

DSB PRODUCT COMMITTEE MEETING MINUTES

Meeting: The 117th DSB Product Committee Meeting

Date: 25-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
Uwe Hillnhuetter, Tradeweb
Adam Lister, Bloomberg
Rene Muller, HSH Nordbank
Maros Oberman, 42 Financial Services
Jonah Platt, Citadel
Jay Shotton, JP Morgan
Kirston Winters, MarkitSERV

Non-Voting Members

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
Tia Ellerman, Citigroup
Ben Scofield, Refinitiv
Emma Kalliomaki, DSB Board
Vincent Dessard, EFAMA
David Broadway, The IA

Absences: Michael Sandro Bauch, Allianz Global Investors

No Topics

1 Introduction & Agenda

2 Competition Law Reminder

- Presented
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3 Review Minutes from Previous Meeting

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

- **Action 304:** DSB to analyse the current NDF ISINs and provide metrics on the Settlement Ccy for NDFs to the PC for further discussion. **Closed.**
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- **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 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. **Closed.**
- **Action 318:** PC members to provide candidate release changes that are to be considered for inclusion in the proposed November product template release. **Discussed today. Closed.**
- **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. **Discussed today. Closed.**
- **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. **Discussed today. Closed.**
- **Action 321:** DSB to provide use cases to illustrate the impact of the proposed Equity Strike Price Type change to existing ISIN records. **Discussed today. Closed.**
- **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. **Discussed today. Closed.**
- **Action 323:** PC to confirm that the name(s) would exclude use of the € symbol from the reference rate(s) to be introduced. **Discussed today. Closed.**
- **Action 324:** ISDA to confirm date on which new reference rate names(s) would be confirmed for use by the DSB development team. **Open but amend Target Date to 8th Sept 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). **Open**
- **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. **Open**
- **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. **Discussed today. Closed.**

5 NDF Settlement Currency Analysis

- The DSB presented further analysis on NDF settlement currency being used in the creation on NDF ISIN. The analysis showed a small percentage of ISIN created did not have a currency which was not part of the currency pair. It was noted that there was no guidance in the public domain that the DSB could share with users. The PC discussed this item and noted this could be due to erroneous creations but could also be genuine scenarios. The PC determined this not be a major issue at this point in time, thus no resulting changes were required to the NDF template and that they would reassess should the numbers grow in the future.

6 Equity Options : Strike Price

- The PC reviewed and agreed the Use Cases that would be supported following the introduction of the previously agreed Strike Price Type amendment. The PC agreed that the DSB would return to the meeting with full details of the proposed change and that the use cases presented would serve as a baseline model where should attributes be added to DSB product templates in the future.
 - **Action 328:** DSB to present the full details of the proposed Equity Option : Strike Price Type change to the PC.
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7 €STR : Release Scheduling

- The DSB provided an update to the PC of the proposed release schedule for the new reference rate inclusion into the affected templates. The release is dependent upon the confirmation of Reference Rate names by ISDA and its inclusion into FpML coding scheme.
 - The PC noted that there had been industry discussion around the use of the € symbol and how this may be adopted into text – with the value expected to be set to “EUROSTR”.
 - The PC were informed that the proposed release schedule was dependent upon receipt of the Reference Rate name(s) by 8th September.
 - **Action 324:** ISDA to confirm date on which new reference rate names(s) would be confirmed for use by the DSB development team. **Remains Open but amend Target Date to 8th September 2019.**
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9 Index / Series on Credit TRS

- The DSB presented an issue raised by a user around how the iBOXX family of Total Return Indexes should be represented when applying the values for series and version. The DSB noted that these are currently mandatory fields, but the user had noted these were not relevant for this index family.
 - The PC discussed the item and agreed that user should supply Series=1 and Version=1, which would be provided to user as part of a best practise guide. The PC noted this approach would be better than adding an option field for these values, as it would create further confusion amongst users
 - **Action 329:** DSB to present the Best Practice Guideline for iBOXX TRS templates to the PC for approval.
 - **Action 331:** DSB to assess the need for adding systematic validation for Series and Version for iBOXX TRS template. **To be added to the watchlist**
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10 November 2019 Release

- No specific items were raised by the PC for inclusion.
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11 UPI Analysis : FX

- The PC discussed the issue of the setting of Put and Call values for FX Options and how they would be handled within the UPI. It was noted that the values specified in the UPI Technical Guidance were to be regarded as “examples” and were subject to possible change. The PC agreed that there was a need for a consistency to be maintained between the ISIN and the UPI but no actions were required at this time.
 - The PC discussed the issue of Settlement Currency within the FX templates and its relation to Delivery Type.
 - **Action 331:** The DSB are to present a summary of the current support for Delivery Type and Settlement Ccy within the FX templates.
 - The PC discussed the use of Place of Settlement within the FX Non-Standard Forward template.
 - It was noted that the previous PC had agreed that anything value outside the ISO Ccy Code (for example CNH aka offshore CNY) would be supported by Place of Settlement in the Non-Standard template.
 - **Action 332:** The DSB are to present possible approaches (and possible impact) to the support of Place of Settlement within the FX templates.
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12 AOB

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- The DSB noted that the second industry consultation paper for 2020 will be released next Friday 5th July.
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Respectfully submitted,

DSB Secretariat

Minutes Approved on: 9th July 2019

Summary of Open Actions

No	Actions	Owner	Target Date
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
324	ISDA to confirm date on which new reference rate names(s) would be confirmed for use by the DSB development team.	ISDA	08-Sep-19
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).	DSB Sec	09-Jul-19
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.	DSB Sec	23-Jul-19
328	DSB to present the full details of the proposed Equity Option: Strike Price Type change to the PC.	DSB Sec	23-Jul-19
329	DSB to present the Best Practice Guideline for iBOXX TRS templates to the PC for approval.	DSB Sec	09-Jul-19
331	The DSB are to present a summary of the current support for Delivery Type and Settlement Ccy within the FX templates.	DSB Sec	23-Jul-19
332	The DSB are to present possible approaches (and possible impact) to the support of Place of Settlement within the FX templates.	DSB Sec	23-Jul-19