

DSB PRODUCT COMMITTEE MEETING MINUTES

Meeting: The 161th DSB Product Committee Meeting

Date: 18-May-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	Yes
Martyn Cole	Product Committee Member	Refinitiv	Yes
Jourik De Lange	Product Committee Member	Smartstream RDU	Yes
Dawd Haque	Product Committee Member	Deutsche Bank	Yes
Dominic Harth	Product Committee Member	Union Investment Privatfonds GmbH.	Absent
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
Ayo Fashina	Regulatory Observer	FCA	Yes
Giulia Ferraris	Regulatory Observer	ESMA	Absent
Eiichiro Fukase	Regulatory Observer	JSDA	Absent
Dr Olaf Kurpiers	Regulatory Observer	BaFin	Absent
Frank Lasry	Regulatory Observer	AMF	Absent
Robert Stowsky	Regulatory Observer	CFTC	Yes
Dominik Zeitz	Regulatory Observer	BaFin	Apologies
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	Apologies
Simon Wiltshire	Alternate DDO	DSB	Yes
Adam Grace	Alternate DDO	DSB	Apologies

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			
None			
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. <i>Update: To be presented at next meeting.</i>	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.	ISDA	OPEN
472	The DSB to confirm the value to be returned for Contract Specification on legacy ISINs.	DSB	OPEN
474	CDIDE to respond to the PC's concerns regarding the current ISO 4914 conditional attributes.	CIDIE	OPEN
477	The DSB to share the agreed proposal for the treatment of Portfolio Swaps when determining the CFI code with regulators. <i>Update: Proposed close date rescheduled for the next PC meeting.</i>	DDO	OPEN
482	DDO to liaise with PC Members regarding additional questions about the UPI service and revert to the PC.	DDO	OPEN
483	The DSB are to seek confirmation from the CDIDE for the exclusion of "Long Name" from the UPI requirements.	DSB	OPEN
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

486	The DSB to forward to the CDIDE the concerns of the PC over the inclusion of Underlying Contract Tenor Period / Multiplier in ISO 4914 (UPI).	DDO	OPEN
487	DDO to provide key extracts from the draft ISO 4914 standard.	DDO	OPEN
488	DSB to present a proposal for the introduction of streamlined product templates for Swaptions and FX Swaps. <i>Update: A DSB task (DSB-1135) has been created for this work and will be tracked in the task list. To be closed at next meeting.</i>	DSB	OPEN

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.	In Prog	High
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. <i>Scheduled for August Release.</i>	Sched	Med

8 2021 ISDA Definitions – Update

The DSB presented the PC the status of the ISDA 2021 Definitions release and the PC were informed that the finalised 2021 FRO list is expected to be released shortly – following industry review.

The DSB confirmed that the finalised FRO list had not been received by the expected date (17th May 2021) and so the release schedule would need to be reviewed once the list was published.

9 UPI : Other Instrument Type

The PC discussed the subject of “Other” Instrument Type and agreed the following:

- The “Other” Instrument Type is an asset class specific OTC derivative product that is not a Swap, Option or Forward.
- The PC acknowledges that there is a genuine requirement to support the “Other” Instrument Type for products that do not fit the existing product definitions.
Pros: trying to categorise everything into Swap, Option, Forward can lead to different interpretations for the same product and can lead to the Swap, Option and Forward buckets being polluted.
Cons: The PC accepts that support for “Other” Instrument Type may present data quality issues. Too many products flagged as other that could otherwise be flagged as Swap, Option or Forward are lazily flagged as other because it is too hard.
- The PC recommends that generation of “Other” Instrument Type UPIs will need to be monitored and reviewed on an ongoing basis.
- The PC recommends that, following periodic review, the appropriate best practice guidance should be agreed and updated by the PC for the product, where possible.
Note: To minimise the use of “Other” from day 1 the PC proposes a best practice for common products is developed so that they can be consistently allocated correctly into the existing

buckets. E.g. ASCOT, Range accrual, Swaps with embedded options (e.g. callable swaps), power reverse dual multi-callable swaps etc...

- The PC proposes a single template for the support of “Other” Instrument Type UPIs – with no requirement for asset class specific support.
- The PC agreed that the “Other” Instrument Type product definition should not support all attributes (from other templates) but should provide a limited number of necessary optional attributes that will enable the targeted analysis of the those UPIs.
- The PC proposes that underliers from all asset classes should be supported in the definition of the “Other” Instrument Type – although the UPI support for baskets/multiple underliers (see below) will also be followed for these products.

The PC agreed that the above views should be presented to the CDIDE for inclusion in their deliberations on ISO 4914 (UPI). >**Action 489.**

10 UPI : Other Asset Class

The PC discussed the subject of “Other” Instrument Type and agreed the following:

- The “Other” Asset Class is to be used for a product that is not a Rate, Credit, Equity, Foreign Exchange or Commodity derivative.
- The “Other” Asset Class is to be considered a separate requirement from the need to support Multi-Asset products.
- The PC agreed that “Other” Asset Class is not a useful bucket for the categorisation of OTC Derivative Products.
- For this reason, the PC recommends that there is no need to support specific “Other” Asset Class products for the UPI.
- However, the PC also recommends that best practice guidance is agreed and published by the PC in order to assist the user community in their classification of relevant products.

The PC agreed that the above views should be presented to the CDIDE for inclusion in their deliberations on ISO 4914 (UPI). >**Action 490.**

In addition, the PC agreed:

- The PC also agreed that, in line with ISO 2914 and guidance from CPMI/IOSCO, the UPI would not require the user to identify individual constituent identifiers if the OTC derivative was based on more than one underlier.

Note: The above approach excludes Basis-style Swaps where the individual underliers on each leg would still be identified.

11 New Reference Rates : Change Details

The DSB will proceed with the implementation of the specified Reference Rates in accordance with the presented schedule.

12 Product Definition Status

Presented.

AOB

N/A

Respectfully submitted,

DSB Secretariat

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Page 5 of 8

Minutes Approved on: 01/06/2021

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
472	The DSB to confirm the value to be returned for Contract Specification on legacy ISINs.	DSB	20-Apr-21
474	CDIDE to respond to the PC's concerns regarding the use of underlying debt issuance tenor for all credit derivatives.	CDIDE	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
483	The DSB are to seek confirmation from the CDIDE for the exclusion of "Long Name" from the UPI requirements.	DSB	18-May-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
486	The DSB to forward to the CDIDE the concerns of the PC over the inclusion of Underlying Contract Tenor Period / Multiplier in ISO 4914 (UPI).	DSB	18-May-21
487	DDO to provide key extracts from the draft ISO 4914 standard.	DDO	01-Jun-21

488	DSB to present a proposal for the introduction of streamlined product templates for Swaptions and FX Swaps.	DSB	10-Aug-21
489	DSB to present the views of the PC on Other Instrument Type to the CDIDE.	DSB	04-Jun-21
490	DSB to present the views of the PC on Other Asset Class to the CDIDE.	DSB	04-Jun-21

Summary of New or Updated DSB Tasks		Status	Priority
DSB-1135	Streamline process of two-step OTC ISIN generation (Swaption/FX Swap)	Pre-Analysis	Medium