

DSB PRODUCT COMMITTEE MEETING MINUTES

Meeting: The 172th DSB Product Committee Meeting

Date: 16-Nov-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	Apologies
Martyn Cole	Product Committee Member	Refinitiv	Yes
Jourik De Lange	Product Committee Member	Smartstream RDU	Apologies
Dawd Haque	Product Committee Member	Deutsche Bank	Yes
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	Yes
Navraj Panesar	Product Committee Member	Citigroup	Absent
Gregg Rapaport	Product Committee Member	DTCC	Yes
Kirston Winters	Product Committee Member	IHS Markit	Yes
Mari Asakura	Regulatory Observer	JSDA	Absent
Davide Panadori Cino	Regulatory Observer	ESMA	Absent
Giulia Ferraris	Regulatory Observer	ESMA	Yes
Eiichiro Fukase	Regulatory Observer	JSDA	Yes
Dr Olaf Kurpiers	Regulatory Observer	BaFin	Apologies
Frank Lasry	Regulatory Observer	AMF	Apologies
Jean O Bray	Regulatory Observer	FCA	Yes
Alex Stirling	Regulatory Observer	FCA	Yes
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	Absent
Emma Kalliomaki	DSB Board Sponsor	DSB Board	Yes
Malavika Solanki	DDO	DSB	Yes
Simon Wiltshire	Alternate DDO	DSB	Apologies
Adam Grace	Alternate DDO	DSB	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.

4 Announcements

PC Members were reminded of the ongoing consultation on UPI legal terms and conditions, and noted that there may be some impact for OTC ISIN users too. Members were encouraged to review the consultation, and revert with feedback no later than 19th January 2022.

5 Open Actions

413	The DSB to obtain regulatory feedback on CFI 2019 adoption after the initial outreach by the DSB, following completion of action 412. <i>Update : DSB to consolidate all key principles agreed by the PC and then share with regulators.</i>	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
506	PC to discuss feedback from regulators relating to questions received regarding industry's queries pertaining to the UPI. <i>Update : DSB have received feedback from the CDIDE. This has been shared with PC members and will be discussed at the next meeting.</i>	DDO	OPEN
508	PC to discuss feedback from CFI maintenance agency regarding NDF's on Bitcoin. <i>Update: Awaiting review and feedback from ISO</i>	DDO	OPEN
511	The DSB to raise the issue of Backwards Compatibility for the OTC ISIN and UPI with the CDIDE for further consideration.	DSB	OPEN
514	This new OTC ISIN status and status reason regarding Orphan ISINs to be reflected in the OTC ISIN status materials. <i>Update expected in Q1 2022.</i>	DDO	OPEN
515	The DSB to revert with a date for PC review of the UPI Status document. <i>Update expected in Q1 2022.</i>	DDO	OPEN
517	The DSB to ask responsible institutions for information concerning the creation of Non-Standard Options without Option Type / Exercise Style.	DDO	OPEN
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
520	UPI principles agreed by the PC are to be shared with regulators	DDO	OPEN
522	UPI principles agreed to be consolidated and used to underpin a formal change request document to support implementation of the initiative	DSB	OPEN
525	The DSB are to email PC members with a request for direction for the Reference Data Strategy.	DSB	CLOSED

6-8	Current DSB Tasks	Status	Priority
DSB-8	Review Source of Commodity Index	In Prog	Med

	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.		
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-1076	Structured Email Messages To allow users to specify the types of DSB notification that they receive.	Sched	Low
DSB-1120	ISDA 2021 New GUI Titles To provide solution options in implementing ISDA 2021 changes in the GUI to enhance user-experience. <i>Scheduled for release: 28th November</i>	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.	Tech	Low
DSB-1135	Streamline two-step OTC ISIN Streamline process of two-step OTC ISIN generation (Swaption/FX Swap)	Queue	Med

DSB-1410	Evaluate ISO 3166 (2 char) Validation 2-char prefix validation for the entry of underlier instrument ISIN.	In Prog	High
DSB-1503	RATES : Add new FROs to the to the Rates and Non-Standard Enumerated Lists (part 2)	In Prog	High
DSB-1566	ISO 20022 Mappings Update ISO 20022 Code Mapping for Rates and Non-Standard products in-line with FpML CS.	In-Prog	Med
DSB-1571	New Currency Codes Add VED and UYW to the ISO Currency Code Codeset (all templates)	Queue	TBC
DSB-1574	Header Attributes Add hierarchy attributes to OTC ISIN Header in preparation for UPI go-live.	Queue	High

8 Reference Data Strategy – PC Responses

The DSB previously presented the current primary identifiers for Reference Rates, Legal Entities and Currencies for review and approval by the PC. The DSB also presented the alternative identifiers for the Known Underliers requested by the CDIDE for their review and approval. There was insufficient time at the previous meeting to cover Indices and Commodities. It was therefore agreed that the Reference Data Strategy material would be shared with PC members via email for feedback from the PC members.

