

DSB PRODUCT COMMITTEE MEETING MINUTES

Meeting: The 129th DSB Product Committee Meeting

Date: 10-Dec-2019 **Time:** 15.00 – 16.30 UTC **Location:** DSB Offices /
Teleconference

Chairs: Joseph Berardo, Intercontinental Exchange

Attendees: **Voting Members**

Uwe Hillnhuetter, Tradeweb Adam Lister,
Bloomberg Rene Muller, Hamburg Commercial
Bank AG Gregg Rapaport, DTCC Jay Shotton, JP
Morgan Kirston Winters, MarkitSERV

Non-Voting Members

David Broadway, The IA
Karel Engelen, ISDA
Fiona Willis, GFMA

Observers

Eiichiro Fukase, JSDA
Emma Kalliomaki, DSB Board
David Olgilvie-Forbes, FCA

Designated DSB Officer

Malavika Solanki, DSB

DSB Secretariat /

Alternate DDOs

Simon Wiltshire, DSB
Nathan Dagg, DSB

Apologies: Harry McAllister, BNP Paribas
Michael Burg, State Street Financial
Jourik De Lange, Smartstream RDU
Tia Ellerman, Citigroup
Michael Sandro Bauch, Allianz Global Investors
Ben Scofield, Refinitiv
Vincent Dessard, EFAMA
Olaf Kurpiers, BaFin

Absences: Maros Oberman, 42 Financial Services Jonah
Platt, Citadel Olaf Kurpiers, BaFin Jim Northey,
FIX TC

*The meeting was not quorate. Decisions to be
requested by email.*

No	Topics
----	--------

1	Introduction & Agenda
---	-----------------------

2	Competition Law Reminder
---	--------------------------

- Presented
-

3	Review Minutes from Previous Meeting
---	--------------------------------------

-
- No comments were received and so the minutes for the prior meeting are considered final.
-

4 Open Actions

- **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. **Closed subject to approval.**
 - **Action 334:** The DSB to contact ESMA about the impact of FX Swap Delivery Type on mapping existing ISIN submissions and users post implementation change. **Closed subject to approval.**
 - **Action 344:** ISDA to set up a conference call to discuss the treatment of the Effective Date in the newly deployed Term of Contract / Field 41 functionality. **Closed subject to approval.**
 - **Action 358:** The ISDA Symbology Group are to report back on industry consensus for the setting of Reference Rate Term in €STR Fixed Float products. **Closed. Replaced by Action 368.**
 - **Action 363:** The DSB are to provide statistical comparison showing usage of the new templates versus existing Rates. Inflation templates. **Closed.**
 - **Action 364:** The DSB are to reach out to industry groups (eg: ISDA, EVIA) to discuss an approach to improving knowledge of the ESMA guidance within the industry. **Open.**
 - **Action 365:** The DSB are to provide a statistical breakdown of all Rates templates input using “By Effective Date” to highlight differences between standard and broken-dated terms of contract - once industry practice has bedded down. **Open.**
 - **Action 366:** The DSB are to send a revised form of the proposed text concerning the use of Settlement Ccy for FX Swaps to all members of the PC for review. **Closed.**
 - **Action 367:** The DSB to include the subject of ISIN amendment and adoption in the PC Agenda for the next meeting. **Closed.**
-

5 Announcements

PC Schedule: 2020

- The DSB provided an overview of the Product Committee (PC) meeting schedule for 2020.

UPI Status Update: TAC SSC

- A summary of TAC SSC UPI Analysis status was presented to the PC. The TAC Chair provided an update on TAC SSC activities aimed at supporting a hierarchical workflow, with UPI being the first of these examples.
 - The TAC SSC have compiled an initial document that examines the key functional requirements that centres around relevant workflows – for both a standalone UPI and one embedded in the OTC ISIN.
 - The interim document was near completion and was to be shared with the TAC for review and comment.
 - The report also contains a handful of questions for the PC about the content and structure of the UPI record, with questions to be shared with the PC in due course.
-

6 Product Release Schedule: 2020

- The DSB provided an overview of the Product Release Schedule for 2020.
- As part of the discussion, participants provided an update about new Rates enumerations under discussion in industry and agreed to provide a further update to the PC as names were confirmed, so that the DSB could work on implementation timelines and communicate these to users.
- **Action 368:** ISDA to provide a progress update on discussions to support new reference rates.

