

## DSB PRODUCT COMMITTEE MEETING MINUTES

**Meeting:** The 133<sup>th</sup> DSB Product Committee Meeting

---

**Date:** 25-Feb-2020      **Time:** 15.00 – 16.30 UTC      **Location:** DSB Offices /  
Teleconference

---

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

---

**Attendees:**

|   |  |
|---|--|
| <b>Voting Members</b><br>Michael Burg, State Street Financial<br>Jourik De Lange, Smartstream RDU<br>Uwe Hillnhuetter, Tradeweb<br>Adam Lister, Bloomberg L.P.<br>Rene Muller, Hamburg Commercial Bank AG<br>Maros Oberman, 42 Financial Services<br>Jonah Platt, Citadel<br>Gregg Rapaport, DTCC<br>Michael Sandro Bauch, Allianz Global Investors<br>Ben Scofield, Refinitiv<br>Kirston Winters, MarkitSERV | <b>Non-Voting Members</b><br>Fiona Willis, GFMA<br><br><b>Observers</b><br>Emma Kalliomaki, DSB Board<br>Eiichiro Fukase, JSDA<br>David Olgilvie-Forbes, FCA<br><br><b>Designated DSB Officer</b><br>Malavika Solanki, DSB<br><br><b>DSB Secretariat /<br/>Alternate DDOs</b><br>Simon Wiltshire, DSB<br>Nathan Dagg, DSB<br>Adam Grace, DSB |
|---|--|

---

**Apologies:** Jay Shotton, JP Morgan  
David Broadway, The IA  
Olga Petrenko, ESMA  
Karel Engelen, ISDA  
Vincent Dessard, EFAMA

**Absences:** Tia Ellerman, Citigroup  
Jim Northey, FIX TC  
Olaf Kurpiers, BaFIN  
Ayo Fashina, FCA

---

| No | Topics |
|----|--------|
|----|--------|

---

|   |                                  |
|---|----------------------------------|
| 1 | <b>Introduction &amp; Agenda</b> |
|---|----------------------------------|

---

|   |                                 |
|---|---------------------------------|
| 2 | <b>Competition Law Reminder</b> |
|---|---------------------------------|

---

Presented

---

|   |   |
|---|---|
| 3 | <b>Review Minutes from Previous Meeting</b> |
|---|---|

---

The minutes for the prior meeting are considered final.

---

| <b>4 Open Actions</b> |  |  |
|-----------------------|--|--|
| <b>368</b>            | The ISDA Symbology Group are to report back on industry consensus for the publication of new Reference Rates relating to €STR.   | <b>OPEN</b>                            |
| <b>372</b>            | The DSB to provide a statistical comparison of ISIN creation showing usage of the new Rates/Inflation templates versus existing Rates/Inflation templates.   | <b>CLOSED</b><br><b>&gt;DSB-275</b>    |
| <b>373</b>            | The DSB to request further business scenarios that highlight possible circumstances in which two parties may employ different ISINs for the same product due to a “breaking” template change.<br><i>No additional examples have been provided and so this item is now considered closed.</i> | <b>CLOSED</b>                          |
| <b>374</b>            | DSB to publish statistical analysis of the use of Delivery Type for Rates products in order to examine whether industry best practice is being followed in the creation of ISINs.  | <b>CLOSED</b><br><b>&gt;Action 384</b> |
| <b>376</b>            | ISDA to inform the PC of the details of the proposed Turkish OIS Reference Rate  | <b>OPEN</b>                            |
| <b>377</b>            | DSB to publish Terms of Reference for the 2020 Industry Consultation Product Tasks to members of the PC  | <b>OPEN</b>                            |
| <b>381</b>            | DSB to seek further information from the regulator regarding ISO’s ‘internal’ and ‘external’ code sets. Seeking confirmation about the initiator a process for the publication of new information across code sets.  | <b>OPEN</b>                            |
| <b>383</b>            | The DSB to reach out to PC members for final consideration on first date of publication for both USD Swap Rate-BCMP1 & USD Treasury Rate-BCMP1 rates and whether this needs to be made available on an expedited basis.  | <b>CLOSED</b>                          |

## **5 Announcements**

### **DSB Website**

Following the notifications sent out by the DSB last week regarding instability of the DSB website, the PC were advised that the investigation identified an exploit being run against a single component on the website. The issue was resolved early on Friday 21st February. The DSB was one of a large number of websites utilising this component that experienced issues. The exploit did not manage to access any data but did manage to cause the website content to be unavailable for a short period. The OTC ISIN Engine service was not impacted by the issue. A further update will be provided to industry in due course.

### **New Regulatory Observer**

The PC were advised of a new regulatory observer expected to join the group.

## **6 New Issues**

No new issues reported since last Product Committee Meeting.

