

## DSB PRODUCT COMMITTEE MEETING MINUTES

**Meeting:** The 150<sup>th</sup> DSB Product Committee Meeting

**Date:** 17-Nov-2020      **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
Jourik De Lange	Product Committee Member	Smartstream RDU	Yes
Tia Ellerman	Product Committee Member	Citigroup	Absent
Uwe Hillnhuetter	Product Committee Member	Tradeweb	Apologies
Adam Lister	Product Committee Member	Bloomberg L.P.	Apologies
Rene Muller	Product Committee Member	HSH Nordbank	Apologies
Maros Oberman	Product Committee Member	42 Financial Services	Absent
Jonah Platt	Product Committee Member	Citadel	Yes
Gregg Rapaport	Product Committee Member	DTCC	Absent
Ben Schofield	Product Committee Member	Refinitiv	Yes
Jay Shotton	Product Committee Member	J.P. Morgan	Yes
Kirston Winters	Product Committee Member	IHS Markit	Yes
Mari Asakura	Regulatory Observer	JSDA	Absent
Ayo Fashina	Regulatory Observer	FCA	Absent
Eiichiro Fukase	Regulatory Observer	JSDA	Yes
Emma Kalliomaki	Regulatory Observer	DSB Board	Yes
Dr Olaf Kurpiers	Regulatory Observer	BaFin	Apologies
Frank Lasry	Regulatory Observer	AMF	Absent
Olga Petrenko	Regulatory Observer	ESMA	Apologies
Robert Stowsky	Regulatory Observer	CFTC	Yes
David Broadway	Observer	Investment Association	Yes
Vincent Dessard	Observer	EFAMA	Absent
Karel Engelen	Observer	ISDA	Yes
Lisa Taikitsadaporn	Observer	FIX Trading Community	Yes
Fiona Willis	Observer	GFMA	Yes
Malavika Solanki	DDO	DSB	Yes
Simon Wiltshire	Alternate DDO	DSB	Yes
Adam Grace	Alternate DDO	DSB	Yes

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### No    Topics

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**1    Introduction & Agenda**

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**2    Competition Law Reminder**

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Presented

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### **3 Review Minutes from Previous Meeting**

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The prior meeting's minutes are now considered final.

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### **4 Announcements**

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#### **DSB Current COVID19 Status**

The DSB (TAC) have extended the state heightened awareness through to the December 7<sup>th</sup>.

