

DSB PRODUCT COMMITTEE MEETING MINUTES

Meeting: The 105th DSB Product Committee Meeting

Date: 22-Jan-2019 **Time:** 15.00 – 16.30 UTC **Location:** DSB Offices /
Teleconference

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

Attendees: **Voting Members**

Jourik De Lange, Smartstream RDU
Tia Ellerman, Citigroup
Uwe Hillnhuetter, Tradeweb
Rene Muller, HSH Nordbank
Jonah Platt, Citadel
Ben Scofield, Refinitiv
Jay Shotton, JP Morgan

Non-Voting Members

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

Observers

Eiichiro Fukase, JSDA
Takahiro Onojima, JSDA

Designated DSB Officer

Malavika Solanki, DSB

DSB Secretariat /

Alternate DDOs

Nathan Dagg, DSB
Simon Wiltshire, DSB

Apologies: Michael Burg, State Street Financial
Adam Lister, Bloomberg
Maros Oberman, 42 Financial Services
Kirston Winters, MarkitSERV

Absences: Michael Sandro Bauch, Allianz Global Investors
Vincent Dessard, EFAMA

No Topics

1 Competition Law Reminder

- Presented
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2 Review Minutes from Previous Meeting

- Members agreed the addition of comments from a member and made the minutes final
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3 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.
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- **Action 245:** DSB to distribute the Tenor Calculator functional and non-functional specification to the members of the PC – following (by 2 weeks) technical agreement by the TAC.
 - **Action 248:** DSB to present the issue of AUP and Volume Cap for the Tenor Calculator to the TAC for consideration so that the appropriate levels can be documented and applied. Dependent on action #245.
 - **Action 252:** DSB to respond to the initiator of the question concerning CNY/CNH & Place of Settlement with the decision of the Product Committee. **Closed.**
 - **Action 253:** The DSB will include an entry in the Field 41 related FAQ document noting that in the instance where a non-business day is specified for the Effective Date of the instrument, that date should be used in the definition of the ISIN to remain consistent with industry practice elsewhere e.g. clearing. **Closed.**
 - **Action 254:** PC to review the current draft Tenor Calculator FAQ document (version 2) and agreed to review the document and provide further comment. **Closed.**
 - **Action 255:** DSB to send ESMA the assumptions that are to be used in the development of the Tenor Calculator for their review. **Closed.**
 - **Action 256:** DSB to present ISDA's feedback on Basis/Basis OIS issue to the PC and to add it to the General FAQ on the DSB website.
 - **Action 257:** DSB to ensure that the Tenor Calculator Functional Specification document is updated in line with decisions made by the TAC. Dependent on action #245 and #248.
 - **Action 258:** DSB to present any changes made to the Tenor Calculator Functional Specification to the Product Committee. Dependent on action #245.
 - **Action 259:** PC to determine whether the Tenor Calculator Functional Specification should be subject to further industry review. Dependent on action #245 and #258.
 - **Action 260:** The DSB to consider the question of co-chair voting.
 - **Action 261:** The DSB Secretariat will distribute the ISIN Status Document to members of the PC ahead of a walk-through at the next meeting. **Closed.**
 - **Action 262:** The DSB Secretariat will distribute the Change Request Document to members of the PC ahead of a walk-through at the next meeting. **Closed.**
 - **Action 263:** The DSB Secretariat will distribute the Field 41 (Term of Contract) FAQ document to members of the PC for review at the next meeting. **Closed.**
 - **Action 264:** The DSB Secretariat will ensure that the question of Non-Power user access to the Tenor Calculator is raised with the TAC.
 - **Action 265:** The DSB Product Committee members will propose additional areas of focus for the DSB in 2019 at the next PC meeting. Any feedback to provided by the Target Date
 - **Action 266:** The DSB Secretariat will evaluate the pros and cons of employing a Bulletin Board for the PC – similar to that used by the TAC.
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4 ISIN Status Document

- The DSB provided an overview of the ISIN Status workflows as requested by the PC in the previous meeting on 8th January 2019
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5 Term of Contract (Field 41)

