

DSB PRODUCT COMMITTEE MEETING MINUTES

Meeting: The 226rd DSB Product Committee Meeting

Date: 20-Feb-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	Apologies
Markus Buehler	Product Committee Member	OTC Service AG	Absent
Michael Burg	Product Committee Member	State Street Financial	Yes
Martyn Cole	Product Committee Member	Refinitiv	Apologies
Jourik De Lange	Product Committee Member	Smartstream RDU	Yes
Dawd Haque	Product Committee Member	Deutsche Bank	Yes
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	Absent
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
Adam Grace	Alternate DDO	DSB	Yes

No Topics

1 Introduction & Agenda

2 Competition Law Reminder

Presented.

3 Review Minutes from Previous Meeting

Minutes from the previous meeting on 23rd January 2024 were **APPROVED**.

4 Open Actions

596 The DSB will reach 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 and will report back to the PC on progress. DSB 03-Oct
ON-GOING : The DSB has reached out to ISDA but awaits a response on streamlining the process. Action will be carried over.

606 The DSB to share the proposed CDS Single Name Underlier best practice text with PC members for final approval. DSB CLOSED

607 The DSB to share recommendation to use ASB.FISN as a source of UPI Underlier Name for securities with PC members for final approval. DSB CLOSED

5a Announcements

1. Governance Advisory Committee

The DSB introduced the Governance Advisory Committee

2. Underlying Index ID Sub Committee

The DSB announced that the first meeting of the Underlying Index ID Sub Committee would take place on Tuesday 27th February 2024.

5b Bulletin Board Update

PC members were encouraged to continue to raise topics they wish to discuss via the bulletin board.

6 Task List

Up to date task list was presented

7 CDS Single Name Underlier : Proposed Best Practice (ISIN & UPI)

The meeting of the DSB Product Committee meeting (6th February 2024) was not quorate but agreed to the publication of the following best practice text:

Question : Given that the Credit Swap templates allow the entry of an ISIN or an LEI, how should the underlier be identified in the generation or retrieval of a Single Name CDS (ie: Corporate, Sovereign, Municipal, Loan, ABS, Total Return Swap)?

- *If the CDS is based on the credit risk of a Legal Entity, the LEI of the Legal Entity should be used to identify the underlier.*
 - *If the Legal Entity has not been assigned an LEI, then a value of "OTHER" should be entered in the LEI attribute.*
 - *If the CDS is based on the credit risk of a single Fixed Income Security, the ISIN of the Security should be used to identify the underlier.*
 - *If the Security has not been assigned an ISIN, then a value of "OTHER" should be entered in the LEI attribute (since a value of "OTHER" is not valid as a Security identifier).*
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- *If the Legal Entity has not be assigned an LEI and the Security has not been assigned an ISIN, then a value of “OTHER” should be entered in the LEI attribute (since a value of “OTHER” is not valid as a Security identifier).*

Note: The above best practice guidance represents an interim position that is subject to further review by the DSB Product Committee.

Members of the PC were asked (by email) to confirm this decision and the DSB received no objections. This text is therefore considered **APPROVED** by the PC and will proceed to publication on the DSB website.

8 DSB-3387 : Underlier Name – ASB Data Review

At the previous meeting the PC agreed to migrate the population of the Underlier Name for ISIN underliers to the Financial Instrument Short Name (FISN) derived from the ANNA ASB database. The meeting was not quorate, so the findings and view was shared with PC members via email.

No objections were raised via email, therefore this approach is considered **APPROVED** and the DSB will proceed to implementation under the standard change workflow.

9 CFI Migration – Project Update

The DSB presented the current status of the CFI Migration project.

The CFI migration project is on schedule development and the migration scripts underway.

Regular updates on project progress will continue to be provided to the DSB Board, CDIDE, TAC and PC.

10 DSB-2799 : Cross CCY Fixed Float NDS - Settlement CCY

A user query was presented to the PC querying the requirement of the Settlement CCY attribute on the Rates.Swap.Cross_Currency_Fixed_Float_NDS.

The members of PC agreed that the Rates.Swap.Cross_Currency_Fixed_Float_NDS was not required and that such products could be supported through the Rates.Swap.Cross_Currency_Fixed_Float template – setting the Delivery Type to “Cash”. The DSB will explore the impact of decommissioning the Rates.Swap.Cross_Currency_Fixed_Float_NDS template and will return to the PC with more detailed analysis. >**Action 608.**

11 Underlier Name – Swaptions

The DBS presented a proposal to improve the quality of the Underlier Name attribute for Swaptions across all asset classes. Currently, the FISN of the underlying Swap is used to populate the Underlier Name attribute but the DSB presented a proposal to derive the attribute from the name of the Underlier of the Underlying Swap.

For example: For a Rates Swaption, the name of the Reference Rate defined in the underlying Swap (eg: USD-SOFR-OIS Compound) would be used instead of the FISN of the underlying Swap (eg: NA/O Call Epn Fxd Ft USD).

PC members **APPROVED** this proposal and the DSB will proceed to implementation under the standard change workflow.

12 Commodity Classification – Data Integrity

The CDIDE UPI Small Group raised an issue concerning the integrity of data within the Commodity Asset Class. In the Commodity asset class, it was observed that the underlier with second highest count of UPI codes was a 'Brent' underlier for which the Base Product attribute included 'Agriculture', 'Environmental' and 'Freight'. This may occur in the creation of a UPI and/or OTC ISIN since there is no cross-validation between the chosen Commodity Reference Price entry and the chosen Base Product, Sub-Product or Additional Sub-Product.

Members of the PC expressed support for the accurate classification of Commodity Underliers in order to increase data quality.

The DSB will explore the impact of linking Commodity Underliers (inc. Commodity Reference Prices) to a Commodity Classification (ie: Base Product, Sub-Product and Additional Sub-Product) in order to improve data quality through validation. >**Action 609**

Respectfully submitted,

DSB Secretariat

Minutes Approved on:

Summary of Open Actions		Owner	Target Date
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. Awaiting a response.	DSB	28-Nov
608	DSB to explore the impact of decommissioning the Rates.Swap.Cross_Currency_Fixed_Float_NDS template.	DSB	05-Mar
609	DSB to explore the impact of linking Commodity Underliers to a Commodity Classification in order to improve data quality through validation.	DSB	05-Mar
