DSB PRODUCT COMMITTEE MEETING MINUTES

Meeting:	The 112th DSB Product Committee Meeting				
Date:	16-Apr-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
Ben Scofield, Refinitiv
Jay Shotton, JP Morgan

Non-Voting Members
David Broadway, The IA
Karel Engelen, ISDA
Jim Northey, FIX TC
Fiona Willis, GFMA

Observers
Emma Kalliomaki, DSB
Eiichiro Fukase, JSDA
David Olgilvie-Forbes, FCA
Takahiro Onojima, JSDA

Designated DSB Officer
Malavika Solanki, DSB

DSB Secretariat / Alternate DDOs
Nathan Dagg, DSB
Simon Wiltshire, DSB

Apologies:
Jourik De Lange, Smartstream RDU
Rene Muller, HSH Nordbank
Maros Oberman, 42 Financial Services
Jonah Platt, Citadel
Michael Sandro Bauch, Allianz Global Investors
Kirston Winters, MarkitSERV
Vincent Dessard, EFAMA

Absences:

No	Topics
1	**Competition Law Reminder**

- Presented

No	Topics
2	**Review Minutes from Previous Meeting**

- Previous meeting was not quorate and so the minutes are considered final

No	Topics
3	**Open Actions**

- **Action 277:** Following confirmation of change from ISDA, the DSB will create a template for Inflation Fixed Float Zero Coupon Swaps and revert with a target release date -

update due at the next PC meeting. ISDA to revert with update re timing. **To be discussed at the 14th May PC.**

- **Action 278:** DSB to review the current roadmap of delivery items and revert to the PC with possible delivery date for the inclusion of UK-Base-Rate in the Reference Rate enumerations. ISDA to review internally with taxonomy group. **Closed.**
- **Action 289:** The PC agreed that the subject of Strategies and Packages and the use of "Other" as an asset class specific instrument type in relation to UPI/ISIN mapping would be agenda items for the next meeting. **Closed.**
- **Action 290:** The DSB Secretariat will resend the main points from the Field 41 Best Practice summary to the members of the PC for further comment and review at the next meeting. **Open.**
- **Action 291:** The DSB Secretariat to create a watchlist of long-term items that are to be monitored on a periodic basis for inclusion in the Appendix of the fortnightly PC Pack. **Closed.**
- **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 provide them to the DSB. **See Item 8 below.**
- **Action 293:** DSB to undertake further analysis of FIRDS data to understand the templates being used for each strike price submission. **Closed.**
- **Action 294:** DSB to present both vanilla and non-standard equity option template snapshots at the next meeting to assist with PC review. **Closed.**
- **Action 295:** DSB to hold feedback regarding ISO 6166 review on the watchlist. **Closed.**
- **Action 296:** DSB to review rates ISINs created to determine whether and how many ISINs expired on the day they were created. **Closed.**

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4   Credit Swaps: Debt Seniority

- The PC proposed to take no action on this subject at this time and would wait for any changes to ISO 20022 to be published before incorporating into the DSB.
- It was agreed that the industry should provide guidance on the way in which the attribute should be used, outside the remit of the DSB Product Committee.

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5   Proposed 2019 Product Template Delivery Roadmap

- The PC agreed the proposed timetable and contents of the Production Release scheduled for 22nd September 2019.
- The PC asked for an open source version of the Tenor Calculator to be made available to the industry in order to ensure a consistent approach to the ESMA algorithm.
- **Action 297:** DSB to provide feedback to the PC on the approach and dates for providing an open source version of the Tenor Calculator.
- The PC discussed the possible technical dependence of the proposed go-live date on the implementation of the updated XML Schema. The meeting agreed that the proposed date would be held but the situation will be re-evaluated in June 2019.
- **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.
- **Watchlist Item 299:** The DSB to re-evaluate the September 2019 release schedule at the start of June 2019 in light of ESMA XML schema changes, Brexit and other factors.

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6   Field 41 (IR Term of Contract) – Best Practice Document

- The PC agreed that "0 DAYS" would be excluded from the Field 41 Best Practices documentation.

- The PC agreed that the Rates validation processes will treat 0 DAYS (and WEEK, MNTH, YEAR) as an invalid value for Term of Contract (Field 41). Requests containing this value will be rejected. The implementation of this validation is to be evaluated by the DSB and scheduled for a future release.
- **Action 300:** DSB to publish a summary on the DSB website and make the link available to PC members for onward communication and market education purposes

7 FpML Update

- It was confirmed that ISDA are not aware of any changes to -IBOR Reference Rates either this quarter or next.
- **Watchlist Item 301:** ISDA to confirm if the enumeration values for rates derivatives products are likely to be introduced while or shortly after the DSB's integrated field 41 templates are in UAT

8 Equity Strike Price Type

- The PC requested further analysis of the current data – specifically to examine the types of underlying product that are used for Equity Options with a Percentage Strike Price.
- **Action 302:** DSB to provide metrics for underlying product type on Equity Options.

9 UPI Analysis – Strategies, Structured Products, Packages

- Item held over to next meeting

10 UPI Analysis – Credit

- Item held over to next meeting

11 AOB

1. **NDF / Settlement Ccy.**
- The PC noted that certain Order Management Systems (OMS) do not transmit the Settlement Currency of Non-Deliverable Forwards (NDF) and so it is not possible for recipient systems to generate an ISIN since a Settlement Ccy is required for these products by the DSB.
- **Action 303:** DSB to investigate the reason for including the Settlement Ccy in the NDF product definition.
- **Action 304:** DSB to analyse the current NDF ISINs and provide metrics on the Settlement Ccy for NDFs to the PC for further discussion.
2. **Data Quality**
- The PC agreed that the DSB should devote some resources to the validation of underliers and other data quality issues.

Respectfully submitted,

DSB Secretariat

Minutes Approved on:

Summary of Open Actions

No	Actions	Owner	Target Date
277	Following confirmation of change from ISDA, the DSB will create a template for Inflation Fixed Float Zero Coupon Swaps and revert with a target release date	DSB Sec	14-May-19
290	The DSB Secretariat will resend the main points from the Field 41 Best Practice summary to the members of the PC for further comment and review at the next meeting.	DSB Sec	14-May-19
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	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
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.	DSB Sec	14-May-19
300	DSB to publish a summary on the DSB website and make the link available to PC members for onward communication and market education purposes	DSB Sec	14-May-19
302	DSB to provide metrics for underlying product type on Equity Options.	DSB Sec	14-May-19
303	DSB to investigate the reason for including the Settlement Ccy in the NDF product definition.	DSB Sec	14-May-19
304	DSB to analyse the current NDF ISINs and provide metrics on the Settlement Ccy for NDFs to the PC for further discussion.	DSB Sec	14-May-19