

DSB PRODUCT COMMITTEE MEETING MINUTES

Meeting: The 108th DSB Product Committee Meeting

Date: 05-Mar-2019 **Time:** 15.00 – 16.30 UTC **Location:** DSB Offices /
Teleconference

Chairs: Harry McAllister, BNP Paribas
Joseph Berardo, Intercontinental Exchange

Attendees: Voting Members

Michael Burg, State Street Financial
Jourik De Lange, Smartstream RDU
Tia Ellerman, Citigroup
Uwe Hillnhuetter, Tradeweb
Adam Lister, Bloomberg
Rene Muller, HSH Nordbank
Jonah Platt, Citadel
Ben Scofield, Refinitiv
Jay Shotton, JP Morgan
Kirston Winters, MarkitSERV

Non-Voting Members

David Broadway, The IA
Jim Northey, FIX TC
Fiona Willis, GFMA

Observers

Eiichiro Fukase, JSDA
David Olgilvie-Forbes, FCA

Designated DSB Officer

Malavika Solanki, DSB

**DSB Secretariat /
Alternate DDOs**

Nathan Dagg, DSB
Simon Wiltshire, DSB

Apologies: Maros Oberman, 42 Financial Services
Vincent Dessard, EFAMA
Karel Engelen, ISDA
Fiona Willis, GFMA

Absences: Michael Sandro Bauch, Allianz Global Investors

No Topics

1 Competition Law Reminder

- Presented
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2 Review Minutes from Previous Meeting

- No comments were received and are minutes now considered final
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3 Open Actions

- **Action 260:** The DSB to consider the question of co-chair voting.
 - **Action 275:** The DSB will send an email to the PC members containing any administrative issues and questions that could not be covered during this meeting. **Closed** as the intended contents were superseded by the meeting
 - **Action 276:** DSB to request that ISDA include Inflation Fixed Float Zero Coupon Swap in the ISDA 2.0 Taxonomy. **Closed**
 - **Action 277:** Following confirmation of change from ISDA, the DSB will create a template for Inflation Fixed Float Zero Coupon Swaps and revert with a target release date
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- **Action 278:** DSB to review the current roadmap of delivery items and revert to the PC with possible delivery date for the inclusion of UK-Base-Rate in the Reference Rate enumerations
 - **Action 279:** DSB to write to ISDA proposing that the two organizations work together to understand when a new rate or value will be added (or removed) prior to the publication from FpML. **Closed**
 - **Action 280:** DSB to extend the FAQ / best practice information for Basis, Basis OIS and Cross Currency Swap templates on the DSB website. **Closed.** Action linked to this covered in AOB section.
 - **Action 281:** DSB and PC to revisit the validation rules currently being user for Basis, Basis OIS and Cross Currency Swap templates to ensure templates in Q3 19. **Closed.** Item to be carried on watchlist for presentation to the PC at a future date (Q3 19).
 - **Action 282:** the DSB to contact ESMA directly to clarify timings in order to align implementation timings. **Closed.** Discussion of response be carried on watchlist
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4 Dynamic Enumerations

- The DSB provided an overview of Dynamic Enumerations, where following industry consultation it was agreed that the DSB would implement a solution that would:
 - Allow new values to be more easily adopted by the User Community
 - Deliver new values faster and more efficiently in a backwardly compatible manner (i.e. without users being mandated to adopt the change)
 - Members were asked for their views on the maximum acceptable turnaround time for new enumerated values being made available in Production (which were backwardly compatible and subject to appropriate governance). It was agreed that the current (minimum) two week duration was sufficient, with the exception of a 12 to 36 hour emergency release procedure to support exceptional circumstances.
 - Members agreed that only discussed the industry and TAC identified need to decouple the most volatile attributes from the templates, which would enable users to manage these data sets as and when they saw fit.
 - Members were presented with three deployment options and concurred that option 1 was preferred. It was agreed that initial focus should be placed on currency lists, reference rates and underlying indices (excluding proprietary indices for which a dynamic process was already in operation)
 - In addition to Action 279, members commented that it would be beneficial for the DSB to be integrated further upstream with enumeration providers to ensure the DSB receives new enumeration values in a timely manner.
 - **Action 286:** The DSB to evaluate with enumeration source providers on how the DSB can integrate with further upstream in their process for introducing new values
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5 UPI Analysis

