DSB PRODUCT COMMITTEE MEETING MINUTES

Dedicated CDIDE Feedback Session

Meeting:	The 189th DSB Product Committee Meeting		

Date:	12-Jul-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	Apologies
Michael Burg	Product Committee Member	State Street Financial	Absent
Martyn Cole	Product Committee Member	Refinitiv	Yes
Jourik De Lange	Product Committee Member	Smartstream RDU	Yes
Dawd Haque	Product Committee Member	Deutsche Bank	Yes
Uwe Hillnhuetter	Product Committee Member	Tradeweb	Yes
Nicholas Moger	Product Committee Member	J.P Morgan	Yes
David Nowell	Product Committee Member	KOR Financial	Absent
Navraj Panesar	Product Committee Member	Citigroup	Absent
Gregg Rapaport	Product Committee Member	DTCC	Yes
Kirston Winters	Product Committee Member	OSTTRA	Apologies
Mari Asakura	Regulatory Observer	JSDA	Absent
Davide Panadori Cino	Regulatory Observer	ESMA	Absent
Giulia Ferraris	Regulatory Observer	ESMA	Absent
Eiichiro Fukase	Regulatory Observer	JSDA	Yes
Dr Olaf Kurpiers	Regulatory Observer	BaFin	Absent
Frank Lasry	Regulatory Observer	AMF	Absent
Jean Obray	Regulatory Observer	FCA	Yes
Tom Soden	Regulatory Observer	FCA	Absent
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
Simon Wiltshire	Alternate DDO	DSB	Yes
Adam Grace	Alternate DDO	DSB	Yes
Thomas Brown	CDIDE	CDIDE	Yes
Rajal Patel	CDIDE	CDIDE	Yes
Craig McBurnie	CDIDE	CDIDE	Yes
Eric Thong	CDIDE	CDIDE	Yes
Cathy Lam	CDIDE	CDIDE	Yes
Polly Lee	CDIDE	CDIDE	Yes
Francis Perry	CDIDE	CDIDE	Yes
Su Li	CDIDE	CDIDE	Yes
Joanna Lednicka	CDIDE	CDIDE	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.
5	**Open Actions**

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**
546	The PC are going to investigate the possibility of joining the ISO20022 discussions that will impact UPI.	**DSB Chairs**	**OPEN**
552	DSB to provide clarity over the UPI go-live timelines and an update from the DSB Board	**DSB**	**OPEN**

5	**Announcements**

N/A

6-7	**Current DSB Tasks**	**Status**	**Priority**	Med
	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.	To Sched	Low
	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-90	**Price Multiplier Validation** The Price Multiplier is subject to inconsistent rounding when very large numbers are input (eg: greater than 18 digits).	To Sched	Low
	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.	To Sched	Med

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.	To Sched	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.	To Sched	Med
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.	To Sched	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.	To Sched	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.	To Sched	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)	To Sched	Low
DSB-1574	**Header Attributes** Add hierarchy attributes to OTC ISIN Header in preparation for UPI go-live.	To Sched	High
DSB-1696	**Reference Rate "OTHER" Enumeration** Rates - Add "OTHER" as an enumeration for Reference Rate attribute.	To Sched	Med
DSB-1697	**LEI "OTHER" Value** Credit - Add "OTHER" as a valid value for Underlier Instrument LEI attribute.	To Sched	Med
DSB-1717	**New Credit Index** CREDIT – New Credit Index – CDX.EM (Restricted)	Ready	Med
DSB-1727	**Index Identifier Service** Develop a service for the provision of Ids for underlying Indices	Ready	High
DSB-1732	**Digital Asset Underlier Support** DSB to lead the discussion on how the industry should support digital assets as underliers for the UPI.	In Prog	Low

8   CDIDE Feedback

1. <u>Introduction</u>
   - The CDIDE proposed 13 new UPI templates which were reviewed by the PC
   - The PC approved development of four of the templates.
   - The PC have asked the CDIDE to provide additional information about nine of the templates.
   - The aim of the PC meeting on 12th July 2022 was to allow the CDIDE to present supporting information for the proposed templates so that the PC would be able to approve their development.
   - ***Note****: all templates to be implemented as UPI and OTC ISIN.*
   - The CDIDE presented the information in three sections – reflecting the main characteristics of the proposed templates:
     - **CfD-specific templates**
     - **Non-Standard templates**
     - **XCcy OIS-specific templates**
   - The following sections summarise the presentation made by the CDIDE.

