DSB PRODUCT COMMITTEE MEETING MINUTES

Meeting: The 228th DSB Product Committee Meeting

Date: 19-Mar-2024 **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
Markus Buehler	Product Committee Member	OTC Service AG	Absent
Michael Burg	Product Committee Member	State Street Financial	Yes
Martyn Cole	Product Committee Member	Refinitiv	Yes
Jourik De Lange	Product Committee Member	Smartstream RDU	Apologies
Dawd Haque	Product Committee Member	Deutsche Bank	Apologies
Uwe Hillnhuetter	Product Committee Member	Tradeweb	Yes
Nicholas Moger	Product Committee Member	J.P Morgan	Absent
Shaun Murray	Product Committee Member	Margin Reform	Apologies
David Nowell	Product Committee Member	KOR Financial	Yes
Navraj Panesar	Product Committee Member	Citigroup	Absent
Warren Rubin	Product Committee Member	DTCC	Apologies
Kirston Winters	Product Committee Member	OSTTRA	Yes
Pierre Aymerich	Regulatory Observer	ESMA	Yes
Mari Asakura	Regulatory Observer	JSDA	Absent
Giulia Ferraris	Regulatory Observer	ESMA	Absent
Eiichiro Fukase	Regulatory Observer	JSDA	Yes
Dr Olaf Kurpiers	Regulatory Observer	BaFin	Absent
Frank Lasry	Regulatory Observer	AMF	Absent
Jean Obray	Regulatory Observer	FCA	Yes
Grzegorz Skrzypczynski	Regulatory Observer	ECB	Yes
Robert Stowsky	Regulatory Observer	CFTC	Yes
Dominik Zeitz	Regulatory Observer	BaFin	Absent
Andrew Bayley	Observer	ISDA	Apologies
Que-Phong Dufournet	Observer	AMAFI	Yes
Rav Saidha	Observer	Retail Derivative Forum	Yes
Lisa Taikitsadaporn	Observer	FIX Trading Community	Yes
Emma Kalliomaki	DSB Board Sponsor	DSB Board	Yes
Simon Wiltshire	Alternate DDO	DSB	Yes
Bina Mistry	Alternate DDO	DSB	Yes

No	Topics

1   Introduction & Agenda

2   Competition Law Reminder

Presented.

3	**Review Minutes from Previous Meeting**

A member of the PC requested the inclusion of an action for the DSB to escalate the addition of CFD as a Return or Payout Trigger for non-standard Equity forwards.

A member of the PC raised a question concerning the validation of credit swap underlying index term unit and value. The PC were made aware that the best practice guidance had been approved:
When generating or retrieving an OTC ISIN or UPI for an Index or Index Tranche CDS, the quoted contract tenor should be entered as the Underlying Index Term Value and Unit.
In addition, a question was raised by a member of the PC about the setting of Reference Rate term value and unit for inflation swaps. The PC were made aware that a definition of Reference Rate term value and unit is included in the scope of a separate best practice guidance task (DSB-3769).

This has not made an impact to the updates of the meeting minutes.

Minutes from 05th March 2024 have been updated and were **APPROVED**.

4	**Open Actions**

596	The DSB have reached out to ISDA to explore ways in which the current ISDA review process can be accelerated or streamlined in order to provide adequate CRP coverage to the user community. CIDE are looking to arrange a meeting with ISDA to discuss the streamline of the CRP process.	DSB	28-Nov
608	DSB to explore the impact of decommissioning the Rates.Swap.Cross_Currency_Fixed_Float_NDS template. *Task created: DSB-2799.*	DSB	Closed
609	DSB to explore the impact of linking Commodity Underliers to a Commodity Classification. *Task created: DSB-3830.*	DSB	Closed
610	The DSB to document that unadjusted date should be used for the Expiry Date as a part of best practice guidance. *Task created: DSB-3758.*	DSB	Closed
611	The DSB to document the decision to use the quoted contract tenor of the Credit Index as best practice guidance. *Task created: DSB-3759.*	DSB	Closed
612	The DSB to document best practice guidance for the prevention of the input of negative Reference Rate term values.	DSB	19-Mar
613	The DSB to create a change request to prevent the negative entries for the Reference Rate term values. *Task created: DSB-3780.*	DSB	Closed
614	DSB to enquire with ISDA for the details of the industry conventions around Reference Rate term values.	DSB	19-Mar
615	DSB to propose a definition of Reference Rate Term value/unit attributes for inclusion in FAQ documentation.	DSB	19-Mar
616	DSB to document best practice guidance to advise against the entry of OIS specific rate templates.	DSB	19-Mar

| 617 | The DSB to escalate the addition of CFD as a Return or Payout Trigger for non-standard Equity forwards.
Task created: DSB-2646. | DSB | Closed |

5   Announcements

1   All communications associated to the PC will be moved across to the newly created DSB Product Committee Mailbox (dsb.product.committee@anna-dsb.com). For example, the PC meeting series, any updates, or request for input from the PC members.

