DSB PRODUCT COMMITTEE MEETING MINUTES

Meeting:	The 163th DSB Product Committee Meeting				

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Date: 15-June-2021 **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	Absent
Martyn Cole	Product Committee Member	Refinitiv	Yes
Jourik De Lange	Product Committee Member	Smartstream RDU	Yes
Dawd Haque	Product Committee Member	Deutsche Bank	Apologies
Dominic Harth	Product Committee Member	Union Investment Privatfonds GmbH.	Yes
Uwe Hillnhuetter	Product Committee Member	Tradeweb	Yes
Nicholas Moger	Product Committee Member	J.P Morgan	Absent
Navraj Panesar	Product Committee Member	Citigroup	Absent
Gregg Rapaport	Product Committee Member	DTCC	Yes
Kirston Winters	Product Committee Member	IHS Markit	Apologies
Mari Asakura	Regulatory Observer	JSDA	Apologies
Davide Panadori Cino	Regulatory Observer	ESMA	Absent
Ayo Fashina	Regulatory Observer	FCA	Yes
Giulia Ferraris	Regulatory Observer	ESMA	Absent
Eiichiro Fukase	Regulatory Observer	JSDA	Yes
Dr Olaf Kurpiers	Regulatory Observer	BaFin	Apologies
Frank Lasry	Regulatory Observer	AMF	Apologies
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	Yes
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

No **Topics**

1 **Introduction & Agenda**

2 **Competition Law Reminder**

Presented

3 **Review Minutes from Previous Meeting**

The prior meeting's minutes were updated as requested and are now considered final.

4   Announcements

DSB Current Technical Status
The DSB (TAC) have extending the current heightened awareness period through to the 30th September, 2021.

UPI Fee Model Consultation
PC Members were reminded that the 2nd Industry Consultation is ongoing, closing at 5pm UTC on 9 July 2021.

5   Open Actions

412	DSB to provide an update to regulators on CFI 2019 adoption following any updated approach being shared with the DSB PC once TAC feedback has been received.	**DDO**	**OPEN**
413	The DSB to obtain regulatory feedback on CFI 2019 adoption after the initial outreach by the DSB, following completion of action 412.	**DDO**	**OPEN**
432	The DDO to work with the CDIDE Chairs and PC Members to identify, address and document the industry's information needs.	**DDO**	**OPEN**
435	CFTC to present agreed UPI masking requirement for less liquid underliers to the PC.	**CFTC**	**OPEN**
438	ISDA to provide an update to the PC once FRO related changes have been finalized.	**ISDA**	**OPEN**
465	AG1 to present details of the proposed ISO 20022 changes.	**AG1**	**OPEN**
471	ISDA to revert to the PC if industry's expectation that all required reference rate information will be available in FpML cannot be met in a manner that enables access to a single authoritative data source. *Closed in the course of the PC Meeting as part of agenda item 8*	**ISDA**	**CLOSED**
477	The DSB to share the agreed proposal for the treatment of Portfolio Swaps when determining the CFI code with regulators.	**DDO**	**CLOSED**
482	DDO to liaise with PC Members regarding additional questions about the UPI service and revert to the PC.	**DDO**	**CLOSED**
484	The DSB are to collate a list of cross-asset products for presentation to the CDIDE.	**DDO**	**OPEN**
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**
487	DDO to provide key extracts from the draft ISO 4914 standard.	**DDO**	**CLOSED**
491	DSB to update PC members regarding the ISDA FRO Update	**DDO**	**CLOSED**

	492	DSB to confirm if a UPI will be created when ISIN only users an ISIN. If so, what is the basis of this decision? *Closed in the course of the PC Meeting as part of agenda item 9.*	**DDO**	**CLOSED**
6-8	**Current DSB Tasks**		**Status**	**Priority**
	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	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.	Tech	Low
	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	Med
	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	High
	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	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).	Tech	Med
	DSB-133	**Prop Index Process Analysis** Analyse the Proprietary Index management provision to identify efficiency and service improvements.	Tech	Low
	DSB-370	**CFI 2019 Support** Support the updated 2019 ISO Standard for CFI (10962) throughout the DSB product suite.	Tech	High
	DSB-972	**Update FpML Reference Rates** Update FpML Reference Rates following ISDA 2021 Definitions Review.	In Prog	High
	DSB-974	**New Attribute: Standard Contract Type** Add Standard Contract Type to Single Name CDS templates.	In Prog	Med
	DSB-1002	**ISDA 2021: New FROs** The DSB will need to support all the new FROs as new entries in the enumerated list used across Rates and Non-Standard templates that include FROs as an underlier.	In Prog	High

