

DSB PRODUCT COMMITTEE MEETING MINUTES

Meeting: The 167th DSB Product Committee Meeting

Date: 10-Aug-2021 **Time:** 15.00 – 16.30 UTC **Location:** DSB Offices /
Teleconference

Name	PC Role	Institution	Attendance
Harry McAllister	Co-Chair	BNP Paribas	Yes
Joseph Berardo	Co-Chair	Intercontinental Exchange	Yes
Michael Burg	Product Committee Member	State Street Financial	Yes
Martyn Cole	Product Committee Member	Refinitiv	Yes
Jourik De Lange	Product Committee Member	Smartstream RDU	Yes
Dawd Haque	Product Committee Member	Deutsche Bank	Yes
Dominic Harth	Product Committee Member	Union Investment Privatfonds GmbH.	Yes
Uwe Hillnhuetter	Product Committee Member	Tradeweb	Yes
Nicholas Moger	Product Committee Member	J.P Morgan	Absent
Navraj Panesar	Product Committee Member	Citigroup	Absent
Gregg Rapaport	Product Committee Member	DTCC	Yes
Kirston Winters	Product Committee Member	IHS Markit	Yes
Mari Asakura	Regulatory Observer	JSDA	Absent
Davide Panadori Cino	Regulatory Observer	ESMA	Apologies
Giulia Ferraris	Regulatory Observer	ESMA	Apologies
Eiichiro Fukase	Regulatory Observer	JSDA	Yes
Dr Olaf Kurpiers	Regulatory Observer	BaFin	Absent
Frank Lasry	Regulatory Observer	AMF	Absent
Jean Obray	Regulatory Observer	FCA	Yes
Alex Stirling	Regulatory Observer	FCA	Absent
Robert Stowsky	Regulatory Observer	CFTC	Yes
Dominik Zeitz	Regulatory Observer	BaFin	Absent
Andrew Bayley	Observer	ISDA	Yes
Lisa Taikitsadaporn	Observer	FIX Trading Community	Yes
Fiona Willis	Observer	GFMA	Absent
Emma Kalliomaki	DSB Board Sponsor	DSB Board	Yes
Malavika Solanki	DDO	DSB	Yes
Simon Wiltshire	Alternate DDO	DSB	Yes
Adam Grace	Alternate DDO	DSB	Apologies
Yuval Cohen	Presenter	DSB	Yes

No Topics

1 Introduction & Agenda

2 Competition Law Reminder

Presented

3	Review Minutes from Previous Meeting		
		The prior meeting's minutes were updated as requested and are now considered final.	
4	Announcements		
	DSB Current Technical Status		
	The DSB (TAC) reported that there would be no change to the heightened awareness period through to the 30 th September, 2021.		
5	Open Actions		
412	DSB to provide an update to regulators on CFI 2019 adoption following any updated approach being shared with the DSB PC once TAC feedback has been received. <i>Update: A review of the proposed approach is ongoing, with further meetings expected in July and August.</i>	DDO	OPEN
413	The DSB to obtain regulatory feedback on CFI 2019 adoption after the initial outreach by the DSB, following completion of action 412.	DDO	OPEN
432	The DDO to work with the CDIDE Chairs and PC Members to identify, address and document the industry's information needs.	DDO	OPEN
435	CFTC to present agreed UPI masking requirement for less liquid underliers to the PC.	CFTC	OPEN
465	AG1 to present details of the proposed ISO 20022 changes.	AG1	OPEN
485	The DSB are to work with the PC to produce best practice guidance on the treatment of the funding leg in the generation of UPIs.	DDO	OPEN
494	The DSB to present further details of status of OTC ISINs/UIP and the impact this has on the user's ability to make calls to the DSB. To be presented alongside GUI and messaging examples of the users experience. <i>Update: Target Date extended to 24th August 2021.</i>	DDO	OPEN
495	The DSB to present further details regarding the impact corporate actions may have the use of alternative identifiers. <i>Update: Target Date extended to 30th September 2021, following interim updates on progress of the ongoing alternate identifier related RFI process.</i>	DDO	OPEN
497	The DSB to arrange a dedicated review session of the proposed approach to facilitate support for the transition from the ISO 10962 (CFI) 2015 standard to 2019 version of the code-set. <i>Update: Target Date extended to 24th August 2021 – Additional review sessions required. Related to action 412.</i>	DDO	OPEN
500	The DSB to publish best practice and/or updates to the UPI FAQ following questions from PC members. <i>Update: work in progress and related to agenda item 9 below</i>	DDO	OPEN
501	The DSB to seek the appropriate regulatory guidance following questions from PC regarding the UPI.	DDO	OPEN

