weeks' time to review the feedback provided
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3	Secured Overnight Financing Rate (SOFR)
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- 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 DSB had advised that ISDA had published a notification on the 4th May 2018 via an FpML announcement confirming their intention to add SOFR to the ISDA Definitions and update the FpML coding scheme
- The DSB presented a proposed implementation timeline based on the notification from ISDA and predicated on successful public and internal testing. The DSB mentioned the aggressive timelines were due to appetite from industry to support the new reference rate and that as a result the deployment risks would remain high as with the SONIA benchmark reform related changes
- The PC commented that the production release date of 20th May 2018 was the most appropriate time for release after being officially made available in the ISDA Definitions and FpML coding scheme mid-week on the 16th May 2018
- The PC agreed to add a business rule which prevented users creating ISINs referencing the SOFR rate with an expiry date earlier than the first publication date of 3rd April 2018
- With several enumeration changes in the short time span, Members noted that it may be beneficial for the DSB to consider ways in which enumeration management could be made more responsive to industry needs e.g. moving away from the need to redevelop and retest templates each time a new reference rate was added

4 Venezuela Bolivar redenomination

- Secretariat provided the PC with some information relating to the redenomination of the Venezuelan Bolivar and commented that this would impact all templates as the new currency code is being supported in the ISO 4217 currency code list as of 4th June 2018
- Secretariat advised that the current currency code VEF, is present in 204 ISINs across three FX templates and one Equity template
- The PC discussed the change to all templates and agreed it was best to approach the change with a staggered approach rather than a big bang, if this could be reasonably supported from a DSB technical perspective
- The PC requested that the DSB provide some timings for the update of impacted templates first, updating of templates asset class by asset class (order to be defined) and all asset classes at once, to help with assessing best approach
 - **Action 200:** The DSB to assess timing of updating the Venezuelan Bolivar across all template based on the three approaches defined by PC (impacted templates first, asset class by asset class and all templates at once)
- It was also discussed it would be helpful for the PC to understand how other NNA's are handling this change, along with ISDA and other industry groups so the DSB would relate this its change process
 - **Action 201:** DSB to follow up with ANNA Secretariat to understand how other NNA's will be processing the Venezuelan redenomination
 - **Action 202:** DSB to follow up with ISDA to understand how other industry groups will be handling the Venezuelan redenomination

5 Correction Scripts

- Secretariat ran the PC through some correction scripts which will be run over the weekend of the 26th May 2018, to correct ISINs records of previously identified erroneous ISINs
- Correction scripts relate to:
 - Reference Rate Term Value and Unit normalization for negative values -GitHub #167
 - Incorrect CFI code in Commodities Forward – GitHub #168
 - Full name for Baskets which should read 'Multiple ISINs' where there are more than 1 underlying instrument - GitHub #169

5 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
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6 AOB

- DSB advised that two members for the PC had moved on from their current roles and would no longer be able to serve as PC members
 - The PC was asked how this should move forward and PC members agreed that the composition of industry representation should be maintained and replacement members sought as soon as possible
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Respectfully submitted,

DSB Secretariat

Minutes Approved on: 17-May-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