

DSB PRODUCT COMMITTEE MEETING MINUTES

Meeting: The 151st DSB Product Committee Meeting

Date: 01-Dec-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	Yes
Jourik De Lange	Product Committee Member	Smartstream RDU	Yes
Tia Ellerman	Product Committee Member	Citigroup	Absent
Uwe Hillnhuetter	Product Committee Member	Tradeweb	Yes
Adam Lister	Product Committee Member	Bloomberg L.P.	Apologies
Rene Muller	Product Committee Member	HSH Nordbank	Yes
Maros Oberman	Product Committee Member	42 Financial Services	Absent
Jonah Platt	Product Committee Member	Citadel	Absent
Gregg Rapaport	Product Committee Member	DTCC	Yes
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	Yes
Eiichiro Fukase	Regulatory Observer	JSDA	Apologies
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	Apologies
Karel Engelen	Observer	ISDA	Yes
Lisa Taikitsadaporn	Observer	FIX Trading Community	Yes
Fiona Willis	Observer	GFMA	Absent
Malavika Solanki	DDO	DSB	Yes
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 are now considered final.

4 Announcements

DSB Current COVID19 Status

The DSB (TAC) have extended the state heightened awareness through to the 7th December 2020. The End of Year Code Freeze will be in place from 8th December 2020 to 10th January 2021.

2020 PC Meeting Schedule

PC Members were reminded of the extended term of the current PC and were advised of key dates and processes to support the application process of the next (third) PC term.

Action 449: The DDO will send an email reminder to PC Members setting out the process for reapplication should they wish to participate in the next PC term.

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
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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
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421	The DSB to work with ISO representatives to agree an information sharing framework to facilitate PC feedback to the CFI.	DDO	OPEN
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430	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>	DDO	OPEN
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432	The DDO to work with the CDIDE Chairs and PC Members to identify, address and document the industry's information needs	DDO	OPEN
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435	CFTC to present agreed UPI masking requirement for less liquid underliers to the PC.	CFTC	OPEN
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436	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>	DDO	OPEN
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437	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>	DDO	OPEN
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438	ISDA to provide an update to the PC once FRO related changes have been finalized	ISDA	OPEN
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440	The DSB to share proposed timelines for the PC's 3rd Term (2021/2022) with PC members for approval	DDO	CLOSED
441	The DSB to share the Terms of Reference and key questions relating to Standard Contract Type with the PC for approval.	DSB	CLOSED
442	The DSB to share the details of the Commodity classification proposal with the PC for approval.	DSB	CLOSED
443	The DSB to make enhancements to the UPI stakeholder's framework.	DDO	CLOSED
444	The DSB to draft and place information showing the purpose and relationship between the CFI, UPI and OTC ISIN in the public domain.	DDO	CLOSED
6-9	Current DSB Tasks	Status	Priority
DSB-48	Equity Option : Strike Price Type 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>	Sched	High
DSB-52	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-64	ISIN to LEI Mapping for Single Name CDS 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>	Closed	Low
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-88	Strike Price Validation	Sched	High

The validation of Strike Price is expected to vary depending upon the setting of the Strike Price Type.
Scheduled for UAT Release.

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 in order to identify efficiency and service improvements.	Tech	Low
DSB-134	CDS Single Name Validation 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>	Closed	Med
DSB-370	CFI 2019 Support Support the updated 2019 ISO Standard for CFI (10962) throughout the DSB product suite.	In Prog	High
DSB-396	New CZK OIS Reference Rate 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
DSB-659	New Reference Rate : GBP-SONIA-COMPOUNDED-INDEX 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
DSB-910	Investigate Proprietary Sources of Equity Indices Investigation of 3 rd party data providers as alternative sources of Equity Indices for OTC ISIN creation.	Hold	Med
DSB-972	Update FpML Reference Rates Update FpML Reference Rates following ISDA 2021 Definitions Review	In Prog	High

10 Standard Contract Type

The DSB presented the selection criteria for the golden source of Standard Contract Type values to the PC along with an assessment of the available sources – the FpML MatrixTermScheme (5.129), the ISDA Taxonomy 2.0 and the ISDA Physical Settlement Matrix.

Although the PC agreed that the FpML MatrixTermScheme was the most suitable of the presented options, the MarkitServ values were discussed as a possible alternative source.

The PC agreed that if the definition of the UPI included an attribute that was not currently present in the definition of the related OTC ISIN, then that attribute would need to be added to the OTC ISIN in order to maintain the hierarchy. However, the PC also discussed whether a Standard Contract Type was required in the definition of the UPI or the ISIN.