- The PC approved the outline schedule for further UPI presentation (based on each asset class) for future meetings.
 - The DSB provided some analysis in which it had compared the composition of the UPI and the current ISIN for the Rates asset class. The analysis was to examine the mapping of attributes and values between the proposed UPI values and those that are in the current ISIN
 - The group discussed attributes which were common and some which were not, with some members commenting around the difficulty of the use of 'Other' category for instrument type. This conversation continued, and a member noted that there were some challenges around how to classify a product vs strategy, collars, straddles and butterfly were cited as examples.
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- **Action 287:** The DSB is to maintain a list of questions of UPI to ISIN analysis, which is to be reviewed following confirmation of the governance decision, after which further UPI technical guidance updates might occur
 - It was noted that not all members may have had a chance to review the UPI technical guidance and that the link should be provided to members for review
 - **Action 288:** The DSB to provide the UPI technical guidance link to members for review.
 - **Action 289:** The PC agreed that the subject of Strategies and Packages and the use of “Other” as an asset class specific instrument type in relation to UPI/ISIN mapping would be agenda items for the next meeting.
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6 Field 41 (IR Term of Contract) : Current Status

- Members were updated on the status of Best Practice Summary and informed about the UAT roll back of templates with Field 41 and the refresh of the UAT database which took place on the weekend of 23rd and 24th February
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7 Field 41 (IR Term of Contract) : Best Practice Summary

- An update was provided on an ESMA communication regarding clarification of the implementation timings for the Field 41 template changes.
 - The DSB provided an overview of feedback received regarding the Best Practice document which was shared with members recently.
 - The feedback that was received meant that there were some open points on which would need further discussion. Members were provided some additional time to provide feedback in order
 - **Action 290:** The DSB Secretariat will resend the main points from the Field 41 Best Practice summary to the members of the PC for further comment and review at the next meeting.
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8 AOB

- As part of the discussion around the closure of Action 280, the below actions were agreed
 - **Action 283:** DSB to send the link of the FAQ / best practice information for Basis, Basis OIS and Cross Currency Basis templates to PC members
 - A member noted that there had recently been industry discussion around the possible need to support a Cross Currency Basis OIS Swap template, as the market evolves trading of new OIS benchmark rates
 - **Action 284:** DSB to include a statement in the FAQ / best practice information for Basis, Basis OIS and Cross Currency Basis templates to the effect that the DSB is aware of the increased use of cross-currency Basis OIS and that the PC will continue to monitor the situation and follow up as required.
 - Members also discussed the need to consider how the potential new template would fit within the CFI 2019 revision
 - **Action 285:** PC members to monitor industry developments of new CFI values (specifically for Cross Currency Basis OIS Swaps) as information becomes publicly available
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Respectfully submitted,

DSB Secretariat

Minutes Approved on: 19th March 2019

Summary of Open Actions: from this meeting.

No	Actions	Owner	Target Date
283	DSB to send the link of the FAQ / best practice information for Basis, Basis OIS and Cross Currency Basis templates to PC members	DSB Sec	19-Mar-19
284	DSB to include a statement in the FAQ / best practice information for Basis, Basis OIS and Cross Currency Basis templates to the effect that the DSB is aware of the increased use of cross-currency Basis OIS and that the PC will continue to monitor the situation and follow up as required.	DSB Sec	19-Mar-19
285	PC members to monitor industry developments of new CFI values (specifically for Cross Currency Basis OIS Swaps) as information becomes publicly available	DSB PC	23-Apr-19
286	The DSB to evaluate with enumeration source providers on how the DSB can integrate with further upstream in their process for introducing new values	DSB Sec	23-Apr-19
287	The DSB is to maintain a list of questions of UPI to ISIN analysis, which is to be reviewed following confirmation of the governance decision, after which further UPI technical guidance updates might occur	DSB Sec	19-Mar-19
288	The DSB to provide the UPI technical guidance link to members for review	DSB Sec	19-Mar-19
289	The PC agreed that the subject of Strategies and Packages and the use of "Other" as an asset class specific instrument type in relation to UPI/ISIN mapping would be agenda items for the next meeting.	DSB Sec	19-Mar-19
290	The DSB Secretariat will resend the main points from the Field 41 Best Practice summary to the members of the PC for further comment and review at the next meeting.	DSB Sec	19-Mar-19
291	The DSB Secretariat to create a watchlist of long-term items that are to be monitored on a periodic basis for inclusion in the Appendix of the fortnightly PC Pack.	DSB Sec	19-Mar-19

Summary of Open Actions: for 2019

No	Actions	Owner	Target Date
260	The DSB to consider the question of co-chair voting.	DSB Sec	05-Feb-19
277	Following confirmation of change from ISDA, the DSB will create a template for Inflation Fixed Float Zero Coupon Swaps and revert with a target release date	DSB Sec	19-Mar-19
278	DSB to review the current roadmap of delivery items and revert to the PC with possible delivery date for the inclusion of UK-Base-Rate in the Reference Rate enumerations	DSB Sec	19-Mar-19