

DSB PRODUCT COMMITTEE MEETING MINUTES

Meeting: The 116th DSB Product Committee Meeting

Date: 11-Jun-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
Tia Ellerman, Citigroup
Uwe Hillnhuetter, Tradeweb
Rene Muller, HSH Nordbank
Maros Oberman, 42 Financial Services
Jonah Platt, Citadel
Ben Scofield, Refinitiv
Jay Shotton, JP Morgan
Kirston Winters, MarkitSERV

Non-Voting Members

David Broadway, The IA
Vincent Dessard, EFAMA
Karel Engelen, ISDA
Jim Northey, FIX TC
Fiona Willis, GFMA

Observers

David Olgilvie-Forbes, FCA
Eiichiro Fukase, JSDA

Designated DSB Officer

Malavika Solanki, DSB

DSB Secretariat /

Alternate DDOs

Simon Wiltshire, DSB
Nathan Dagg, DSB

Apologies: Jourik De Lange, Smartstream RDU
Adam Lister, Bloomberg
Michael Sandro Bauch, Allianz Global Investors
Emma Kalliomaki, DSB Board

Absences: Vincent Dessard, EFAMA

No Topics

1 Introduction & Agenda

2 Competition Law Reminder

- Presented
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3 Review Minutes from Previous Meeting

- The previous meeting was not quorate.
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4 Open Actions

- **Action 297:** DSB to provide feedback to the PC on the approach and dates for providing an open source version of the Tenor Calculator. **Discussed today. Closed.**
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- **Action 304:** DSB to analyse the current NDF ISINs and provide metrics on the Settlement Ccy for NDFs to the PC for further discussion. **Open.**
- **Action 308:** The setting of Term of Contract for products with differing Effective Dates on the Fixed and Floating legs is to be included on the agenda for the next PC meeting, following feedback from ESMA. **Open.**
- **Action 309:** DSB to distribute the September Release Notification (excluding Open Source Tenor Calculator) for review at the next meeting of the PC and publication no later than 31st May 2019 in light of industry requests for further information. **Issued. Closed.**
- **Action 310:** DSB to liaise with the TAC to determine a format for the open source tenor calculator and present a timeline at the next PC meeting. **Discussed today. Closed.**
- **Action 311:** The DSB to contact ISDA/FpML and have them advise the values being used for the new rates and the dates of publication. ISDA update provided on €STR. **Open.**
- **Action 312:** The DSB to provide information on the changes required for relevant templates and discuss the if there is a need for defaulted values at the next PC meeting. **Discussed today. Closed**
- **Action 313:** The PC agreed to review market practice ahead of the next DSB PC meeting to facilitate the discussion about the appropriate default value, if any. **Discussed today. Closed.**
- **Action 314:** PC members to provide feedback on the Commodities FAQ text provided to them by COB Thursday 16th May 2019. **Closed.**
- **Action 315:** DSB to provide PC Members with a link to the Best Practice guidelines on the DSB website to facilitate onward communication to industry. **Closed**
- **Action 316:** PC members to provide feedback on the Rate (Filed 41) FAQ text provided to them by COB Thursday 16th May 2019. **Closed.**
- **Action 317:** DSB to provide PC Members with a link to the Best Practice guidelines on the DSB website to facilitate onward communication to industry. **Closed.**
- **Action 318:** PC members to provide candidate release changes that are to be considered for inclusion in the proposed November product template release. **Open.**

5 NDF Settlement Currency Analysis

- The DSB provided some analysis to the PC of Settlement Currencies that have been used in the creation of Non-Deliverable Forwards (NDF) based on a request from a previous meeting. The original request was made because this information was not available in the order flow for Investment Advisors to trading venues, which made correct ISIN selection hard to identify.
- PC discussed the analysis and decided there was no reason to amend or edit the current template as this was sufficient granularity identify the instrument. During the discussion some further information was requested from members of the group regarding some G10 currencies being used as currency pairs in the NDF templates. Actions were taken for further discussion at a later date.
- **Action 319:** GFMA to review volume metrics of G10 currency pairs being trades as NDF and how this may be impacted by clearing offerings from various central clearing houses and also share publicly available industry guidance on the topic that the DSB could communicate more broadly with interested participants
- **Action 320:** The DSB to do further analysis to show a more detailed examination of what currency is being populated as the settlement currency in NDF templates

6 Equity Options Strike Price Type

- The DSB and PC continued discussion on the inclusion of Strike Price Type into all Equity Option templates based on market practice as the field cannot be derived from the underlying instrument. The PC agree that there was no requirement to support default values and these would need to be user input.
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- DSB and PC discussed the possibility of amending Strike Price Type for existing ISINs being set to 'Amount', unless a matching FIRDS record (with percentage) exists. A PC member noted that due to an ESMA normalisation / alignment process, it may not be possible to correctly adjust ISINs that have been created against FIRDS data. PC members further discussed this point and decided that adjusting existing ISINs would not be the correct approach and decided not to amend existing ISIN records.
 - The DSB noted that this change would impact the way that users would be able to search for ISINs in the future (in a similar way to Rates – Tenor template change). PC members requested more detail on how the Strike Price Type addition to templates would impact users search ability.
 - The DSB questioned the PC on the implementation timing of the addition of Strike Price Type, and the PC commented that the focus on RTS-23.Field 41 related mandatory changes and the impact of the proposed change for equity strike price, meant that the introduction of the new attribute was a candidate for Production release in 2020.
 - **Action 321:** DSB to provide use cases to illustrate the impact of the proposed Equity Strike Price Type change to existing ISIN records.
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7 €STR : Release Scheduling