The PC members were presented with the anonymized responses received by the DSB and asked if they agree with the proposed approaches;

1. *Securities - Members of the PC are asked whether they agree with the proposed asset categories or whether feed changes are required.*

The PC raised a number of questions regarding the asset types packages chosen for day 1 inclusion. A number of questions touched on wider governance and data acquisition cost issues that need to be confirmed such as; How were these packages chosen, How would new packages be identified, validated as being required by regulators as part of any mandatory data set, and subsequently treated by the DSB, Who would be responsible for validating new packages, etc. These questions are to be consolidated and discussed at a future PC meeting before being formally presented to the CDIDE, with responses to be brought back to the PC. >**Action526.**

In light of the governance, data acquisition cost, and implementation considerations that remain on this topic, Members noted their desire for the DSB to launch with a lean set of alternate IDs on day 1, and subsequently work with regulators to include new alternate identifiers. Members also discussed the proposed workflows to support creation, search and download activities for users that may submit an alternate ID.

PC Members also noted that some regulators had commenced their review of the DSB's proposed reference data strategy, and were expecting to provide feedback to the DSB in the coming days.

In addition to the above the PC requested that the question is to be presented again with the following additional details.

- Some information about the types of data elements, as well as other relevant details of the content of each asset type package be provided to aid their decision making >**Action527**.
- Confirmation of whether and how the inclusion of an alternate ID related workflow as well as the number of asset type packages would affect the DSB's committed delivery timeline of UAT in Apr 2022 followed by Production launch in July 2022 >**Action528**.
- Confirmation of whether the DSB proposes to validate each alternate ID submitted by users to confirm that the ID was issued by the relevant data provider. >**Action529**.
- Confirmation of whether the DSB will rely on the data vendor to undertake all ID mapping activity, as well as own responsibility for communicating (to the DSB and subsequently the PC) any mapping errors and/or changes. >**Action530**.
- Confirmation of whether the DSB proposes to validate the underlying LEI submitted for either UPI or OTC ISIN purposes. >**Action531**.
- Information about the rationale for the exclusion of Commodities from the proposed list of asset type packages. >**Action532**.

2. Securities (Alternative Identifiers) - Members of the PC are asked whether they agree that the DSB should investigate the provision of ISIN mappings for all of the listed alternative identifiers.

Whilst the consensus remained **YES**, the PC requested further details around the governance and ongoing support of these identifiers (see above **Action526**)

The next step for the DSB is to undertake investigation into the availability and cost of supporting each of the listed Alternative Identifiers and report back to the PC.

3. Know Underliers - Members of the PC are asked whether they agree that the UPI should support the default Primary Identifiers for "known" underliers – Legal Entity, Currency, FRO.

The PC **AGREED** that the UPI should support the default primary identifiers, and noted this approach should also include the use of index names as well as primary identifiers.

4. Known Underliers (Alternative Identifiers) - Members of the PC are asked to provide direction on whether there is a requirement to support alternative identifiers for the "known" underliers – Legal Entity, Currency, FRO.

The PC decided there is **NO CURRENT REQUIREMENT** to support alternative identifiers for the "known" underliers. It was agreed that the topic would be reviewed in the future should users, regulators, or PC Members request it in light of evolving market conditions.

PC Members requested that a summary of the agreed validation rules be re-distributed to Members as a reminder, and agreed that there was no need to review the topic at a future meeting. >**Action533**.

5. Indices - Members of the PC are asked whether the default index underliers are appropriate for the UPI and, if not, to nominate appropriate identifier sources (issuers, providers) for each of the above indices

PC Members asked that a discussion was had about the optimal means of reviewing current coverage of third-party index names in relevant templates, expansion of these where required (for both the UPI and the OTC ISIN), and that the topic be discussed at the next meeting. >**Action534**.

PC members sought clarity on how proprietary indexes will be treated, noting that while some proprietary indices had identifiers associated with them, coverage was insufficient and as such the use of proprietary index names should be retained. The DSB are to share details regarding the intended support for discussion at a future meeting. >**Action535**.