-
- **Action 369:** The DSB to distribute the details of the 2020 Product Release Schedule for review and approval by members of the PC
-

7 FX Swap: Settlement Currency XXX

- The DSB presented the proposed FAQ text for the use of Settlement Currency with Non-Standard Forwards and Options.
 - The meeting proposed that the second sentence of the presented text should be removed.
 - The meeting discussed the possible use of the “XXX” currency code for Crypto-Currency products. The meeting was unaware of an official position from any regulatory authority or standards body and so this issue has no impact on the DSB at this time. The meeting acknowledged that this situation may change in the future and that members would actively monitor and report back the PC.
 - **Action 370:** The DSB to distribute the revised FAQ text for the use of Settlement Currency with Non-Standard Forwards and Options for review and approval by members of the PC.
-

8 Commodities Taskforce

- The DSB presented an update on the status of the Commodities Taskforce.
 - **Action 371:** The DSB to distribute a summary of the current Commodity Taskforce status to members of the PC.
-

9 Inflation Products: Metrics

- The DSB presented a statistical comparison of ISIN creation showing usage of the new Rates/Inflation templates versus existing Rates/Inflation templates following the release of two new templates on 17-Nov-19.
 - The meeting highlighted the issue that the new (more specific templates) would expect to replace the existing (more general templates). This migration is not currently observed in the statistics, but the situation should continue to be monitored by the PC.
 - **Action 372:** The DSB to provide a statistical comparison of ISIN creation showing usage of the new Rates/Inflation templates versus existing Rates/Inflation templates.
-

10 Template Version Management

- The DSB presented a summary of the template version issue discussed at the previous PC meeting – including some example scenarios and a problem statement.
 - The PC agreed that the meeting should focus on the impact of “breaking” template changes on the creation, search and reporting of ISINs by DSB users (as presented in the problem statement) rather than issues concerning the transition of reference rates - which should be considered as a separate item in the future.
 - **Action 373:** The DSB to request further business scenarios that highlight possible circumstances in which two parties may employ different ISINs for the same product due to a “breaking” template change.
-

11 AOB

- No items presented.
-

Respectfully submitted,

Minutes Approved on: 20th December 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. Provisionally closed.	DSB Sec	14-May-19
334	The DSB to contact ESMA about the impact of FX Swap Delivery Type on mapping existing ISIN submissions and users post implementation change. Provisionally closed.	DSB Sec	23-Jul-19
344	ISDA to set up a conference call to discuss the treatment of the Effective Date in the newly deployed Term of Contract / Field 41 functionality. Provisionally closed.	ISDA	15-Oct-19
364	The DSB are to reach out to industry groups (eg: ISDA, EVIA) to discuss an approach to improving knowledge of the ESMA guidance within the industry.	DSB Sec	10-Dec-19
365	The DSB are to provide a statistical breakdown of all Rates templates input using "By Effective Date" to highlight differences between standard and broken-dated terms of contract - once industry practice has bedded down	DSB Sec	28-Jan-20
368	The ISDA Symbology Group are to report back on industry consensus for the publication of new Reference Rates.	ISDA	14-Jan-20
369	The DSB to distribute the details of the 2020 Product Release Schedule for review and approval by members of the PC.	DSB Sec	14-Jan-20
370	The DSB to distribute the revised FAQ text for the use of Settlement Currency with Non-Standard Forwards and Options for review and approval by members of the PC.	DSB Sec	14-Jan-20
371	The DSB to distribute a summary of the current Commodity Taskforce status to members of the PC.	DSB Sec	14-Jan-20
372	The DSB to provide a statistical comparison of ISIN creation showing usage of the new Rates/Inflation templates versus existing Rates/Inflation templates	DSB Sec	25-Feb-20
373	The DSB to request further business scenarios that highlight possible circumstances in which two parties may employ different ISINs for the same product due to a "breaking" template change	DSB Sec	14-Jan-20