

DSB PRODUCT COMMITTEE MEETING MINUTES

Meeting: The 132th DSB Product Committee Meeting

Date: 11-Feb-2020 **Time:** 15.00 – 16.30 UTC **Location:** DSB Offices /
Teleconference

Chairs: Harry McAllister, BNP Paribas

Attendees: **Voting Members**

Michael Burg, State Street Financial
Tia Ellerman, Citigroup
Uwe Hillnhuetter, Tradeweb
Rene Muller, Hamburg Commercial Bank AG
Maros Oberman, 42 Financial Services
Jonah Platt, Citadel
Michael Sandro Bauch, Allianz Global Investors
Jay Shotton, JP Morgan
Ben Scofield, Refinitiv

Non-Voting Members

Karel Engelen, ISDA

Observers

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

Designated DSB Officer

Malavika Solanki, DSB

DSB Secretariat /

Alternate DDOs

Simon Wiltshire, DSB
Nathan Dagg, DSB
Adam Grace, DSB

Apologies: Joseph Berardo, Intercontinental Exchange
Jourik De Lange, Smartstream RDU
Adam Lister, Bloomberg L.P.
Gregg Rapaport, DTCC
David Broadway, The IA
Olga Petrenko, ESMA
Fiona Willis, GFMA

Absences: Kirston Winters, MarkitSERV
Vincent Dessard, EFAMA
Jim Northey, FIX TC

No Topics

1 Introduction & Agenda

2 Competition Law Reminder

Presented

3 Review Minutes from Previous Meeting

After discussion, the minutes for the prior meeting are considered final.

4 Open Actions

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	CLOSED > DSB-233
368	The ISDA Symbology Group are to report back on industry consensus for the publication of new Reference Rates relating to €STR.	OPEN
372	The DSB to provide a statistical comparison of ISIN creation showing usage of the new Rates/Inflation templates versus existing Rates/Inflation templates.	OPEN
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. <i>The DSB proposed closing the action at next PC meeting if no further business scenarios are highlighted.</i>	OPEN
374	DSB to publish statistical analysis of the use of Delivery Type for Rates products in order to examine whether industry best practice is being followed in the creation of ISINs.	OPEN
375	DSB to seek information about the expected timeline for inclusion of the additional values in the ISO 20022 BenchmarkCurveName2Code code set from the regulator and seek feedback on whether only new ISINs created after the DSB implementation date are affected.	CLOSED > Action 381
376	ISDA to inform the PC of the details of the proposed Turkish OIS Reference Rate	OPEN
377	DSB to publish Terms of Reference for the 2020 Industry Consultation Product Tasks to members of the PC	OPEN
378	DSB to seek further information from ISO about BenchmarkCurveNameCode & BenchmarkCurveName2Code code sets - how they are mapped and updated.	CLOSED > Action 381
379	DSB to publish the CRF for DSB-48 Equity Option : Strike Price Type and the proposed logic for Strike Price Type = “No Price”.	CLOSED
380	ISDA to confirm the first date of publication for both USD Swap Rate-BCMP1 & USD Treasury Rate-BCMP1. rates.	CLOSED > Action 383

5 Announcements

UPI ISO Product Work

An update was provided on the ISO UPI standard development timeline due to the recently launched New Work Item Proposal (NWIP) ballot for the UPI. The NWIP phase is the first stage of the ISO standard development process assessing whether there is appetite for a proposed

standard to move forward for development. The NWIP is reviewed by National Standards Bodies (NSB) who are the voting bodies within ISO.

The ISO UPI NWIP ballot closes on 8 April 2020 and PC members were encouraged to engage with their relevant NSB if they were interested in providing feedback on the NWIP and participating in the future ISO UPI development process. All comments submitted by NSB as part of the ballot process will be considered by a soon to be established ISO Working Group.

Further details on the ISO UPI standard development process will be published in due course.

6 New Issues

No new issues reported since last Product Committee Meeting.

7 Industry Consultation Tasks

Terms of References are currently being reviewed by the DSB and are not yet available for publication. **Action 377.**

8 Watch List Review

The DSB watch list was reviewed and the following actions was reviewed.

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|------------|---|--------------------------------------|
| 281 | DSB and PC to revisit the validation rules currently being user for Basis, Basis OIS and Cross Currency Swap templates to ensure templates in Q3 19. | OPENED
> DSB-232 |
| 285 | PC members to monitor industry developments of new CFI values (specifically for Cross Currency Basis OIS Swaps) as information becomes publicly available.

<i>Action has been superseded by a new action and no further requirements were identified by the PC.</i> | CLOSED
> Action 307 |
| 286 | The DSB to evaluate with enumeration source providers on how the DSB can integrate with further upstream in their process for introducing new values.

<i>No further requirements were identified by the PC.</i> | CLOSED |
| 287 | The DSB is to maintain a list of questions of UPI to ISIN analysis, which is to be reviewed following confirmation of the governance decision, after which further UPI technical guidance updates might occur.