Update: work in progress and related to agenda item 9 below

6-8	Current DSB Tasks	Status	Priority
DSB-8	Review Source of Commodity Index 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 2020.	In Prog	Med
DSB-53	Set Maximum Number of Items in Arrays The system needs to impose a maximum number of input values against each array to protect the system from unvalidated input.	Tech	Low
DSB-62	CFI Code Service DSB-managed service that will return CFI codes for any OTC derivative products without the associated generation of an ISIN (Analysis Only).	Tech	Med
DSB-63	RTS 2 Sub-Asset Class Mapping To provide a mapping of DSB products to MiFID II (RTS 2) Sub-Asset Class and publication in machine-and human-readable formats (Analysis Only).	In Prog	High
DSB-67	GUI Search Utility Improvements To examine how the GUI-based search utility may be improved to allow users to perform searches without search semantic knowledge (Analysis Only).	Tech	Low
DSB-90	Price Multiplier Validation The Price Multiplier is subject to inconsistent rounding when very large numbers are input (eg: greater than 18 digits).	Tech	Med
DSB-133	Prop Index Process Analysis Analyse the Proprietary Index management provision to identify efficiency and service improvements.	Tech	Low
DSB-370	CFI 2019 Support Support the updated 2019 ISO Standard for CFI (10962) throughout the DSB product suite.	Tech	High
DSB-974	New Attribute: Standard Contract Type Add Standard Contract Type to Single Name CDS templates.	In Prog	Med
DSB-1002	ISDA 2021: New FROs The DSB will need to support all the new FROs as new entries in the enumerated list used across Rates and Non-Standard templates that include FROs as an underlier.	In Prog	High
DSB-1076	Structured Email Messages To allow users to specify the types of DSB notification that they receive.	In Prog	Low

DSB-1120	ISDA 2021 New GUI Titles To provide solution options in implementing ISDA 2021 changes in the GUI to enhance user-experience.	On Hold	Med
DSB-1132	Search Only User Type To provide a cost-effective solution for DSB API users who wish to perform searches against the OTC ISIN database in real-time without the ability to create ISINs.	Tech	Low
DSB-1376	NOK-NIBOR-NIBR-Bloomberg New Reference Rate Add new FRO to the Rates and Non-Standard Enumerated Lists.	In Prog	Med

8 ISDA 2021 FRO Implementation Status

The DSB highlighted the impact of ongoing delays and uncertainty in identifying a firm implementation date for the introduction of new FROs (introduced in 2021) ahead of the industry's go-live date of 4th October 2021, due to dependencies on the golden source data provider and delays in obtaining finalized datapoints. It was noted that the uncertainty had resulted in potential delays in the availability of OTC ISINs in adequate time for utilization by industry, and the PC discussed various pathways forward in order to assist with resolution and timely implementation.

The DSB also reminded the PC that several market practitioners were awaiting the introduction of other FROs in relevant product templates, and were following up with the DSB as a matter of urgency. The PC confirmed that the two sets of FROs (i.e. new for the 2021 definitions and those associated with legacy definitions) should be introduced at the same time in order to expedite implementation timelines, and minimize implementation impact for users.

The PC noted that the DSB required (a) a list of reference rate names in the final format, (b) a mapping to ISO BenchmarkCurveNameCode (where available for new rates), and (c) an indication of which rates were legacy vs. new for the 2021 ISDA definitions to be in the public main to enable the DSB to commence analysis and provide a revised implementation timeline. To this end, PC Members discussed and agreed that a high degree of confidence could be placed in the finality of the names (including formats) that had already been agreed by ISDA Members, and therefore ISDA should seek to provide a commitment on the date by which the data could be placed in the public domain, ready for use by the DSB.

The PC noted that while this approach deviated from the DSB's standard approach of waiting for a final FpML schema to be published, the risk of change was sufficiently low and the value to industry sufficiently high that this approach was therefore predicated on an appropriate balance of risks. It was agreed that to the extent any new reference rates were to be added to the final list that was published, the DSB would seek to work with ISDA and other PC Members to agree an implementation date in the future to support any additional rates.

ISDA agreed to consider how best to mitigate the risk with respect to final publication date of the public data required by the DSB, such that it was available in sufficient time to enable DSB implementation ahead of industry go-live on 4th October. >**Action 509.**

The DSB agreed to provide an email update to PC Members (ahead of the next meeting) with an update on the expected implementation timeline once the final data points were made available by ISDA in the public domain. >**Action 510.**

9 DSB-974 Contract Specification (OTC ISIN)

The DSB presented the proposal for the implementation of Contract Specification as an attribute of a number of Single Name CDS product definitions (Corporate, Sovereign, Municipal and Non-Standard). The presentation highlighted the support of product-dependent enumerations, the golden source of the Contract Specification values (FpML Matrix Term Scheme 5.130) and backward compatibility and the proposal was **APPROVED** by the PC for development and implementation.