DSB-1076	**Structured Email Messages** To allow users to specify the types of DSB notification that they receive.		In Prog	Low
DSB-1120	**ISDA 2021 New GUI Titles** To provide solution options in implementing ISDA 2021 changes in the GUI to enhance user-experience. *See Section 9*		On Hold	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.		Tech	Low
DSB-1266	**New Reference Rate : USD-AMERIBOR (x3)** Add three new USD-AMERIBOR to the enumerated list of Reference Rates for RATES and Non-Standard templates. *Removed from Release Schedule. Changes to be incorporated into DSB-1002.*		CLOSED	CLOSED

8 2021 ISDA Definitions – Update

The DSB received a DRAFT version of the finalised FRO list and associated supporting information from ISDA and has performed the analysis required ahead of release. The DSB shared the proposed release details with the PC ahead of the meeting. The proposal contained the outstanding issues the DSB sought confirmation on before being able to start development;

1. ISDA 2006 FRO list includes an FRO with a question mark (?) symbol. (1 entry)
   - ***Not to be taken forward as the rate is not present in the current FpML list utilized by industry.***

2. ISDA 2006 FRO list includes FRO not in DSB Production and not in FpML 1.12. (1 entry)
   - ***Not to be taken forward as the rate is not present in the current FpML list utilized by industry.***

3. ISDA 2021 FRO list includes FROs with TBC status and not in FpML 1.12. (4 entries)
   - ***Not to be taken forward unless ISDA confirm by cob Fri 18th June 2021, that the rate is to be definitively included in the 2021 FRO list.***

4. ISDA 2021 FRO list includes FRO with a bracket symbol ([ ]) with TBC status, not in FpML 1.12 but assumed to be a valid entry. (1 entry)
   - ***Not to be taken forward unless ISDA confirm by cob Fri 18th June 2021, that the rate is to be definitively included in the 2021 FRO list.***

5. ISDA 2021 FROs to be added that rely on new BenchmarkCurveNameCode entries. (5 entries)
   a) HIBOR ("HKIO") is a new entry in BenchmarkCurveNameCode with status provisionally registered. For CNH-HIBOR and HKD-HIBOR, should we use "HKIO" as ISO 2022 4-char code? ***HKIO to be used as ISO 20022 code – As per DSB's established process and consistent with the ESMA Q&A on the use of ISO values in RTS-23 reporting.***
   b) For CNY-Quarterly 7D Repo NDS Rate Tradition, since the FRO itself denotes a Non-Deliverable Swap Rate, should we use "SWAP" as ISO 20022 4-char code? ***Not to be***

translated. 25 character naming convention to be used unless ISDA confirm by cob Fri 18th June 2021, that the rate applies to a Swap.

c) For TRY-TRLIBOR, should we use "LIBO" as ISO 20022 4-char code? *Not to be translated as LIBOR. 25 character naming convention to be used unless ISDA confirm by cob Fri 18th June 2021, that the rate is associated with LIBOR.*

d) Effective Federal Funds Rate (FEDL01) [EFFR] is registered under BenchmarkCurveNameCode. For USD-Federal Funds, should we use "EFFR" as ISO 20022 4-char code? *EFFR to be used as ISO 20022 code – As per DSB's established process and recommendation of the PC.*

6. ISDA 2021 FRO list includes an FRO that differs in naming convention.
   - *Support both the 2006 and 2021 entries (ie: EUR-EONIA-Average and EUR-EONIA-AVERAGE).*

7. DSB Production and FpML 1.12 has FRO but neither on both ISDA FRO lists. (1 entry)
   - *DSB continue to support what is currently available in Production as it is included in FpML.*

The PC asked ISDA to review the above decisions and, if required, communicate any change of approach to the DSB Secretariat before COB 18th June 2021. **>Action 493**. DSB to send details of the outstanding ISDA 2021 issues to ISDA for their review and response.

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9   UPI : UPI Workflows

The PC were presented the TAC SSC's proposed end user workflows following introduction of the UPI service. It was noted that users will have access to the OTC ISIN and UPI methods applicable to their OTC ISIN and UPI roles. Additionally, where a user has access to the combined service (i.e. create and/or view both OTC ISINs and UPIs), the GUI will provide a direct link from the ISIN UPI Code field to take the user to the full UPI record. The workflows anticipate that users with access to both services may only want to make a single call outside of their organization to simultaneously retrieve both the OTC ISIN and UPI records, and also that FIX API users may wish to continue to subscribe to updates on an automated basis.