- The DSB and PC was provided with an update from ISDA around the timing of the new €STR Reference Rate name being made available in FpML. ISDA mentioned that it would work back from the 2nd October date when the rate is officially available from the ECB and would revert with a more specific date, but mentioned it may only be a few weeks before the official publication date.
 - The PC were informed by other members that the names of the rate(s) would be available several weeks before the 2nd October, in time for use for DSB development purposes.
 - Given the timing of the availability and potential closeness to the 2nd October, the DSB and PC discussed the need for including the new rate into UAT considering the RTS-23.Field 41 release package will be in UAT during the lead up to this date, with production planned for 22nd September.
 - The PC members considered the impact to the UAT package and decided that no UAT would be required for the inclusion of the new rate, as it was only being seen as a data change, which should minimal impact to users.
 - The PC agreed that the rate(s) needed to be available in production no later than the 2nd October and declined to specify any earlier release date and so a release date of no later than 29th September was agreed
 - PC commented that they would like the TAC to further comment on this approach when they meet next week.
 - The DSB also reminded the PC that it had a technological constraint around the use of the € symbol and PC members noted that this was being taken forward as part of broader industry discussions as it was a similar concern for a number of industry participants
 - **Action 322:** DSB to advise the TAC that the PC would like to proceed with the inclusion of the new €STR rate(s) (once available) with no UAT period in order to make the production release for the 22nd September
 - **Action 323:** PC to confirm that the name(s) would exclude use of the € symbol from the reference rate(s) to be introduced
 - **Action 324:** ISDA to confirm date on which new reference rate names(s) would be confirmed for use by the DSB development team
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8 Tenor Calculator : Open Source Provision

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- The DSB provided an update to the PC and advised that after further engagement with the TAC, the DSB will provide a JavaScript version of the tenor calculator via Open Source. The DSB estimated that the Open Source version of the Tenor Calculator would be made available to users via the DSB GitHub on 2nd August 2019, barring adverse feedback from the TAC at next week's meeting
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9 FX Swap : Delivery Type

- The DSB provided some analysis of FX Swap Delivery being used in ISIN creation and the existing mapping that is in place of CFI value Non-Deliverable to RTS 23 value OPTL.
 - This item would be held over for the next meeting due to a shortage of time on this occasion. The PC agreed that a translation of Non-Deliverable (CFI 2015) to CASH (RTS 23) would be more appropriate than the current mapping.
 - The PC agreed that there was a need to update the value, but consideration should be given to the 2019 CFI revision and the values that would be available.
 - A PC member raised the question about Rates reporting of delivery type since the ESMA Q&A from September 2018. The DSB advised it would provide some analysis on what had been created against what had been reported to FIRDS but that it had seen no discernible change in user interaction with the DSB, for the six-month period ending March 2019.
 - **Action 325:** DSB to provide details of the impact of a change to the Delivery Type mapping for FX Swaps on existing ISINs (based on both 2015 and 2019 CFI revisions).
 - **Action 326:** DSB to provide the output of analysis of Rates Delivery Type being created in the DSB and that submitted to FIRDS since the ESMA Q&A published in September 2018.
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10 November 2019 Release

- Item not discussed and held over.
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11 UPI Analysis : FX

- Item not discussed and held over.
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12 AOB

- A member enquired whether Credit IBOXX indices and whether there was a need to exclude term, series and version for ISIN creation purposes. Item was to be discussed in coming weeks due to running out of time.
 - **Action 327:** The DSB are to include the subject of the inclusion of Index / Series on the Credit TRS template on the next PC agenda.
 - PC participants were provided with an update on the next steps arising from the first round of industry consultation, which had recently concluded. The DDO noted that the DSB had received responses from a larger group of trade associations than in prior years and that the results were being collated to allow the DSB to determine which items would be taken no further, require BAU follow up, or necessitate further consultation.
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Respectfully submitted,

DSB Secretariat

Minutes Approved on: 25th June 2019

Summary of Open Actions

No	Actions	Owner	Target Date
292	Members to investigate within their organizations to determine whether there are use cases where anything other than price is used for OTC Equity Options and provide them to the DSB. 30 Apr 19 : DSB to send a reminder email to PC members summarising the action.	DSB PC	14-May-19
297	DSB to provide feedback to the PC on the approach and dates for providing an open source version of the Tenor Calculator.	DSB Sec	14-May-19
306	ISDA to distribute a link to the latest version of the ISDA 2.0 taxonomy.	DSB Sec	14-May-19
307	PC to review ISIN/UPI/CFI 2019 alignment to identify attributes that may not fully align across the ISIN, CFI 2019 and the UPI	DSB Sec	Sept-19
308	The setting of Term of Contract for products with differing Effective Dates on the Fixed and Floating legs is to be included on the agenda for the next PC meeting.	DSB Sec	14-May-19
311	The DSB to contact ISDA/FpML and have them advise the values being used for the new rates and the dates of publication	DSB Sec	
312	The DSB to provide information on the changes required for relevant templates and discuss the if there is a need for defaulted values at the next PC meeting.	DSB Sec	
313	The PC agreed to review market practice ahead of the next DSB PC meeting to facilitate the discussion about the appropriate default value, if any.	DSB Sec / DSB PC	
314	PC members to provide feedback on the Commodities FAQ text provided to them by COB Thursday 16 th May 2019.	DSB PC	
315	DSB to provide PC Members with a link to the Best Practice guidelines on the DSB website to facilitate onward communication to industry.	DSB Sec	
316	PC members to provide feedback on the Rate (Filed 41) FAQ text provided to them by COB Thursday 16 th May 2019.	DSB PC	
317	DSB to provide PC Members with a link to the Best Practice guidelines on the DSB website to facilitate onward communication to industry.	DSB Sec	
318	PC members to provide candidate release changes that are to be considered for inclusion in the proposed November product template release.	DSB PC	