

DSB PRODUCT COMMITTEE MEETING MINUTES

Meeting: The 175th DSB Product Committee Meeting

Date: 11-Jan-2022 **Time:** 15.00 – 16.30 UTC **Location:** DSB Offices /
Teleconference

Name	PC Role	Institution	Attendance
Harry McAllister	Co-Chair	BNP Paribas	Yes
Joseph Berardo	Co-Chair	Intercontinental Exchange	Yes
Michael Burg	Product Committee Member	State Street Financial	Yes
Martyn Cole	Product Committee Member	Refinitiv	Absent
Jourik De Lange	Product Committee Member	Smartstream RDU	Yes
Dawd Haque	Product Committee Member	Deutsche Bank	Absent
Dominic Harth	Product Committee Member	Union Investment Privatfonds GmbH.	Absent
Uwe Hillnhuetter	Product Committee Member	Tradeweb	Yes
Nicholas Moger	Product Committee Member	J.P Morgan	Yes
Navraj Panesar	Product Committee Member	Citigroup	Absent
Gregg Rapaport	Product Committee Member	DTCC	Yes
Kirston Winters	Product Committee Member	IHS Markit	Yes
Mari Asakura	Regulatory Observer	JSDA	Absent
Davide Panadori Cino	Regulatory Observer	ESMA	Apologies
Giulia Ferraris	Regulatory Observer	ESMA	Apologies
Eiichiro Fukase	Regulatory Observer	JSDA	Yes
Dr Olaf Kurpiers	Regulatory Observer	BaFin	Apologies
Frank Lasry	Regulatory Observer	AMF	Absent
Jean Obray	Regulatory Observer	FCA	Yes
Alex Stirling	Regulatory Observer	FCA	Yes
Robert Stowsky	Regulatory Observer	CFTC	Yes
Dominik Zeitz	Regulatory Observer	BaFin	Absent
Andrew Bayley	Observer	ISDA	Yes
Lisa Taikitsadaporn	Observer	FIX Trading Community	Yes
Fiona Willis	Observer	GFMA	Apologies
Emma Kalliomaki	DSB Board Sponsor	DSB Board	Yes
Malavika Solanki	DDO	DSB	Yes
Simon Wiltshire	Alternate DDO	DSB	Yes
Adam Grace	Alternate DDO	DSB	Yes

No Topics

1 Introduction & Agenda

2 Competition Law Reminder

Presented.

3 Review Minutes from Previous Meeting

The prior meeting's minutes were approved and are now considered final.

4 Announcements

N/A

5 Open Actions

485	The DSB are to work with the PC to produce best practice guidance on the treatment of the funding leg in the generation of UPIs.	DDO	OPEN
508	PC to discuss feedback from CFI maintenance agency regarding NDF's on Bitcoin. <i>Update: Awaiting review and feedback from ISO.</i>	DDO	OPEN
511	The DSB to raise the issue of Backwards Compatibility for the OTC ISIN and UPI with the CDIDE for further consideration.	DDO	CLOSED
514	This new OTC ISIN status and status reason regarding Orphan ISINs to be reflected in the OTC ISIN status materials. <i>Update expected in Q1 2022.</i>	DDO	OPEN
515	The DSB to revert with a date for PC review of the UPI Status document. <i>Update expected in Q1 2022.</i>	DDO	OPEN
517	The DSB to ask responsible institutions for information concerning the creation of Non-Standard Options without Option Type / Exercise Style. <i>Update: The DSB are yet to receive meaningful and useful feedback from institutions. The DSB are to reach out once again in the new year. Target Date extended to mid Feb 2022</i>	DDO	OPEN
519	The DSB provide data confirming what underlying asset values were currently being referenced – for each of FX Forwards and FX Options - in the creation of OTC ISINs when using the CFI 2015 standard.	DSB	OPEN
522	The DSB to revert with implementation timelines following completion and sign-off of the CFI 2019 Transition change request document.	DDO	OPEN
536	The PC to discuss whether a FRO value of "Other" needed to be introduced by the DSB to support the reporting of Rates related products executed on values other than those in the current DSB golden source list.	DSB	OPEN
537	The DSB organize a session with interested PC Members to review the day 1 UPI workflows to be supported by the DSB	DDO	OPEN
538	The DSB to consider the legal implications of relying on a data provider for UPI underlier ID mapping and to present conclusions to the PC.	DDO	OPEN
540	The DSB to request supporting data (e.g.: usage metrics, examples and term sheets) for the proposed new products from the CDIDE.	DSB	CLOSED

