

## DSB PRODUCT COMMITTEE MEETING MINUTES

**Meeting:** The 109<sup>th</sup> DSB Product Committee Meeting

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**Date:** 19 -Mar-2019      **Time:** 15.00 – 16.30 UTC      **Location:** DSB Offices /  
Teleconference

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**Chairs:** Harry McAllister, BNP Paribas  
Joseph Berardo, Intercontinental Exchange

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**Attendees:**

<b>Voting Members</b> Michael Burg, State Street Financial Jourik De Lange, Smartstream RDU Tia Ellerman, Citigroup Uwe Hillnhuetter, Tradeweb Rene Muller, HSH Nordbank Maros Oberman, 42 Financial Services Michael Sandro Bauch, Allianz Global Investors Ben Scofield, Refinitiv Kirston Winters, MarkitSERV	<b>Non-Voting Members</b> David Broadway, The IA Karel Engelen, ISDA  <b>Observers</b> Emma Kalliomaki, DSB Eiichiro Fukase, JSDA David Olgilvie-Forbes, FCA  <b>Designated DSB Officer</b> Malavika Solanki, DSB  <b>DSB Secretariat / Alternate DDOs</b> Nathan Dagg, DSB Simon Wiltshire, DSB
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**Apologies:** Adam Lister, Bloomberg  
Jonah Platt, Citadel  
Jay Shotton, JP Morgan  
Vincent Dessard, EFAMA  
Jim Northey, FIX TC  
Fiona Willis, GFMA

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**Absences:**

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**No Topics**

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**1 Competition Law Reminder**

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- Presented
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**2 Review Minutes from Previous Meeting**

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- No comments were received and are minutes now considered final
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**3 Open Actions**

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- **Action 260:** The DSB to consider the question of co-chair voting. **Closed.**
  - **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
  - **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. Remain open.
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- **Action 282:** The DSB to contact ESMA directly to clarify timings of the proposed Field 41 implementation in order to align implementation timings (watchlist item). **Closed.**
- **Action 283:** DSB to send link of the FAQ / best practice information for Basis, Basis OIS and X-Ccy Basis templates to PC members. **Closed.**
- **Action 284:** DSB to include a statement in the FAQ for Basis, Basis OIS and X-Ccy Basis templates stating that the DSB is aware of the increased use of X-Ccy Basis OIS and that the PC will continue to monitor the situation and follow up as required. **Closed.**
- **Action 285:** PC members to monitor industry developments of new CFI values (specifically for Cross Currency Basis OIS Swaps) as information becomes publicly available. **Closed.** Item to be carried on watchlist
- **Action 286:** The DSB to evaluate with enumeration source providers on how the DSB can integrate with further upstream in their process for introducing new values. **Closed.** Item to be carried on watchlist
- **Action 287:** The DSB is to maintain a list of questions of UPI to ISIN analysis, which is to be reviewed following confirmation of the governance decision, after which further UPI technical guidance updates might occur. **Closed.** Item to be carried on watchlist
- **Action 288:** The DSB to provide the UPI technical guidance link to members for review. **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.
- **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.
- **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.

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#### 4 Equity Strike Price Query

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- The DSB provided an overview of a query raised by a user who has queried the population of the Strike Price field for OTC Equity Options. The DSB currently supports either a numeric Strike Price (without a reference to Strike Price Type) or PNDG. RTS-23 allows for submission of five types of Strike Price: Monetary Value, Percent, Yield, Basis Points or PNDG. The DSB noted that FIRDS analysis shows no instances where an OTC Equity Option ISIN was reported with multiple strike price types.
- Members discussed population of the field and the FIRDS analysis which showed over half of the Equity Options submitted to FIRDS have No Price (PNDG) and the other highest percentage being Price based submissions. Members observed that some further analysis was required to understand scenarios for certain type of submission.
- A member noted that related feedback would need to be provided to ISO as part of any future ISO 6166 standard review
- **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
- **Action 293:** DSB to undertake further analysis of FIRDS data to understand the templates being used for each strike price submission
- **Action 294:** DSB to present both vanilla and non-standard equity option template snapshots at the next meeting to assist with PC review
- **Action 295:** DSB to hold feedback regarding ISO 6166 review on the watchlist

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#### 5 Field 41 (IR Term of Contract) – Best Practice Summary

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- The DSB provided the additional feedback it has received for the Best Practice questions discussed in earlier meetings.
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- Members discussed the use of 1M or 4 weeks, and decided that both values would be accepted when submitting as allowable values, rather than the DSB enforcing the use of one value – owing to the differing product needs of each user category
  - Members discussed the standard values for MNTH e.g. 1, 2,...11, 13, 14,...23) and agreed that 1 through 23 should be allowed provided with no multiples of 12 are used
  - Members discussed the used of standard tenor for 'DAYS' (e.g. 0, 1, 2,...6) with a preference for one through six should being used, as 0 would be classes a same day event would not be reportable. The DSB is to undertake analysis to determine creation of 0 days rates derivative products for PC review
  - Members discussed the use of 90 day (or 91, 92 etc.) vs 3M and decided this would need further review
  - **Action 296:** DSB to review rates ISINs created to determine whether and how many ISINs expired on the day they were created
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#### **6 Field 41 (IR Term of Contract) : Current Status**

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- DSB advised members they have received feedback regarding action 282, and it has been confirmed that the DSB is able to release templates incorporating Field 41 in Q3 without having to co-ordinate a release date with ESMA.
  - DSB will review development timings and provide the members with possible implementation dates
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#### **7 UPI Analysis : Strategies, Structured Products, Packages**

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- Item held over to next meeting
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#### **8 UPI Analysis – Credit**

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- Item held over to next meeting
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#### **8 AOB**

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- No items discussed.
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Respectfully submitted,

DSB Secretariat

Minutes Approved on: 29<sup>th</sup> March 2019

### Summary of Open Actions: from this meeting.

No	Actions	Owner	Target Date
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	16-Apr-19
293	DSB to undertake further analysis of FIRDS data to understand the templates being used for each strike price submission	DSB Sec	16-Apr-19
294	DSB to present both vanilla and non-standard equity option template snapshots at the next meeting to assist with PC review	DSB Sec	16-Apr-19
295	DSB to hold feedback regarding ISO 6166 review on the watchlist	DSB Sec	16-Apr-19
296	DSB to review rates ISINs created to determine whether and how many ISINs expired on the day they were created		16-Apr-19

### Summary of Open Actions: for 2019

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	19-Mar-19
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	DSB Sec	19-Mar-19
284	DSB to include a statement in the FAQ / best practice information for Basis, Basis OIS and Cross Currency Basis templates to the effect that the DSB is aware of the increased use of cross-currency Basis OIS and that the PC will continue to monitor the situation and follow up as required.	DSB Sec	19-Mar-19
288	The DSB to provide the UPI technical guidance link to members for review	DSB Sec	19-Mar-19
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.	DSB Sec	19-Mar-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	19-Mar-19
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.	DSB Sec	19-Mar-19