DSB PRODUCT COMMITTEE MEETING MINUTES

Meeting:	The 145th DSB Product Committee Meeting				
Date:	11-Aug-2020	**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
Jourik De Lange, Smartstream RDU
Uwe Hillnhuetter, Tradeweb
Adam Lister, Bloomberg L.P.
Gregg Rapaport, DTCC
Jay Shotton, JP Morgan
Kirston Winters, MarkitSERV

Non-Voting Members
Emma Kalliomaki, DSB Board
David Broadway, The IA
Karel Engelen, ISDA
Vincent Dessard, EFAMA

Observers
Mari Askura, JSDA
Ayo Fashina, FCA
Robert Stowsky, CFTC

Designated DSB Officer
Malavika Solanki, DSB

DSB Secretariat / Alternate DDOs
Simon Wiltshire, DSB
Adam Grace, DSB

Apologies: Tia Ellerman, Citigroup
Rene Muller, Hamburg Commercial Bank AG
Jonah Platt, Citadel
Michael Sandro Bauch, Allianz Global Investors
Ben Scofield, Refinitiv
Olga Petrenko, ESMA
Olaf Kurpiers, BaFIN
Eiichiro Fukase, JSDA

Absences: Maros Oberman, 42 Financial Services
Fiona Willis, GFMA
Jim Northey, FIX TC

No	Topics
1	**Introduction & Agenda**

| **2** | **Competition Law Reminder** |

Presented

| **3** | **Review Minutes from Previous Meeting** |

The minutes for the prior meeting are considered final.

4 Announcements

DSB Current COVID19 Status
The DSB (TAC) have extended the state heightened awareness through to the end of September.

GBP-SONIA-COMPOUNDED-INDEX
The DSB confirmed that the reference rate had been made available for testing but had not been promoted to Production (scheduled for 9th August) as the data source (FpML) had not yet been updated. This approach follows the agreed principle that the DSB will schedule the release of new Reference Rates only after receipt of official notification of an update to the FpML Coding Scheme. It was also agreed that ISDA was to be the action owner.

PC Member Changes
Michael Sandro Bauch, a Buy-Side participant of the PC, has now left his organisation and will be stepping down from the PC as a result. The PC discussed the governance process surrounding the appointment of a new member. The DSB are working on finding a suitable replacement in-line with the DSB Charters requirements.
See AOB

5 Open Actions

368	The ISDA Symbology Group are to report back on industry consensus for the publication of new Reference Rates relating to €STR. *No Update from ISDA. Action to be reviewed again at the next meeting*	**OPEN**
412	DSB to provide an update to regulators on CFI 2019 adoption following any updated approach being shared with the DSB PC	**OPEN**
413	The DSB to obtain regulatory feedback on CFI 2019 adoption after the initial outreach by the DSB	**OPEN**
421	The DSB to work with ISO representatives to agree an information sharing framework to facilitate PC feedback to the CFI	**OPEN**
425	The DSB to update the PC on the expedited release schedule for the SONIA Reference Rates updates after FpML confirmation. *See Announcements.*	**OPEN**

6-9 Current DSB Tasks

		Status	Priority
DSB-48	**Equity Option : Strike Price Type** Equity Options do not include a qualification for the Strike Price that defines the type of Strike Price that has been entered -eg: Price, Percentage, BP, Yield or Other.	Tech	High
DSB-52	**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-54	**Last Updated Date Time Required**	Sched	Low

	Ensure that the LastUpdateDateTime attribute is marked as "Required" on all product templates *Scheduled for release into Production: 20th September 2020*			
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).		In Prog	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). *See Section 10.*		In Prog	High
DSB-64	**ISIN to LEI Mapping for Single Name CDS** To examine how GLEIF's ISIN-LEI mapping facility can be used to increase the quality of data for single name CDS ISINs (Analysis Only).		In Prog	Low
DSB-65	**Underlying Instrument Index Mapping** To examine mapping of Underlying Instrument Index to Underlying Instrument Identifier (eg: ISIN) for unique ISIN creation from either attribute (Analysis Only). *See Section 11.*		In Prog	Med
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).		In Prog	Low
DSB-88	**Strike Price Validation** The validation of Strike Price is expected to vary depending upon the setting of the Strike Price Type (see above).		Tech	High
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 in order to identify efficiency and service improvements.		In Prog	Low
DSB-139	**CFI Codes for Equity Options** It is currently possible for an Equity Option to generate a CFI code in which the 4th character is set to "X" (eg: HESXMC)		In Prog	High
DSB-152	**ESTR ISO 20022 Mapping for RTS23** Support mapping of EUR-EuroSTR-COMPOUND Ref. Rate to an ISO20022 4-char code in order to satisfy the ESMA guidance for RTS23. *Scheduled for release into Production: 20th September 2020.*		Sched	High
DSB-370	**CFI 2019 Support** Support the updated 2019 ISO Standard for CFI (10962) throughout the DSB product suite.		In Prog	High

