

DSB PRODUCT COMMITTEE MEETING MINUTES

Meeting: The 114th DSB Product Committee Meeting

Date: 14-May-2019 **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
Tia Ellerman, Citigroup
Uwe Hillnhuetter, Tradeweb
Adam Lister, Bloomberg
Rene Muller, HSH Nordbank
Jonah Platt, Citadel
Michael Sandro Bauch, Allianz Global Investors
Ben Scofield, Refinitiv
Kirston Winters, MarkitSERV

Non-Voting Members

Observers

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

Designated DSB Officer

Malavika Solanki, DSB

DSB Secretariat /

Alternate DDOs

Simon Wiltshire, DSB
Nathan Dagg, DSB

Apologies: Jourik De Lange, Smartstream RDU
Maros Oberman, 42 Financial Services
Jay Shotton, JP Morgan
David Broadway, The IA
Vincent Dessard, EFAMA
Karel Engelen, ISDA
Jim Northey, FIX TC
Olga Petrenko, ESMA
Fiona Willis, GFMA

Absences:

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 minutes are now considered final
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4 Open Actions

- **Action 292:** Members to investigate within their organizations to determine whether there are use cases where anything other than price is used for OTC Equity Options and
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provide them to the DSB. **30 Apr 19:** DSB to send a reminder email to PC members summarising the action. **Closed.**

- **Action 297:** DSB to provide feedback to the PC on the approach and dates for providing an open source version of the Tenor Calculator.
Open.
 - **Action 309:** DSB to distribute the September Release Notification (excluding Open Source Tenor Calculator) for review at the next meeting of the PC and publication no later than 31st May 2019 in light of industry requests for further information.
 - **Action 310:** DSB to liaise with the TAC to determine a format for the open source tenor calculator and present a timeline at the next PC meeting
- **Action 298:** DSB to consult with ESMA as to whether the DSB's proposed go-live date for the integrated template-based field 41 change is dependent on the CFI XML Schema Validation. **Closed.**
- **Action 300:** DSB to publish a summary of Field 41 Best Practice guidelines on the DSB website and make the link available to PC members for onward communication and market education purposes. **Closed.**
- **Action 302:** DSB to provide metrics for underlying product type on Equity Options. **Closed.**
- **Action 303:** DSB to investigate the reason for including the Settlement Ccy in the NDF product definition. **Closed.**
- **Action 304:** DSB to analyse the current NDF ISINs and provide metrics on the Settlement Ccy for NDFs to the PC for further discussion. **Open.**
- **Action 305:** DSB to distribute links to the DSB website Blog (including entry covering the statistics for March) to the members of the PC. **Closed.**
- **Action 306:** ISDA to distribute a link to the latest version of the ISDA 2.0 taxonomy. **Closed.**
- **Action 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. **To be moved to the Watchlist.**
- **Action 308:** The setting of Term of Contract for products with differing Effective Dates on the Fixed and Floating legs is to be included on the agenda for the next PC meeting. **Open.**

5 FSB: UPI Service Provider Announcement

- The DSB provided an update to the PC that The FSB have designated The DSB as the sole issuer of UPIs for OTC Derivatives and operator of the UPI reference data library. The DSB will continue to update the PC as pertinent information becomes available.

6 €STR: Information, Dates and Impact on Sept 2019 Release

- The DSB advised the PC that the ECB will start publishing a new Risk Free Rate (RFR) for EUR markets - €STR – on the 2nd October 2019, and the ECB will also provide a calculation of the spread between €STR and EONIA
- The DSB advised that the introduction of the new enumerated values for €STR and EONIA (spread) would impact Rates and Cross Asset templates. The DSB also noted the introduction of the new Reference Rate(s) will be based on the FpML Reference Rate schema being updated. It was also noted that advanced notice of Reference Rate names and date of inclusion in the FpML list will allow the DSB to coordinate a template release.
- The DSB asked the PC if it should work on having the new rates available in production by 2nd October, which members commented that there would be a benefit to making it available prior to this date.
- **Action 311:** The DSB to contact ISDA/FpML and have them advise the values being used for the new rates and the dates of publication

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- The DSB also noted that it would need have the name as soon as possible if it were to be able to have the enumeration added to the next release cycle
 - The group also noted that the use of the ‘€’ symbol could cause an issue for some market participants throughout their trade workflow and report creation, with the DSB advising PC Members that it too would be unable to add an enumeration with the “€” to the list of enumerations in the DSB GUI.
 - Discussions about the possible €STR timeline also highlighted the need for the Rates asset class to be prioritized for the ongoing “dynamic enumerations” initiative.
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7 Equity Options: Strike Price Type

