

DSB PRODUCT COMMITTEE MEETING MINUTES

Meeting: The 148th DSB Product Committee Meeting

Date: 20-Oct-2020 **Time:** 15.00 – 16.30 UTC **Location:** DSB Offices /
Teleconference

Name	PC Role	Institution	Attendance
Harry McAllister	Co-Chairs	BNP Paribas	Yes
Joseph Berardo	Co-Chairs	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	Apologies
Uwe Hillnhuetter	Product Committee Member	Tradeweb	Yes
Adam Lister	Product Committee Member	Bloomberg L.P.	Yes
Rene Muller	Product Committee Member	HSH Nordbank	Yes
Maros Oberman	Product Committee Member	42 Financial Services	Absent
Jonah Platt	Product Committee Member	Citadel	Yes
Gregg Rapaport	Product Committee Member	DTCC	Yes
Ben Schofield	Product Committee Member	Refinitiv	Apologies
Jay Shotton	Product Committee Member	J.P. Morgan	Yes
Kirston Winters	Product Committee Member	IHS Markit	Apologies
Mari Asakura	Regulatory Observer	JSDA	Apologies
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	Absent
Karel Engelen	Observer	ISDA	Yes
Lisa Taikitsadaporn	Observer	FIX Trading Community	Yes
Fiona Willis	Observer	GFMA	Yes

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 December 7 th .		
5	Open Actions		
368	The ISDA Symbology Group are to report back on industry consensus for the publication of new Reference Rates relating to €STR.		CLOSED
412	DSB to provide an update to regulators on CFI 2019 adoption following any updated approach being shared with the DSB PC.		OPEN
413	The DSB to obtain regulatory feedback on CFI 2019 adoption after the initial outreach by the DSB.		OPEN
421	The DSB to work with ISO representatives to agree an information sharing framework to facilitate PC feedback to the CFI.		OPEN
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 updated to 17th October 2020.</i>		OPEN
432	The DDO to work with the CDIDE Chairs and PC Members to identify, address and document the industry's information needs		OPEN
433	The DSB are to reach out and share further details of the proposed changes to the GUI Search Engine with the Buy-Side Participants of the PC		CLOSED
434	DDO to collate all questions and considerations that have arisen from the product committee's discussions regarding the FSB's feedback on the preliminary OTC ISIN - UPI analysis paper and to then share this with the FSB.		OPEN
435	CFTC to present agreed UPI masking requirement for less liquid underliers to the PC.		OPEN
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).	In Prog	Low
DSB-88	Strike Price Validation The validation of Strike Price is expected to vary depending upon the setting of the Strike Price Type. <i>Scheduled for UAT Release.</i>	Sched	High
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.	In Prog	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-139	CFI Codes for Equity Options It is currently possible for an Equity Option to generate a CFI code in which the 4 th character is set to "X" (eg: HESXMC). <i>The meeting agreed to CLOSE item DSB-139 and add it to the long-term watchlist.</i>	Closed	High
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 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>The meeting was informed that no decision had been made concerning the proposed SONIA-COMPOUNDED-INDEX Reference Rate and the DSB are still 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. <i>See section 12.</i>	In Prog	Med

10 DSB-134 : CDS Single Name Validation

Following the request at the Industry Consultation, the DSB have been examining the number of CDS Single Name ISINs that have been incorrectly created, specifically where the issuer type of the underlying bond does not match the DSB product template selected. The objective of this task is to assess the data quality of CDS Single Name products in the DSB with a view to providing a solution using alternative data sources.

The assessment was presented to the PC and it was highlighted that, despite their being examples of mismatched and incorrectly created ISINs, alternative data sources wouldn't guarantee improved data quality. The PC believed the mismatches and incorrectly created ISINs were likely a result of users not interpreting their own data correctly.

To bring the assessment to a close, it was agreed that the DSB would reach out to industry participants and advise on best practice for when creating ISINs for CDS Single Name products, updating the website and DSB users at the same time. > **Action 436**

DSB-134 to be CLOSED (subject to completion of Action 436).

11 DSB-64 : LEI/ISIN Mapping

Following the request at the Industry Consultation the DSB have been examining the ways in which GLEIF's ISIN-LEI mapping facility can be leveraged to enhance the quality of the OTC ISIN data held by the DSB. The objective being to assess the quality, coverage and timeliness of the GLEIF ISIN-to-LEI relationship file and, if suitable, construct a proposal for the way in which that file can be used by the DSB to improve data quality and user experience for single name CDSs.

The final assessment was presented to the PC along with the DSB's options for a GLEIF ISIN/LEI mapping file. The PC agreed that the returning the LEI of the underlying instrument would provide marginal benefit to the users but acknowledged adopting this model would involve significant cost. To ensure this solution and the effort involved to implement it was necessary the PC asked the DSB to reach out to the institutions that raised this as a topic at the Industry Consultation. >**Action 437**

DSB-64 to be CLOSED (subject to completion of Action 437).

12 DSB-910 : Equity Index Source Investigation

Term of Reference for the DSB's assessment of 3rd party data providers as alternative sources of Equity Indices for OTC ISIN creation were presented to the PC.

The PC approved the terms of reference. **Terms of Reference APPROVED**

13 UPI Project : Finalization of PC Response to the FSB

The FSB's feedback to the PC's OTC ISIN - UPI preliminary analysis paper has now been fully discussed by the PC and throughout these discussions several questions and considerations have arisen. The DDO has collated these and shared them with the PC ahead of communication to the FSB.

The PC requested a further week to review this response with feedback from the PC to be returned ahead of 28th Oct.

14 DSB-48/88 : Equity Strike Price Type

The DSB provided a brief overview of the functionality that will be delivered to support:

- Equity Strike Price Type
- Equity Strike Price Validation

Details of the release were provided in the Product Release Schedule (below).

Product Release Schedule

The DSB's next product release is scheduled for January

AOB

None

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.	DDO	TBC
413	The DSB to obtain regulatory feedback on the CFI 2019 approach after the initial outreach by the DSB.	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	17-Nov-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
434	DDO to collate all questions and considerations that have arisen from the product committee's discussions regarding the FSB's feedback on the preliminary OTC ISIN - UPI analysis paper and to then share this with the FSB.	DDO	30-Jun-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	03-Nov-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
Summary of New or Updated DSB Tasks		Status	Priority