2. <u>CFD-specific Templates</u>
   a. **New Templates Proposed by the CDIDE:**
      i. Credit Forward CFD
      ii. Commodity Forward CFD
   b. **Current Environment**
      i. Based on ISO 10962 (CFI), the OTC ISIN allows the user to set the Return or Payout Trigger attribute to "CFD" on existing FX and Commodity Forward templates.
      ii. Based on the ISDA taxonomy 2.0, the OTC ISIN supports CFD-specific in the Equity Asset Class. The ISDA taxonomy 2.0 does not contain a similar breakdown for either FX or Commodity products.
      iii. The OTC ISIN does not support CFDs in the Rates or Credit asset classes since that option is not currently included in the ISO 10962 (CFI) specification.
   c. **CDIDE Presentation**
      i. The main details of the CDIDE proposal are highlighted in the following points:
         1. The deployment of CFD-specific templates for FX and Commodity Forward templates would present unambiguous product definitions for users and regulators.
         2. The CFD-specific templates would only require the definition of an Underlier since the additional attributes (ie: Return or Payout Trigger and Delivery Type) could be hard-coded.
         3. The inclusion of "CFD" in the Header section of the UPI record would allow for ready identification of these products and would therefore not rely on attribute values.

      Action563: Members of the PC will be asked to review and approve / reject the CDIDE's proposal for two new CFD-specific templates at the next meeting of the PC.

3. <u>Non-Standard Templates</u>
   a. **New Templates Proposed by the CDIDE:**
      i. Rates : Forward : Non-Standard
      ii. FX : Swap : Non-Standard
      iii. Commodity : Forward : Non-Standard
      iv. Commodity : Swap : Non-Standard

v. Commodity : Option : Non-Standard
Note: *As a part of this presentation, the CDIDE also proposed that a value of "OTHER" should be made available in all attributes on Non-Standard templates (eg: Delivery Type)*

b. Current Environment

   i. The OTC ISIN currently supports a number of Non-Standard templates in all asset classes (including Multi-Asset templates).

   ii. The purpose of the Non-Standard templates is to support products that are based on non-standard characteristics that may not be covered by the defined OTC attributes.

   iii. The value of attributes in Non-Standard templates reflects the values supported in ISO 10962 (CFI). In the case of Delivery Type, this may be based on the ISO20022 values (CASH, PHYS, OPTL).

c. CDIDE Presentation

   i. The main details of the CDIDE proposal are highlighted in the following points:

      1. The UPI (and OTC ISIN) should support a Non-Standard template for every combination of Asset Class and Instrument Type.

      2. The absence of Non-Standard templates may lead to the inaccurate creation of UPIs based on a "best fit" approach.

      3. The current requirement for a comprehensive set of Non-Standard templates may be small but is non-zero and may be considered as future-proofing the service.

      4. Non-Standard templates should be based on all the attributes and values that are available on their related Standard templates…

      5. …Meaning that Non-Standard templates should allow for combinations of reference data elements / attributes that are not available in their related Standard templates.

Action564 : Members of the PC will be asked to review and approve / reject the CDIDE's proposal for the proposed set of Non-Standard templates.

ActionXXX : Members of the PC will be asked to consider UPI (and OTC ISIN) support for the value of "Other" in all attributes of Non-Standard templates.

4. **Cross-Currency OIS specific templates**

   a. New Templates Proposed by the CDIDE:

      i. Rates : Swap : Cross-Currency Fixed Float OIS

      ii. Rates : Swap : Cross-Currency Basis OIS

   b. CDIDE Presentation

      i. The CDIDE accepts not proceeding with product templates for cross-currency OIS products.

AOB

N/A

Respectfully submitted,

DSB Secretariat

Minutes Approved on:

Summary of Open Actions		Owner	Target Date
546	The PC are going to investigate the possibility of joining the ISO20022 discussions that will impact UPI.	DSB Chairs	TBC
552	DSB to provide clarity over the UPI go-live timelines and an update from the DSB Board.	DSB	28-Jun-22
560	DSB to request availability of PC members for the proposed New UPI Templates review meeting with the CDIDE.	DSB	11-Jun-22
561	DSB to request availability of prospective members for attendance at the proposed schedule of DAS-SC meetings.	DSB	11-Jun-22
562	DSB to request feedback from members of the PC on the presented CFI 2019 Migration Delivery Proposals.	DSB	11-Jun-22
563	Members of the PC will be asked to review and approve / reject the CDIDE's proposal for two new CFD-specific templates at the next meeting of the PC**.**	DSB	26-Jul-22
564	Members of the PC will be asked to review and approve / reject the CDIDE's proposal for the proposed set of Non-Standard templates.	DSB	26-Jul-22
565	Members of the PC will be asked to consider UPI (and OTC ISIN) support for the value of "Other" in all attributes of Non-Standard templates.	DSB	26-Jul-22

Summary of New or Updated DSB Tasks	Status	Priority