- The PC discussed the use of “Strike Price Type” for OTC Equity Options based on prevailing market practice and concluded that there was regional variation in the use of the attribute. The group also noted that the strike price type cannot be directly derived or inferred from an underlying, so it would need to be added to relevant templates as a user input value. The PC noted that use of defaults for this attribute and would need to be discussed at a future meeting.
 - **Action 312:** The DSB to provide information on the changes required for relevant templates and discuss the if there is a need for defaulted values at the next PC meeting.
 - **Action 313:** The PC agreed to review market practice ahead of the next DSB PC meeting to facilitate the discussion about the appropriate default value, if any.
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8 Commodity Single Index & Multi-Exotic: Best Practice Guidelines

- The DSB presented the proposed text of the Commodity Single Index & Multi-Exotic : Best Practice Guidelines to the PC for review, with the guidelines having already been reviewed and endorsed by the DSB Commodities Taskforce. The text will be included in the FAQ section of the DSB website if no feedback is received from the PC members.
 - **Action 314:** PC members to provide feedback on the Commodities FAQ text provided to them by COB Thursday 16th May 2019.
 - **Action 315:** DSB to provide PC Members with a link to the Best Practice guidelines on the DSB website to facilitate onward communication to industry.
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9 RTS-23.Field 41: Best Practice Guidelines

- The DSB presented the proposed text of the RTS-23.Field 41: Best Practice Guidelines to the PC for review. The text will be included in the FAQ section of the DSB website if no feedback is received from the PC members.
 - **Action 316:** PC members to provide feedback on the Rate (Filed 41) FAQ text provided to them by COB Thursday 16th May 2019.
 - **Action 317:** DSB to provide PC Members with a link to the Best Practice guidelines on the DSB website to facilitate onward communication to industry.
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10 November 2019 Release

- The DSB provided an outline of the items that have been proposed for inclusion to the November 2019 release date and PC members were asked to propose any possible changes which should be considered for this release
 - **Action 318:** PC members to provide candidate release changes that are to be considered for inclusion in the proposed November product template release.
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11 UPI Analysis : Equities

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- The DSB provided an overview of the UPI/ISIN comparison and relevant UPI data elements. Analysis showed that there would be a need for the DSB to assess the alignment of UPI attributes with the CFI 2019 once public.
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12 AOB

1. DSB Consultation Paper

- DSB advised a webinar on the paper will be hosted by the DSB on 16th May and submissions will be closed on 5th June 2019.
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Respectfully submitted,

DSB Secretariat

Minutes Approved on: 28th May 2019

Summary of Open Actions

No	Actions	Owner	Target Date
292	Members to investigate within their organizations to determine whether there are use cases where anything other than price is used for OTC Equity Options and provide them to the DSB. 30 Apr 19 : DSB to send a reminder email to PC members summarising the action.	DSB PC	14-May-19
297	DSB to provide feedback to the PC on the approach and dates for providing an open source version of the Tenor Calculator.	DSB Sec	14-May-19
306	ISDA to distribute a link to the latest version of the ISDA 2.0 taxonomy.	DSB Sec	14-May-19
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	DSB Sec	Sept-19
308	The setting of Term of Contract for products with differing Effective Dates on the Fixed and Floating legs is to be included on the agenda for the next PC meeting.	DSB Sec	14-May-19
311	The DSB to contact ISDA/FpML and have them advise the values being used for the new rates and the dates of publication	DSB Sec	
312	The DSB to provide information on the changes required for relevant templates and discuss the if there is a need for defaulted values at the next PC meeting.	DSB Sec	
313	The PC agreed to review market practice ahead of the next DSB PC meeting to facilitate the discussion about the appropriate default value, if any.	DSB Sec / DSB PC	
314	PC members to provide feedback on the Commodities FAQ text provided to them by COB Thursday 16 th May 2019.	DSB PC	
315	DSB to provide PC Members with a link to the Best Practice guidelines on the DSB website to facilitate onward communication to industry.	DSB Sec	
316	PC members to provide feedback on the Rate (Filed 41) FAQ text provided to them by COB Thursday 16 th May 2019.	DSB PC	
317	DSB to provide PC Members with a link to the Best Practice guidelines on the DSB website to facilitate onward communication to industry.	DSB Sec	
318	PC members to provide candidate release changes that are to be considered for inclusion in the proposed November product template release.	DSB PC	