The PC discussed the general issue of backward compatibility for the OTC ISIN and UPI and it was agreed that this issue was to be raised with the CDIDE for further consideration. > **Action 511**.

10 Non-Standard Template Updates (OTC ISIN)

Held over until 24th August 2021

11 UPI Underlier Input Method

Held over until 24th August 2021

12 Swaptions UPIs & “Orphan ISINs”

The PC were presented with a scenario where the expected UPI validation rules will be stricter than current OTC ISIN validation rules, resulting in the potential for OTC ISINs (based on the legacy population) where a UPI was unlikely to be meaningfully assigned.

The PC agreed that the enhanced validation rules should also be applied to the OTC ISIN following launch of UPI service, so that the two identifiers remained aligned. The PC were presented with data about the materiality of this issue with respect to Swaption identifiers and agreed that the subject of UPI assignment for legacy OTC ISIN records should be discussed in greater detail at the next meeting. >**Action 512**

12 UPI – Summary of PC Members’ Queries About the Service

Held over until 24th August 2021

Product Release Schedule

N/A

AOB

PC Members requested that a poll be held to determine quorum for the 24th August meeting, and the meeting held over if a quorum could not be met. >**Action 513**: DSB to determine if attendance levels are sufficient to hold the meeting on 24th August 2021.

Respectfully submitted,

DSB Secretariat

Minutes Approved on: 07 Sep 2021

Summary of Open Actions		Owner	Target Date
412	DSB to provide an update to regulators on CFI 2019 adoption following any updated approach being shared with the DSB PC once TAC feedback has been received.	DDO	TBC
413	The DSB to obtain regulatory feedback on the CFI 2019 approach after the initial outreach by the DSB, following completion of action 412.	DDO	TBC
432	The DDO to work with the CDIDE Chairs and PC Members to identify, address and document the industry's information needs regarding the UPI timeline and key implementation related matters.	DDO	Q4-21
435	CFTC to present agreed UPI masking requirement for less liquid underliers to the PC.	CFTC	TBC
465	AG1 to present details of the proposed ISO 20022 changes.	AG1	04-May-21
485	The DSB are to work with the PC to produce best practice guidance on the treatment of the funding leg in the generation of UPIs	DDO	TBC
494	The DSB to present further details of status of OTC ISINs/UIP and the impact this has on the user's ability to make calls to the DSB. To be presented alongside GUI and messaging examples of the users experience.	DDO	24-Aug-21
495	The DSB to present further details regarding the impact corporate actions may have the use of alternative identifiers.	DDO	30-Aug-21
497	The DSB to arrange a dedicated review session of the proposed approach to facilitate support for the transition from the ISO 10962 (CFI) 2015 standard to 2019 version of the code-set.	DDO	24-Aug-21

499	The DSB to present further information regarding what is current being to facilitate the execution of Bitcoin related futures on various exchanges.	DDO	27-Jul-21
500	The DSB to publish best practice and/or updates to the UPI FAQ following questions from PC members.	DDO	TBC
501	The DSB to seek the appropriate regulatory guidance following question from PC regarding the UPI.	DDO	TBC
505	DSB to update the PC regarding Dynamic Enumerations .	DSB	10-Aug-21
506	PC to discuss feedback from regulators relating to questions received regarding UPI.	DSB	TBC
508	PC to discuss feedback from CFI maintenance agency regarding NDF's on Bitcoin.	DDO	TBC
509	ISDA to consider how best to mitigate the risk with respect to final publication date of the public ISDA 2021 data required by the DSB to enable DSB implementation ahead of industry go-live on 4 th October.	ISDA	24-Aug-21
510	The DSB to provide an email update to PC Members with an update on the expected implementation timeline of ISDA 2021 FRO implementation.	DDO	24-Aug-21
511	The DSB to raise the issue of Backwards Compatibility for the OTC ISIN and UPI with the CDIDE for further consideration.	DDO	24-Aug-21
512	The subject of UPI assignment for legacy OTC ISIN records to be included in the agenda for the next meeting.	DSB	24-Aug-21
513	DSB to determine if attendance levels are sufficient to hold the meeting on 24 th August 2021.	DDO	20-Aug-21

Summary of New or Updated DSB Tasks	Status	Priority
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