2   The DSB will be undertaking its annual industry consultation exercise for 2024 for the 2025 OTC ISIN service proposition. Members of the PC are asked to share any topics they would like to be included in the survey to the PC Secretariat or DSB Product Committee email address by 2nd April 2024.

6   Task List

Up to date task list was presented.

7   DRUID

The DSB presented an update for DRUID stage 1 where the objective, scope and highlights were shared following the second DRUID subcommittee meeting which took place on 12th March 2024.
The DRUID subcommittee agreed to have focus on the following areas:
- Granularity
  - Examples to illustrate the issues of granularity with indices.
- Candidate Identifiers
  - A list of available / potential identifiers that are to be considered as possible solutions
- Regulator Expectations
  - Regulator requirements for index identifiers – range, granularity, associated data etc.

PC members were encouraged to participate and join the DRUID subcommittee, any interest should be expressed to the DSB Product Committee Mailbox.

8   Rates Swap Non-Standard – DSB-3726

The DSB presented an issue raised for the Rates Swap non-standard product template.

As a principle, the non-standard templates should support any functionality covered by the standard template for the asset class/ instrument type.

The DSB proposed to enhance the validation of the underlying attributes to allow the Reference Rate and Other Leg Reference Rate to be made conditional for both UPI and OTC ISIN products.

PC members **APPROVED** the proposed change. DSB will report on the progress made for the Rates Swap Non-Standard product template.

9   UPI Creation

The DSB presented the data metrics for UPI direct creates since 7th October 2023.

PC members have asked the DSB to present the metrics broken down by product. **> Action 618**

10   CFI Migration

The DSB presented an update of proposed CFI Migration changes for the Rates and FX asset classes.

The DSB shared the CFI 2019 and 2021 mismatches for Delivery of Options. PC members were made aware that Elect at Settlement was included 2021 standard in error and that Elect at exercise is the correct value for Rates, FX, Commodities, Equity and Credit Options. The PC members **APPROVED** the support of Elect at exercise as a value for Delivery in CFI 2021.
PC members **APPROVED** the following mappings of FX Option attributes as presented by the DSB:
- Option style and type: supporting CFI 2021 values
- Underlying assets: supporting CFI 2021 values for single currency pairs

It was noted that the DSB does not currently support currency indices or baskets of currency pairs.
It was also noted in regards to the CFI 2021 values of Underlying Assets (FX Options) that "U: Futures: Custom Basket of Currencies" is invalid. DSB will inform CFI MA that the Underlying Assets value of "Futures: Custom Basket of Currencies" is invalid. **> Action 619**

DSB presented a proposal to continue creating OPTL Non-deliverable for 2015 input using a backward compatible approach. PC asked the DSB to present options for managing derivation of the delivery type for CFI migration project. **> Action 620**

11   Best Practice: Reference Rate Terms (Neg)

Background: The PC agreed in the last meeting that there are no circumstances under which an IRS could have a negative Reference Rate Term.

Before that is delivered, members of the PC were asked to agree wording of text that can be included in the FAQ / Best Practice document. This guidance will be shared with users in the short term whilst a change request is raised and implemented.

The PC was not quorate therefore the DSB will send an email to members requesting input. **> Action 621**

12   Best Practice: OIS vs Non-OIS

Background: The PC agreed OIS-specific Rates templates are no longer required.
Before that is delivered, members of the PC were asked to agree wording of text that can be included in the FAQ / Best Practice document. This guidance will be shared with users in the short term whilst a change request is raised and implemented.

The PC was not quorate therefore the DSB will send an email to members requesting input. **> Action 622**

13   AOB

A member of the PC raised concerns around the lack of support for ETDs within the UPI and OTC ISIN Commodity templates. The DSB noted that a project looking at complex products and unsupported underliers has been initiated and would be presented to the PC in the near future.

Respectfully submitted,

DSB Secretariat

Minutes Approved on:

Summary of Open Actions		Owner	Target Date
618	The DSB to explore UPI direct creates metrics broken down by product	DSB	02-Apr
619	The DSB to inform CFI MA that the Underlying Assets value of "Futures: Custom Basket of Currencies" is invalid.	DSB	02-Apr
620	The DSB to present options for managing derivation of the delivery type for CFI migration project.	DSB	02-Apr
621	The DSB to send an email to PC members to request input for the wording of text to be used for FAQ/Best Practice Guidance for negative Reference Rate Term.	DSB	02-Apr
622	The DSB to send an email to PC members to request input for the wording of text to be used for FAQ/Best Practice Guidance to support the decommissioning of OIS specific templates.	DSB	02-Apr