

DSB PRODUCT COMMITTEE MEETING MINUTES

Meeting: The 130th DSB Product Committee Meeting

Date: 14-Jan-2020 **Time:** 15.00 – 16.30 UTC **Location:** DSB Offices /
Teleconference

Chairs: Joseph Berardo, Intercontinental Exchange
Harry McAllister, BNP Paribas

Attendees: **Voting Members**

Jourik De Lange, Smartstream RDU
Uwe Hillnhuetter, Tradeweb
Jonah Platt, Citadel
Gregg Rapaport, DTCC
Michael Sandro Bauch, Allianz Global Investors
Jay Shotton, JP Morgan
Kirston Winters, MarkitSERV

Non-Voting Members

David Broadway, The IA
Vincent Dessard, EFAMA
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
Adam Grace, DSB

Apologies: Michael Burg, State Street Financial
Tia Ellerman, Citigroup
Adam Lister, Bloomberg
Rene Muller, Hamburg Commercial Bank AG
Ben Scofield, Refinitiv

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

No Topics

1 Introduction & Agenda

2 Competition Law Reminder

- Presented.
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3 Review Minutes from Previous Meeting

- No comments were received and so the minutes for 12-Dec-2019 are considered final.
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4 Open Actions

- **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. **Closed.**
Action 374 created.
- **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 368:** The ISDA Symbology Group are to report back on industry consensus for the publication of new Reference Rates. Target date updated. **Open.**
- **Action 369:** The DSB to distribute the details of the 2020 Product Release Schedule for review and approval by members of the PC. **Closed.**
- **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. **Closed.**
- **Action 371:** The DSB to distribute a summary of the current Commodity Taskforce status to members of the PC. **Closed.**
- **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. **Open.**
- **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. Target date updated. **Open.**

5 Announcements

PC Schedule: 2020

- The DSB re-presented an overview of the Product Committee meeting schedule for 2020.

UPI Analysis Summary Document

- The DSB announced that a summary of deliberations of PC on the subject of the UPI Technical Guidance would be available for review by COB 17-Jan-2020.

Dynamic Enumeration

- The DSB informed the meeting that an update on the status of the Dynamic Enumerations project would be provided at the next PC meeting.
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6 New Issues

- The DSB presented a list of new issues raised since the previous PC meeting for prioritisation and further direction.
 - **DSB-137** : Priority 4
 - **DSB-139** : Priority 3 : DSB to ensure that this issue analyses all templates for incorrect CFI codes.
 - **DSB-140** : Priority 5, place on 2020 watchlist
 - **DSB-152** : Priority 1 : Approach to be discussed off line and presented at the next meeting.
Action 375: DSB to seek information about the expected timeline for inclusion of the additional values in the ISO 20022 BenchmarkCurveName2Code codeset from the regulator and seek feedback on whether only new ISINs created after the DSB implementation date are affected.
 - **DSB-154** : No action required at this time.
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Action 376: ISDA to inform the PC of the details of the proposed Turkish OIS Reference Rate.

- **DSB-153** : Priority 2

7 Current DSB Tasks

- The DSB presented the main Product analysis tasks that are currently being worked on by the Secretariat.
- **DSB-012** : New Template – Rates : Inflation CapFloor (QA)
- **DSB-048** : Equity Option Strike Price Type (Analysis)
- **DSB-088** : Strike Price Validation (Analysis)
- **DSB-090** : Price Multiplier Validation (Analysis) DSB analysis will also include data about the frequency and circumstances that give rise to this scenario.

8 Watchlist Review

- This item was held over until the following PC meeting.

9 TAC SSC UPI Questions

- The DSB presented a number of questions that had been included in the TAC SSC “DSB UPI Strategic Requirements Report” for consideration of the Product Committee.
- The TAC Chair provided context for the work undertaken thus far and the rationale for the questions posed to the PC. PC responses will be incorporated in the final TAC report.
- The questions were discussed, and the following conclusions were agreed by the PC:
 1. The PC requires further consultation with the regulators in order to respond to this question.
 2. The PC requires further consultation with the regulators in order to respond to this question.
 3. The PC requires time for further analysis following discussion with the regulators and is unable to provide a definitive answer at this time, but the Expired state is not expected to be implemented for the UPI as the Expiry Date data element does not apply to the UPI.
 4. The preliminary view of the PC is that the UPI should be placed within the section of associated reference data, as with other derived values.
 5. The PC is not able to respond at this time considering the open questions to be discussed with the regulators, but the assumption that the UPI and ISIN are part of a strict hierarchy was restated.
 6. Given the response to Question 3, it was not thought that this was relevant.

10 Product Release Schedule

- This item was held over until the following PC meeting.

11 AOB

- No items presented.
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Respectfully submitted,

DSB Secretariat

Minutes Approved on: 28 Jan 2020

Summary of Open Actions

No	Actions	Owner	Target Date
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	11-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	11-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
375	DSB to seek information about the expected timeline for inclusion of the additional values in the ISO 20022 BenchmarkCurveName2Code codeset from the regulator and seek feedback on whether only new ISINs created after the DSB implementation date are affected.	DDO	11-Feb-20
376	ISDA to inform the PC of the details of the proposed Turkish OIS Reference Rate	ISDA	11-Feb-20