- The DSB noted that the tenor calculator methodology had been sent to ESMA for comment, which ESMA had no objections to the assumptions made by the DSB
 - **Action 267:** The DSB to provide the PC with the tenor calculator document which was sent to ESMA for comments
 - The DSB Technology Advisory Committee (DSB TAC) Secretariat provided an update of the feedback received regarding the technical approach for the tenor calculator API design and the product templates (which was previously requested by the PC). The DSB TAC has favoured an approach which would have an integrated calculation rather than support a stand-alone calculator.
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- **Action 268:** PC agreed to have members of the DSB TAC attend the next PC meeting to further discuss the implementation approaches available for the tenor calculator. A summary of the resulting discussion will be posted on the TAC bulletin board to allow any who couldn't dial in, the opportunity to comment
 - Discussion around the calculation of the term of contract and how this could be consistently applied across the industry to avoid discrepancies between counterparties and reporting to regulators. The discussion included what should be deemed a 'standard tenor'.
 - **Action 269:** DSB to circulate the current Field 41 FAQ document for the PC to review section 2.4 & 2.5 and provide feedback with the inclusion of additional scenarios
 - **Action 270:** DSB to request the DSB TAC to opine on the option of the source code for the tenor calculator to be provided to industry
 - **Action 271:** DSB to consult with FIX Trading Community for licence guidance application relating to the API
 - The group noted participant suggestions on how the tenor calculation might evolve
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6 Term Of Contract : Guidance on the use of the Term of Contract Value/Unit

- The DSB provided an overview of the questions / queries the DSB Secretariat has been receiving in relation to the new fields introduced to support Field 41
 - The DSB provided text which it was proposing to supply users with which detailed further information relating to the two new fields
 - **Action 272:** The PC was to feedback on the specific text in the slides provided by close of business on Thursday 24th January, prior to the DSB making the information available to users
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7 DSB Change Request Process Document

- Carried over to the next meeting.
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8 Commodity Indices : Conference Call

- Carried over to the next meeting.
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9 Key Areas of Focus in 2019 : Q2 – Q4 2019

- Carried over to the next meeting.
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12 AOB

Respectfully submitted,

DSB Secretariat

Minutes Approved on: 5th February 2019

Summary of Open Actions: carried forward from 2018.

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
245	DSB to distribute the Tenor Calculator functional and non-functional specification to the members of the PC – following (by 2 weeks) technical agreement by the TAC.	DSB Sec	TBC
248	DSB to present the issue of AUP and Volume Cap for the Tenor Calculator to the TAC for consideration so that the appropriate levels can be documented and applied	DSB Sec	TBC
256	DSB to present ISDAs feedback on Basis/Basis OIS issue to the PC and to add it to the FAQ on the website.	DSB Sec	11-Jan-19
257	DSB to ensure that the Tenor Calculator Functional Specification document is updated in line with decisions made by the TAC.	DSB Sec	11-Jan-19
258	DSB to present any changes made to the Tenor Calculator Functional Specification to the Product Committee.	DSB Sec	11-Jan-19
259	PC to determine whether the Tenor Calculator Functional Specification should be subject to further industry review.	DSB PC	11-Jan-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
264	The DSB Secretariat will ensure that the question of Non-Power user access to the Tenor Calculator is raised with the TAC.	DSB Sec	Q1 2019
265	The DSB Product Committee members will propose additional areas of focus for the DSB in 2019 at the next PC meeting. Any feedback to provided by the Target Date	DSB PC	05-Feb-19
266	The DSB Secretariat will evaluate the pros and cons of employing a Bulletin Board for the PC – similar to that used by the TAC.	DSB Sec	05-Feb-19

Summary of Open Actions: Agreed at this meeting

No	Actions	Owner	Target Date
267	The DSB to provide the PC with the tenor calculator document which was sent to ESMA for comments	DSB Sec	25-Feb-19
268	PC agreed to have members of the DSB TAC attend the next PC meeting to further discuss the implementation approaches available for the tenor calculator. A summary of the resulting discussion will be posted on the TAC bulletin board to allow any who couldn't dial in, the opportunity to comment	DSB PC	05-Feb-19
269	DSB to circulate the current Field 41 FAQ document for the PC to review section 2.4 & 2.5 and provide feedback with the inclusion of additional scenarios	DSB Sec	01-Feb-19
270	DSB to request the DSB TAC to opine on the option of the source code for the tenor calculator to be provided to industry	DSB TAC	19-Feb-19

271	DSB to consult with FIX Trading Community for licence guidance application relating to the API	DSB TAC	19-Feb-19
272	The PC was to feedback on the specific text in the slides provided by close of business on Thursday 24th January, prior to the DSB making the information available to users	DSB PC	24-Jan-19