5 Announcements

1. The UPI Legal Consultation period ends Wednesday 19th January 2022 and members were reminded to submit their feedback on the various items raised so that the full range of views could be taken into account.
2. PC Members were advised that the DSB is reviewing its UPI service availability timeline as part of its standard risk assessment activities. In light of the absence of a firm regulatory reporting mandate from a major jurisdiction, the DSB is working with market participants, regulators and the DSB Board to review proposed UAT and Production implementation timelines. More information will be provided to Industry Representation Group Members and placed in the public domain as updates become available.
3. Members were advised of the OTC ISIN creation rates for instruments based on the new FROs introduced by the DSB since September 2021, to facilitate global IBOR Reform efforts.
4. Following the 2021 year end change freeze the DSB has re-entered a heightened state of awareness per the guidance of the TAC who continue to monitor and assess the situation.

6-7	Current DSB Tasks	Status	Priority	Med
DSB-8	Review Source of Commodity Index DSB to continue discussion with Commodity index providers with the aim of having an agreed design and an agreement in principle by end of Q3 2020.		In Prog	Low
DSB-53	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	Med
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).		Tech	High
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).		In Prog	Low
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).		Tech	Med
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	Low

DSB-133	Prop Index Process Analysis Analyse the Proprietary Index management provision to identify efficiency and service improvements.	Tech	High
DSB-370	CFI 2019 Support Support the updated 2019 ISO Standard for CFI (10962) throughout the DSB product suite.	In Prog	Low
DSB-1076	Structured Email Messages To allow users to specify the types of DSB notification that they receive.	Sched	Med
DSB-1120	ISDA 2021 New GUI Titles To provide solution options in implementing ISDA 2021 changes in the GUI to enhance user-experience. <i>Scheduled for release: Jan 2022</i>	Sched	Low
DSB-1132	Search Only User Type To provide a cost-effective solution for DSB API users who wish to perform searches against the OTC ISIN database in real-time without the ability to create ISINs.	Tech	Med
DSB-1135	Streamline two-step OTC ISIN Streamline process of two-step OTC ISIN generation.(Swaption/FX Swap)	Queue	High
DSB-1410	Evaluate ISO 3166 (2 char) Validation 2-char prefix validation for the entry of underlier instrument ISIN.	Sched	High
DSB-1440	ISIN : OTHER : OTHER : Non Standard Update ISIN Request and Record Template Definition for Other Other Non Standard to align with the UPI requirement.	Tech	Med
DSB-1441	ISIN : OTHER : OPTION : Non Standard Update ISIN Request and Record Template Definition for Other Option Non Standard to align with the UPI requirement.	Tech	Med
DSB-1442	ISIN : OTHER : SWAP : Non Standard Update ISIN Request and Record Template Definition for Other Swap Non Standard to align with the UPI requirement.	Tech	med
DSB-1566	ISO 20022 Mappings Update ISO 20022 Code Mapping for Rates and Non-Standard products in-line with FpML CS.	In-Prog	TBC
DSB-1571	New Currency Codes Add VED and UYW to the ISO Currency Code Codeset. (all templates)	Sched	High
DSB-1574	Header Attributes Add hierarchy attributes to OTC ISIN Header in preparation for UPI go-live.	Tech	Med
DSB-1604	Cross-Ccy Basis OIS Template CDIDE proposed new Rates.Swap.Cross-Ccy Basis OIS Template	In Prog	Med

DSB-1605	Cross-Ccy Fixed Float Template CDIDE proposed new Rates.Swap.Cross-Ccy Fixed Float OIS Template	In Prog	Med
DSB-1616	New FpML FROs Implement 32 new FROs following latest FpML Coding Scheme update	In Prog	Med

8 DSB-1616 : New Reference Rates – Proposal

The DSB proposes to introduce 32 new Reference Rates – based on updates made the FpML Coding Schemes. The DSB presented the PC the list of rates, proposed ISO20022 mapping logic and all impacted templates. The PC were asked to approve the release and advise if there was any requirement for an expedited release.

The PC **APPROVED** the release and no requirement for an expedited release was expressed, therefore the DSB will revert back to the PC with release schedule when confirmed.

9 DSB-1566 : ISO 20022 Mappings – Status Update

The DSB have previously analyzed the ISO 20022 4-character mapping for FROs in an attempt to ensure that the OTC ISIN mapping is consistent with the FpML Coding Scheme. The analysis has been shared with ISDA and are to be raised at the relevant working group for discussion.