9 DSB-1503 / 1120 - ISDA 2021 Definitions

To support the ISDA 2021 Definitions, the DSB has scheduled the release of 4 new FROs that have been added to the FpML Coding Scheme 2.1 for 28th November 2021.

The release of DSB-1120 (changes in the GUI to enhance user-experience when searching and/or creating FRO related identifiers) will now be held over until the new year.

10 DSB-1566 – ISO 20022 Mappings

As agreed by the PC, the DSB has analysed the ISO 20022 4-character mapping for FROs to ensure that the OTC ISIN mapping is consistent with the FpML Coding Scheme.

The DSB identified the following possible issues; FpML FROs that might require a different ISO 20022 value in the FpML xml file, FpML FROs that might not require an ISO 20022 value in the FpML xml file & FpML FROs that might require an ISO 2002 value in the FpML xml file.

These items have been raised with ISDA for their consideration and following ISDA review, the DSB will present proposed updates to the OTC ISIN Product templates to the PC.

11 Review of CDIDE Feedback to PC Questions

Held over till the next meeting.

Product Release Schedule

N/A

AOB

Respectfully submitted,

DSB Secretariat

Minutes Approved on: 30/11/2021

Summary of Open Actions		Owner	Target Date
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
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
500	The DSB to publish best practice and/or updates to the UPI FAQ following questions from PC members.	DDO	TBC
506	PC to discuss feedback from regulators relating to questions received regarding UPI.	DDO	TBC
508	PC to discuss feedback from CFI maintenance agency regarding NDF's on Bitcoin.	DDO	TBC
511	The DSB to raise the issue of Backwards Compatibility for the OTC ISIN and UPI with the CDIDE for further consideration.	DDO	24-Aug-21
514	This new OTC ISIN status and status reason regarding Orphan ISINs to be reflected in the OTC ISIN status materials.	DDO	TBC
515	The DSB to revert with a date for PC review of the UPI Status document.	DDO	TBC
517	The DSB to ask responsible institutions for information concerning the creation of Non-Standard Options without Option Type / Exercise Style.	DDO	19-Oct-21
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	02-Nov-21
520	UPI principles agreed by the PC are to be shared with regulators	DDO	TBC
522	The DSB to revert with implementation timelines following completion and sign-off of the change request document	DSB	TBC
523	ISDA to provide an indication of the reference rates most likely to be impacted by the IBOR transition and a view on the most likely change windows expected by the market.	ISDA	TBC
524	The DSB to review the information from ISDA and revert to the PC in the event of any capacity constraint, and liaising with the TAC where necessary.	TAC SEC	TBC
525	The DSB are to email PC members with a request for direction for the Reference Data Strategy.	DSB	16-Nov-21
526	The DSB are to consolidate the questions raised by the PC regarding Primary and Alternative Identifiers which are to be discussed at a future PC meeting before being formally presented to the CDIDE, with responses to be brought back to the PC	DSB	TBC

527	DSB to present more information about the types of data elements being proposed for the securities asset categories, as well as other relevant details of the content of each asset type package be provided to aid their decision making	DSB	TBC
528	The DSB to confirm whether and how the inclusion of an alternate ID related workflow as well as the number of asset type packages would affect the DSB's committed delivery timeline of UAT in Apr 2022 followed by Production launch in July 2022	DSB	TBC
529	The DSB to confirm whether it proposes to validate each alternate ID submitted by users to confirm that the ID was issued by the relevant data provider.	DSB	TBC
530	Confirmation of whether the DSB will rely on the data vendor to undertake all ID mapping activity, as well as own responsibility for communicating (to the DSB and subsequently the PC) any mapping errors and/or changes	DSB	TBC
531	The DSB to confirm whether it proposes to validate the underlying LEI submitted for either UPI or OTC ISIN purposes.	DSB	TBC
532	The DSB to share information about the rationale for the exclusion of Commodities from the proposed list of asset type packages.	DSB	TBC
533	The DSB to share a summary of the agreed validation rule for alternative identifiers that can be used for known underliers be re-distributed to Members as a reminder	DSB	TBC
534	The DSB to present details of the optimal means of reviewing current coverage of third-party index names in relevant templates, expansion of these where required (for both the UPI and the OTC ISIN)	DSB	TBC
535	The DSB are to share details regarding how proprietary indexes will be treated and the intended support.	DSB	TBC

Summary of New or Updated DSB Tasks	Status	Priority
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