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### **5 Open Actions**

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<b>412</b>	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.	<b>OPEN</b>
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<b>413</b>	The DSB to obtain regulatory feedback on CFI 2019 adoption after the initial outreach by the DSB, following completion of action 412.	<b>OPEN</b>
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<b>421</b>	The DSB to work with ISO representatives to agree an information sharing framework to facilitate PC feedback to the CFI.	<b>OPEN</b>
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<b>430</b>	The DSB to engage with the main institutions responsible for the generation of erroneous Sovereign CDS ISINs and to report conclusions to the PC. <i>Target Date extended until 15th December 2020</i>	<b>OPEN</b>
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<b>432</b>	The DDO to work with the CDIDE Chairs and PC Members to identify, address and document the industry's information needs	<b>OPEN</b>
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<b>435</b>	CFTC to present agreed UPI masking requirement for less liquid underliers to the PC.	<b>OPEN</b>
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<b>436</b>	DSB to reach out to industry participants and advise on best practice for when creating ISINs for CDS Single Name products. <i>Target Date extended until 15th December 2020</i>	<b>OPEN</b>
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<b>437</b>	DSB to reach out to the institutions that raised LEI/ISIN Mapping at the Industry Consultation to share the solution and understand their business requirements. <i>Target Date extended until 15th December 2020</i>	<b>OPEN</b>
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<b>438</b>	ISDA to provide an update to the PC once FRO related changes have been finalized	<b>OPEN</b>
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<b>439</b>	The DSB to liaise with ISDA to fully determine the full extent of the impact the changes to interest rates, brought on by the move away from IBOR rates and the upcoming ISDA 2021 definitions amendments will have on the DSB.	<b>CLOSED</b>
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6-9	Current DSB Tasks	Status	Priority
DSB-48	<p><b>Equity Option : Strike Price Type</b> Equity Options do not include a qualification for the Strike Price that defines the type of Strike Price that has been entered -eg: Price, Percentage, BP, Yield or Other. <i>Scheduled for UAT Release</i></p>	Sched	High
DSB-52	<p><b>Set Maximum Number of Items in Arrays</b> The system needs to impose a maximum number of input values against each array to protect the system from unvalidated input.</p>	Tech	Low
DSB-62	<p><b>CFI Code Service</b> DSB-managed service that will return CFI codes for any OTC derivative products without the associated generation of an ISIN (Analysis Only).</p>	Tech	Med
DSB-63	<p><b>RTS 2 Sub-Asset Class Mapping</b> 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).</p>	In Prog	High
DSB-64	<p><b>ISIN to LEI Mapping for Single Name CDS</b> To examine how GLEIF's ISIN-LEI mapping facility can be used to increase the quality of data for single name CDS ISINs (Analysis Only). <i>See section 11.</i> <i>To be Closed subject to completion of Action 437.</i></p>	Closed	Low
DSB-67	<p><b>GUI Search Utility Improvements</b> To examine how the GUI-based search utility may be improved to allow users to perform searches without search semantic knowledge (Analysis Only).</p>	In Prog	Low
DSB-88	<p><b>Strike Price Validation</b> The validation of Strike Price is expected to vary depending upon the setting of the Strike Price Type. <i>Scheduled for UAT Release.</i></p>	Sched	High
DSB-90	<p><b>Price Multiplier Validation</b> The Price Multiplier is subject to inconsistent rounding when very large numbers are input (eg: greater than 18 digits).</p>	Tech	Med
DSB-133	<p><b>Prop Index Process Analysis</b> Analyse the Proprietary Index management provision in order to identify efficiency and service improvements.</p>	In Prog	Low
DSB-134	<p><b>CDS Single Name Validation</b> Assessment of the quality of CDS Single Name underliers and a determination of possible next steps. <i>See section 10.</i> <i>To be Closed subject to completion of Action 436.</i></p>	Closed	Med
DSB-370	<p><b>CFI 2019 Support</b></p>	In Prog	High

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Support the updated 2019 ISO Standard for CFI (10962) throughout the DSB product suite.

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<b>DSB-396</b>	<b>New CZK OIS Reference Rate</b> The DSB has been made aware of the imminent release of a CZK OIS Reference Rate. <i>Awaiting the FpML Coding Scheme update.</i>	Queue	Low
<b>DSB-659</b>	<b>New Reference Rate : GBP-SONIA-COMPOUNDED-INDEX</b> Add GBP-SONIA-COMPOUNDED-INDEX to the enumerated list of Reference Rates for RATES and Non-Standard templates. <i>Awaiting the FpML Coding Scheme update.</i>	Queue	High
<b>DSB-910</b>	<b>Investigate Proprietary Sources of Equity Indices</b> Investigation of 3 <sup>rd</sup> party data providers as alternative sources of Equity Indices for OTC ISIN creation.	In Prog	Med
<b>DSB-959</b>	<b>Update FpML Reference Rates</b> Update FpML Reference Rates following ISDA 2021 Definitions Review	In Prog	High

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## 10 PC Term 3(2021/22) Timelines

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The DSB presented the PC the proposed timelines for the PC's 3rd Term (2021/2022), including an extension of Term 2 to allow continuity over the holiday period and time for new PC applicants to consider and submit their applications.

In order to obtain an agreement to extend the PC's current term, the DSB will be reaching out to PC members via email. >**Action440**

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## 11 UPI Assumptions: Part 2

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### Standard Contract Type

In the initial delivery the DSB will be required to maintain a hierarchy of UPI and ISIN and therefore the attributes need to be present in (or derivable from) the OTC ISIN product definition. Currently the product definitions for single Name CDS's do not include the standard contract type (STEC, SNAC, etc..).