Following review, the DSB will present any comments or required updates to the PC.

10 UPI : Commodity Reference Price – Reference Data

As a result of the UPI analysis into Commodity Reference Prices, the DSB have highlighted a need for increased coverage and the DSB would like to ask ISDA to review the current list in order to address any possible UPI coverage issues.

The DSB proposes to request whether ISDA would reach out to their members for additional Commodity Reference Prices for underliers not currently covered, via the PC. The PC **APPROVED** the proposal.

11 UPI : Underlying Indices – Analysis

Presented analysis of third-party Index Providers which highlighted the size and complexity of the issue. Analysis of the publicly available data from 25 Index Providers across all asset classes – categorising support for RIC, Bloomberg Code and Ticker.

The PC engaged in a wide ranging discussion concerning the viability of using the Index Name, RIC, Bloomberg Code or ISIN as an appropriate identifier but no conclusion could be reached.

The DSB agreed to send out an email asking members of the PC for guidance on this subject. >**Action542**

12 UPI : Additional Underlier IDs – CDIDE Request

Following their review of the UPI Reference Data Strategy, the CDIDE requested PC input on the following questions;

1. Do members of PC approve an investigation into UPI support for the following Alternative Identifiers for Legal Entity?

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- IHS Markit RED 6 > LEI
 - Bloomberg Company Code > LEI
2. Do members of the PC approve an investigation into UPI support for IHS Markit RED9 as the Primary Identifier for Credit Indices?...or the use of IHS Markit RED9 as an Alternative Identifier for Credit Indices?
 3. Do members of the PC approve an investigation into UPI support for ISIN as the Primary Identifier for Equity Indices?

The DSB are to share these questions and material with PC members via email prior to further discussions to take place at the next PC. >**Action543**

13 Proposed New Templates – CDIDE Request

The CDIDE have previously proposed the implementation of 11 new UPI templates and to maintain the hierarchy each new template, if approved, will be implemented as UPI and OTC ISIN. The DSB has requested further information from CDIDE and once received the DSB will provide an outline of each (including attributes, underliers, derivation, normalization and OTC ISIN impact) for presentation to the PC.

The PC members were presented high level summary of the proposed Cross-Ccy Fixed Float OIS & Cross-Ccy Basis OIS, with details to be shared via email to PC members.

AOB

A member of the PC questioned the requirement for Valoren as an alternative identifier for the UPI per the CDIDE's proposal. It was argued that Valoren and the corresponding ISIN are already closely linked. There were no further comments from PC members, but alternative underliers for securities remain under analysis by the DSB.

Respectfully submitted,

DSB Secretariat

Minutes Approved on: 25/01/2022

Summary of Open Actions		Owner	Target Date
485	The DSB are to work with the PC to produce best practice guidance on the treatment of the funding leg in the generation of UPIs	DDO	TBC
508	PC to discuss feedback from CFI maintenance agency regarding NDF's on Bitcoin.	DDO	TBC
514	This new OTC ISIN status and status reason regarding Orphan ISINs to be reflected in the OTC ISIN status materials.	DDO	TBC
515	The DSB to revert with a date for PC review of the UPI Status document.	DDO	TBC
517	The DSB to ask responsible institutions for information concerning the creation of Non-Standard Options without Option Type / Exercise Style.	DDO	19-Oct-21
519	The DSB provide data confirming what underlying asset values were currently being referenced – for each of FX Forwards and FX Options - in the creation of OTC ISINs when using the CFI 2015 standard.	DSB	02-Nov-21
522	The DSB to revert with implementation timelines following completion and sign-off of the CFI 2019 Transition change request document.	DDO	TBC
536	The PC to discuss whether a FRO value of “Other” needed to be introduced by the DSB to support the reporting of Rates related products executed on values other than those in the current DSB golden source list.	DSB	TBC
537	The DSB organize a session with interested PC Members to review the day 1 UPI workflows to be supported by the DSB	DDO	TBC
538	The DSB to consider the legal implications of relying on a data provider for UPI underlier ID mapping and to present conclusions to the PC.	DDO	TBC
542	The DSB to ask members of the PC for guidance on the identification of Indices for the UPI and OTC ISIN.	DSB	25-Jan-22
543	The DSB to ask members of the PC for input on CDIDE proposals for the analysis of additional UPI underlier identifiers.	DSB	25-Jan-22

Summary of New or Updated DSB Tasks		Status	Priority
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