<i>Preliminary analysis has been conducted by the PC and no further requirements were identified by the PC.</i> | CLOSED |
| 295 | DSB to hold feedback regarding ISO 6166 review on the watchlist.

<i>ISIN standard to be formally published which will capture information related to OTC derivatives. No further requirements were identified by the PC.</i> | CLOSED |
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299	The DSB to re-evaluate the September 2019 release schedule at the start of June 2019 in light of ESMA XML schema changes, Brexit and other factors.	CLOSED
	<i>Action has been superseded by other events and no further requirements were identified by the PC.</i>	
301	ISDA to confirm if the enumeration values for rates derivatives products are likely to be introduced while or shortly after the DSB's integrated field 41 templates are in UAT	CLOSED
	<i>Action has been superseded by other events and no further requirements were identified by the PC.</i>	
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	OPENED > DSB-234
330	DSB to assess the need for adding systematic validation for Series and Version for iBOXXTRS template	CLOSED
	<i>Best practice has been published by the DSB and no further requirements were identified by the PC.</i>	

9	Current DSB Tasks	Pty	Status
DSB-48	Equity Option : Strike Price Type See Section 11	High	Analysis
DSB-88	Strike Price Validation See Section 11	High	Analysis
DSB-90	Price Multiplier Validation	Low	Analysis
DSB-152	ESTR ISO 20022 Mapping for RTS23 The meeting confirmed that no action would be taken by the DSB until the code set has been updated. Action 381: DSB to seek further information from the regulator regarding ISO's 'internal' and 'external' code sets. Seeking confirmation about the initiator a process for the publication of new information across code sets	High	Hold
DSB-153	New FpML Reference Rates USD Swap Rate-BCMP1; USD Treasury Rate-BCMP1. PC reaffirmed the principle of having an expiry date no earlier than the first publication date. Action 383: The DSB to reach out to PC members for final consideration on first date of publication for both USD Swap Rate-BCMP1 & USD Treasury Rate-BCMP1 rates and whether this needs to be made available on an expedited basis.	Med	Analysis
DSB-139	CFI Codes for Equity Options It is currently possible for an Equity Option to generate a CFI code in which the 4 th character is set to "X" (eg: HESXMC) –an invalid CFI value.	Med	Analysis

DSB-173 Non-Standard Swap : Inconsistent enumeration of Delivery Type Med Analysis
There is an inconsistency in the format of Delivery Type on the Non-Standard Swap template –using lowercase values not uppercase abbreviations.

10 Current DSB Queue

No actions from the Product Committee Meeting.

11 For PC Review and Approval: Equity Option Strike Price Type : DSB 48/88

- The DSB presented the analysis work performed on *DSB 48/88 – Equity Option Strike Price Type* to the Product Committee.
 - The PC agreed the presented use of Strike Price Type of “No Price” and proposed functionality
 - The DSB confirmed that this task is currently being reviewed by the technical team
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12 Field 41: Input Breakdown

The DSB presented a statistical breakdown of all Rates templates input using “By Effective Date” to highlight differences between standard (using Tenor) and broken-dated (using Effective Date) terms of contract. The PC requested additional information

DSB-233: The DSB are to provide additional statistical analysis of Fixed/Float Swap and FRA Index ISINs created since 22nd September 2019 comparing Standard Tenors to Non-Standard Tenors and broken down by input method (by Effective Date or by Tenor)

13. Product Release Schedule

No actions from the Product Committee Meeting

AOB

No items presented

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	25-Feb-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	25-Feb-20
374	DSB to publish statistical analysis of the use of Delivery Type for Rates products in order to examine whether industry best practice is being followed in the creation of ISINs.	DSB Sec	07-Apr-20
376	ISDA to inform the PC of the details of the proposed Turkish OIS Reference Rate	ISDA	25-Feb-20
377	DSB to publish Terms of Reference for the 2020 Industry Consultation Product Tasks to members of the PC	DSB Sec	25-Feb-20
381	DSB to seek further information from the regulator regarding ISO’s ‘internal’ and ‘external’ code sets. Seeking confirmation about the initiator a process for the publication of new information across code sets.	DSB Sec	25-Feb-20
383	The DSB to reach out to PC members for final consideration on first date of publication for both USD Swap Rate-BCMP1 & USD Treasury Rate-BCMP1 rates and whether this needs to be made available on an expedited basis.	DSB Sec	25-Feb-20
Summary of New DSB Tasks		Pty	
DSB-232	DSB and PC to revisit the validation rules currently being user for Basis, Basis OIS and Cross Currency Swap templates to ensure templates in Q3 19. Analysis on how templates are being used to be provide to the PC to consider before closure.	Med	
DSB-233	The DSB are to provide additional statistical analysis of Fixed/Float Swap and FRA Index ISINs created since 22 nd September 2019 comparing Standard Tenors to Non-Standard Tenors and broken down by input method (by Effective Date or by Tenor).	Med	
DSB-234	PC to review ISIN/UPI/CFI 2019 alignment to identify attributes that may not fully align across the ISIN, CFI 2019 and the UPI. Specifically comparing the 2015 standard to the 2019 standard.	Med	