It was agreed that the DSB would send out an email to the PC members in order to solicit their views on the need to include the Standard Contract Type in the definition of the UPI and OTC ISIN. >**Action 445**

The PC also agreed to explore further the suitability of the MarkitServ list of Standard Contract Types as an alternative to the FpML MatrixTermScheme. >**Action 446**

11 2021 ISDA Definitions

The DSB presented an approach to the way in which changes to the FpML Coding Scheme (due to the 2021 ISDA Definition review) will be accommodated by the OTC ISIN service.

The PC agreed to the following approach – based on the current draft proposal and timeline published by ISDA:

- Approx. 130 FROs will be added to the relevant enumerated lists (17 templates – Rates and Other).
- Existing FROs will not be removed from the enumerated lists supported by the system.
- Date-based validation will not be implemented (i.e.: to prevent creation of OTC ISINs based on Expiry Date).
- Existing ISINs will not be updated to reflect updated FRO names.
- Additional meta-data will not be maintained or returned by the DSB.
- The FpML list can be considered exhaustive and so we would not support an “Other” FRO entry in the enumerated list.

The DSB agreed to

- Present DSB estimates for the above approach and confirm a provisional release schedule.
- Continue to work with ISDA and monitor the progress of the ISDA 2021 Definitions Workstream.
- Development work to start once the FRO list has been finalised and published (est. 15th Feb 2021).

12 UPI Stakeholders Review

Members discussed the revised diagrammatic framework presented and approved the information to be shared in the public domain, subject to a final modification. Members welcomed the modifications presented and hoped that the associated clarity would be of benefit to those outside the PC who might be less familiar with the DSB’s role with respect to the UPI.

The DSB to make public the agreed diagram and accompanying explanation. >**Action 447.**

The DSB will work with PC Members including those from trade associations to raise awareness of the UPI amongst industry participants. >**Action 450**

13 CFI – UPI – OTC ISIN Comparative

Members discussed the information presented and concurred that the diagram should represent the interaction of standards across the OTC and non-OTC segments.

The DSB agreed to amend the summary diagram and accompanying information, and redistribute to the members of the PC. >**Action 448.**

The DSB to make public the agreed diagram and accompanying explanation. >**Action 451.**

The DSB will work with PC members including those from trade associations to raise awareness of the CFI – UPI – OTC ISIN alignment amongst industry participants. >**Action 452**

Product Release Schedule

The DSB's next product release is scheduled for January

AOB

The Chairs reminded that this was the last scheduled meeting in 2020, and thanked Members for their continued participation and contribution this year, especially in light of what have been exceptional circumstances for all concerned.

Members were also reminded of the timeline for re-application for participation in the next PC term.

Respectfully submitted,

DSB Secretariat

Minutes Approved on:

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
421 The PC to work with ISO representatives to agree an information sharing framework to facilitate PC feedback to the CFI MA.	DDO	TBC
430 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
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	31-Mar-21
435 CFTC to present agreed UPI masking requirement for less liquid underliers to the PC.	CFTC	TBC
436 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

437	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
438	ISDA to provide an update to the PC once FRO related changes have been finalized	ISDA	19-Feb-21
445	The DSB to send an email to members of the PC in order to solicit their views on the need to include the Standard Contract Type in the definition of the UPI and OTC ISIN.	DSB	12-Jan-21
446	The DSB to reach out to members of the PC in order to explore the suitability of the MarkitServ list of Standard Contract Types as an alternative to the FpML MatrixTermScheme.	DSB	12-Jan-21
447	The DSB to update the UPI Stakeholder governance diagram and redistribute to members of the PC.	DDO	17-Dec-20
448	The DSB to amend the CFI-UPI-OTC ISIN summary diagram and redistribute to the members of the PC.	DDO	11-Dec-20
449	The DSB to send an email reminder to PC Members setting out the process for reapplication should they wish to participate in the next PC term.	DDO	11-Dec-20
450	The DSB will work with PC Members including those from trade associations to raise awareness of the UPI amongst industry participants.	DDO	31-Jan-21
451	The DSB to make public the updated CFI-UPI-OTC ISIN diagram and accompanying explanation.	DDO	08-Jan-21
452	The DSB will work with PC members including those from trade associations to raise awareness of the CFI – UPI – OTC ISIN alignment amongst industry participants.	DDO	22-Feb-21

Summary of New or Updated DSB Tasks

Status

Priority