The DSB presented the PC with the terms of reference, including the background, proposal and approach for the analysis into Standard Contract Type. The initial proposal is to add standard contract type to all single name CDS templates, using the ISDA Taxonomy 2.0 as the golden source for enumerations.

The PC agreed with the need to support the ISIN/UPI hierarchy but raised questions concerning the suitability of the available reference data and whether the Standard Contract Type is directly derivable from the CDS underlier (LEI).

The PC agreed that the DSB would need to engage with ISDA in order to establish how the ISDA taxonomy 2.0 might need to be updated in order to ensure its suitability as a golden source for this attribute within the DSB.

The DSB are required to share the Terms of Reference and key questions with the PC for approval and input. >**Action441**

### Commodity Base Product, Sub-Product and Additional Sub-Product

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The PC were asked to consider how the classification of Commodity Reference Prices are to be classified within the UPI product definitions – where both the CFI (ISO 10962) and ISO 20022 standard may need to be supported.

The PC agreed that the ISO20022 structure is deterministic (ie: directly derivable from the underlier) and so could be considered as a derived value rather than an input value for the purposes of UPI generation / retrieval. The PC also agreed that the CFI Code (Underlying Asset) would be a required data element in the definition of the UPI and may be useful in verifying the input values.

The DSB are required to share the details of the Commodity classification proposal with the PC for approval. >**Action442**

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## **12 UPI Stakeholders Review**

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The DDO shared the UPI stakeholder’s framework, showing all parties and organisations involved and how they will interact. The information was welcome and the PC requested enhancements ahead of subsequent review and broader external communication to DSB users. >**Action443**.

The PC also asked that the DSB to draft and place information showing the purpose and relationship between the CFI, UPI and OTC ISIN, and subsequently place the information in the public domain. This would allow industry participants to be able to access >**Action444**.

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## **13 ESMA Statements**

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The DSB highlighted the statements made by ESMA on the 10<sup>th</sup> November regarding MiFID II data post Brexit that come into effect 1<sup>st</sup> January 2021. The PC discussed the implications and noted that additional information was required about the date on which further information would become available.

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### **Product Release Schedule**

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The DSB’s next product release is scheduled for January

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### **AOB**

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None

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Respectfully submitted,

DSB Secretariat

Minutes Approved on: 1<sup>st</sup> December 2020

<b>Summary of Open Actions</b>		<b>Owner</b>	<b>Target Date</b>
<b>412</b>	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
<b>413</b>	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
<b>421</b>	The PC to work with ISO representatives to agree an information sharing framework to facilitate PC feedback to the CFI MA.	DDO	TBC
<b>430</b>	The DSB to engage with the main institutions responsible for the generation of erroneous Sovereign CDS ISINs and to report conclusions to the PC.	DDO	01-Dec-20
<b>432</b>	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	31-Mar-21
<b>435</b>	CFTC to present agreed UPI masking requirement for less liquid underliers to the PC.	CFTC	TBC
<b>436</b>	DSB to reach out to industry participants and advise on best practice for when creating ISINs for CDS Single Name products	DDO	01-Dec-20
<b>437</b>	DSB to reach out to the institutions that raised LEI/ISIN Mapping at the Industry Consultation to share the solution and understand their business requirements.	DDO	31-Dec-20
<b>438</b>	ISDA to provide an update to the PC once FRO related changes have been finalized	ISDA	19-Feb-21
<b>440</b>	The DSB to share proposed timelines for the PC's 3rd Term (2021/2022) with PC members for approval	DSB	01-Dec-20
<b>441</b>	The DSB to share the Terms of Reference and key questions relating to Standard Contract Type with the PC for approval.	DSB	01-Dec-20
<b>442</b>	The DSB to share the details of the Commodity classification proposal with the PC for approval.	DSB	01-Dec-20
<b>443</b>	The DSB to make enhancements to the UPI stakeholder's framework.	DDO	15-Dec-20
<b>444</b>	The DSB to draft and place information showing the purpose and relationship between the CFI, UPI and OTC ISIN in the public domain.	DDO	TBC
<b>Summary of New or Updated DSB Tasks</b>		<b>Status</b>	<b>Priority</b>