The PC requested further focus be placed on the status of OTC ISINs/UPI and the impact this has on the user's ability to make calls to the DSB. To be presented alongside GUI and messaging examples of the users experience. **>Action494**

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10   UPI : Workflows to support primary and alternate identifiers

Held over until the next meeting.

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11   UPI : Impact of Corporate Actions

The PC discussed the impact of corporate actions on the UPI and UPI reference data. The UPI Technical Guidance document sets out that: "An OTC derivative product, once described using the UPI reference data elements and assigned a particular UPI code, should keep the same UPI reference data element values and UPI code, as far as practicable". The PC considered whether and how corporate actions impacted trade booking and reporting in the current environment, and noted that (a) if no new underlying ID was needed then no change was made to the contract, and (b) where the underlying ID changed, the contract was rebooked and reported as such.

In light of this, the PC agreed that corporate actions would be transparent to the DSB's processes with respect to the creation of UPIs based on primary underlying identifier. The OTC ISIN and UPI would remain immutable until or unless a trade re-booking was to occur, at which time a new OTC ISIN/ UPI would be created and reported to regulators. The PC did however request further details regarding the impact corporate actions may have the use of alternative identifiers. **>Action495**

Additionally, the PC requested further details on how the DSB anticipates the FISN would be impacted by corporate actions, and in turn the impact this may have on the UPI. It was agreed that this item would be followed up as part of the PC's review of the FISN for the UPI. **>Action496**

12   UPI : Draft ISO Standard (ISO 4914) Extracts

Held over until the next meeting.

13   UPI : Summary of PC Members' queries about the service

Held over until the next meeting.

AOB

N/A

Respectfully submitted,

DSB Secretariat

Minutes Approved on: 29/06/2021

Summary of Open Actions		Owner	Target Date
412	DSB to provide an update to regulators on CFI 2019 adoption following any updated approach being shared with the DSB PC once TAC feedback has been received.	DDO	TBC
413	The DSB to obtain regulatory feedback on the CFI 2019 approach after the initial outreach by the DSB, following completion of action 412.	DDO	TBC
432	The DDO to work with the CDIDE Chairs and PC Members to identify, address and document the industry's information needs regarding the UPI timeline and key implementation related matters.	DDO	Q4-21
435	CFTC to present agreed UPI masking requirement for less liquid underliers to the PC.	CFTC	TBC
438	ISDA to provide an update to the PC once FRO related changes have been finalized	ISDA	19-Feb-21
465	AG1 to present details of the proposed ISO 20022 changes.	AG1	04-May-21
471	ISDA to revert to the PC if industry's expectation that all required reference rate information will be available in FpML cannot be met in a manner that enables access to a single authoritative data source.	ISDA	TBC
477	DSB to ensure that regulators are made aware of the proposed timelines shared with the PC and the PC's views as set out above, to aid readiness.	DDO	18-May-21
482	DDO to liaise with PC Members regarding additional questions about the UPI service and revert to the PC	DDO	01-Jun-21
484	The DSB are to collate a list of cross-asset products for presentation to the CDIDE.	DDO	01-Jun-21
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
487	DDO to provide key extracts from the draft ISO 4914 standard.	DDO	01-Jun-21
491	DSB to share the results of the FRO discussion with ISDA with the members of the PC.	DDO	15-Jun-21
492	DSB to confirm if a UPI will be created when ISIN only users create an ISIN. If so, what is the basis of this decision?	DDO	15-Jun-21
493	DSB to send details of the outstanding ISDA 2021 issues to ISDA for their review and response.	DSB	16-Jun-21
494	The DSB to present further details of status of OTC ISINs/UPI and the impact this has on the user's ability to make calls to the DSB. To be presented alongside GUI and messaging examples of the users experience.	DDO	29-Jun-21

495	The DSB to present further details regarding the impact corporate actions may have the use of alternative identifiers.	DDO	29-Jun-21
496	The DSB to present further details on how the FISN would be impacted by corporate actions, and in turn the UPI. It was agreed that this item would be followed up as part of the PC's review of the FISN for the UPI	DDO	TBC

Summary of New or Updated DSB Tasks	Status	Priority