DSB-396	**New CZK OIS Reference Rate** The DSB has been made aware of the imminent release of a CZK OIS Reference Rate –for inclusion following FpML Coding Scheme has been updated.	Queue	Low
DSB-516	**New Reference Rate : THB-THOR-COMPOUND** Add THB-THOR-COMPOUND to the enumerated list of Reference Rates for RATES and Non-Standard templates *Scheduled for release into Production: 20th September 2020*	Sched	Med
DSB-659	**New Reference Rate : GBP-SONIA-COMPOUNDED-INDEX** Add GBP-SONIA-COMPOUNDED-INDEX to the enumerated list of Reference Rates for RATES and Non-Standard templates *Awaiting FpML Coding Scheme update*	In Prog	High

10   DSB-63 : RTS2 Mapping File

The PC was presented detailed analysis, issues faced and the current assumptions regarding the RTS2 Mapping File specifically in relation to Rates, Credit, FX, Equity and Other products. The DSB were looking for the PC to discuss the current analysis and issues being faced and agree on the current assumptions.

It was agreed that the DSB, with the help of the chairs, need to confirm the requirements of the RTS2 Mapping File and the level of granularity required before the analysis can be fairly discussed by the PC. *>Action427.*

11   DSB-65 : Underlying Equity Index

The DSB presented its assessment of the quality of the Equity indices (ESMA TTC) currently held by the DSB as per the industries request. The assessment included comments and figures relating to; Coverage, Usage, Quality, Maintenance and Mapping.

The PC agreed that support for Equity Indices within the DSB was not optimal and that other sources of data should be identified and assessed for suitability as possible alternatives.

The PC requested the DSB look for alternative sources and present this again at a later date. *>Action428.*

12   UPI Project : Feedback from the FSB in response to the PC's Preliminary Analysis Paper (cont'd)

PC members were presented with the FSB's detailed response to the PC's preliminary OTC ISIN - UPI analysis paper and discussed the first three of six items of feedback received thus far. The PC acknowledged the detailed response from the FSB, reflective of the size and complexity of the UPI project. Members discussed the first three items of feedback received, and it was agreed that additional time was required to review the remaining items, with discussions to continue at the following meeting.

Members welcomed the FSB's feedback on use of the ISIN as an underlying ID (where applicable) and awaited confirmation of the FSB's preferred approach with respect to the equity's asset class. In the instance additional underlying IDs may be required in addition to the ISIN (for equities), Members debated whether such an ID might be required in all cases or only where an ISIN does not already exist.

Members welcomed the FSB's feedback on the subject of the data hierarchy and noted that a consistent approach was required for all asset classes. Members' await the FSB's feedback with

respect to the equities asset class, and expressed their commitment to a strict hierarchy between ISO & UPI so that the values remained in alignment. Members noted that the FSB's request for varying granularity was feasible across each of the UPI and OTC ISIN, and restated their view that alignment had to be preserved in order to ensure consistent application and adoption. Member's welcomed the FSB's proposed format for resolution of any alignment issues that may arise.

Members noted their expectation that the DSB's initial focus would be on the provision of a single UPI format that would be applicable across all jurisdictions, remain consistent with the ISO standard and any additional attributes that the PC might wish to include within the UPI product definition.

Members welcomed the FSB's feedback on the use of "Other" as an instrument type, and requested that a detailed PC discussion follow in due course to examine the specific data attributes (both input and derived) that would be used to define the product. **>Action 429**

To date the PC have been presented and discussed the; Current Status, General Assumptions, CDS Standard Contract Type Assumptions, CDS Contract Type of Loan Pool Assumptions, The FSB feedback regarding the use of ISIN as the Underlying ID, Data Hierarchy & Use of Other as an Instrument Type.

Product Release Schedule

The DSB's next product release is scheduled for September

AOB

It was announced that no PC meeting would take place on the scheduled date of 25th August 2020 and that the next meeting would be held on 8th September 2020.

The PC members acknowledged the contribution of Michael Sandro Bauch to the PC and wished him well in all future endeavours.

Respectfully submitted,

DSB Secretariat

Minutes Approved on:

Summary of Open Actions		Owner	Target Date
368	The ISDA Symbology Group are to report back on industry consensus for the publication of new Reference Rates relating to €STR.	ISDA	07-Apr-20
412	DSB to provide an update to regulators on CFI 2019 adoption following any updated approach being shared with the DSB PC.	DDO	TBC
413	The DSB to obtain regulatory feedback on the CFI 2019 approach after the initial outreach by the DSB.	DDO	TBC
421	The PC to work with ISO representatives to agree an information sharing framework to facilitate PC feedback to the CFI MA.	DDO	08-Sep-20
422	ISDA to provide the name and implementation details of the new SONIA Reference Rates to the PC.	ISDA	28-Jul-20
425	The DSB to update the PC on the expedited release schedule for the SONIA Reference Rates updates after FpML confirmation.	DSB	08-Sep-20
427	The DSB to discuss with the PC Chairs and confirm the requirements of the RTS2 Mapping File and the level of granularity required.	DSB	25-Aug-20
428	The DSB to investigate alternative sources for Equity indices data as part of DSB-65 for presentation to the PC.	DSB	20-Oct-20
429	The DSB to have a a detailed discussion with the FSB regarding the use of "Other" as an instrument type.	DSB	TBC

Summary of New or Updated DSB Tasks	Status	Priority