## **7 Industry Consultation Tasks**

Terms of References are currently being reviewed by the DSB and are not yet available for publication. **Action 377.**

*Product Committee members were requested to review the tasks and liaise within their organizations and identify priorities.*

| <b>8</b>       | <b>Current DSB Tasks</b>  | <b>Status</b> | <b>Target</b> |
|----------------|---|---------------|---------------|
| <b>DSB-48</b>  | <b>Equity Option : Strike Price Type</b><br>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.          | Tech          | Jun-20        |
| <b>DSB-88</b>  | <b>Strike Price Validation</b><br>The validation of Strike Price is expected to vary depending upon the setting of the Strike Price Type (see above).   | Tech          | Jun-20        |
| <b>DSB-90</b>  | <b>Price Multiplier Validation</b><br>The Price Multiplier is subject to inconsistent rounding when very large numbers are input (eg: greater than 18 digits).  | Tech          | TBD           |
| <b>DSB-152</b> | <b>ESTR ISO 20022 Mapping for RTS23</b><br>Support mapping of EUR-EuroSTR-COMPOUND Ref. Rate to an ISO20022 4-char code in order to satisfy the ESMA guidance for RTS23.  | Analysis      | TBD           |
| <b>DSB-153</b> | <b>New FpML Reference Rates</b><br>The following Ref Rates have been added to the latest FpML Coding Scheme and are to be added to the DSB templates: USD Swap Rate-BCMP1; USD Treasury Rate-BCMP1.                             | Analysis      | TBD           |
| <b>DSB-139</b> | <b>CFI Codes for Equity Options</b><br>It is currently possible for an Equity Option to generate a CFI code in which the 4 <sup>th</sup> character is set to "X" (eg: HESXMC) –an invalid CFI value.                            | Tech          | TBD           |
| <b>DSB-233</b> | <b>Standard / Non-Standard Tenor Analysis</b><br>Statistical analysis of Fixed/Float Swap and FRA Index ISINs comparing Standard Tenors to Non-Standard Tenors and broken down by input method (by Effective Date or by Tenor). | Analysis      | Feb-20        |
| <b>DSB-234</b> | <b>CFI 2015 vs 2019 Gap Analysis</b><br>Identify any gaps between the CFI 2015 and CFI 2019 in order to assess the impact on the DSB when the new version is adopted.   | Analysis      | TBD           |
| <b>DSB-52</b>  | <b>Set Maximum Number of Items in Arrays</b><br>The system needs to impose a maximum number of input values against each array to protect the system from unvalidated input.  | Analysis      | TBD           |
| <b>9</b>       | <b>Current DSB Queue</b>  |               |               |
|                | The Product Committee members have been asked to review the tasks ahead of the next meeting and solicit their views regarding the priority of the tasks.  |               |               |
| <b>10</b>      | <b>New USD Reference Rates</b>  |               |               |

As specified in the email to members of the PC, the DSB proposes to introduce the two new Reference Rates that were added to the FpML list on the 12th December 2019: USD Swap Rate-BCMP1 & USD Treasury Rate-BCMP1. The DSB proposes to make the above Reference Rates available as underliers for Rates and Cross-Asset products in the regular Q2 product release (currently scheduled for 22nd June 2020).

*The PC Members approved this change. > DSB-153*

---

## **11 Reporting of Reference Rates not included in the RTS 23 Index list**

---

The DSB presented a detailed overview and the proposal to update the ISO reference rates to codes defined under ISO BenchmarkCurveNameCode where available. The Product Committee were asked to confirm that it was comfortable for the DSB to proceed.

*After discussion, there was no consensus from the PC. PC members were asked to review the proposed changes detailed ahead of the next meeting so a decision can be made.*

---

## **12 Field 41 Input Breakdown**

---

The DSB were asked to provide additional statistical analysis of Fixed/Float Swap and FRA Index ISINs created since 22nd September 2019 comparing Standard Tenors to Non-Standard Tenors and broken down by input method (by Effective Date or by Tenor).

*The PC highlighted that 'best practice' may not be being used in all cases. The DSB have been asked to reach out to Trade Associations and the Regulators, with the material already published (the "one-pager"), to raise awareness of 'best practice' among their members > ACTION 384*

---

## **13 New Inflation Templates**

---

The DSB presented a statistical comparison of ISIN creation showing usage of the new Rates/Inflation templates versus existing Rates/Inflation templates.

*After discussion, the PC requested the same analysis to be presented again in 6 months' time. > DSB-275*

---

## **14 Highlights of FIRDS Analysis for y/e 2019**

---

Held over until next meeting

---

## **15 Product Release Status: March 2020**

---

No new issues reported since last Product Committee Meeting.

---

### **AOB**

---

No new issues reported since last Product Committee Meeting.

Respectfully submitted,

DSB Secretariat

Minutes Approved on:

| <b>Summary of Open Actions</b> |   | <b>Owner</b> | <b>Target Date</b> |
|--------------------------------|---|--------------|--------------------|
| <b>368</b>                     | The ISDA Symbology Group are to report back on industry consensus for the publication of new Reference Rates relating to €STR.  | ISDA         | 25-Feb-20          |
| <b>376</b>                     | ISDA to inform the PC of the details of the proposed Turkish OIS Reference Rate   | ISDA         | 25-Feb-20          |
| <b>377</b>                     | DSB to publish Terms of Reference for the 2020 Industry Consultation Product Tasks to members of the PC   | DSB<br>Sec   | 25-Feb-20          |
| <b>381</b>                     | DSB to seek further information from the regulator regarding ISO's 'internal' and 'external' code sets. Seeking confirmation about the initiator a process for the publication of new information across code sets. | DSB<br>Sec   | 25-Feb-20          |
| <b>384</b>                     | DSB to reach out to Trade Associations and Regulators with the previously published Field 41 material (the "one-pager") in order to raise awareness of 'best practice'.   | DDO          | 25-Feb-20          |

| <b>Summary of New DSB Tasks</b> |  | <b>Pty</b> | <b>Target Date</b> |
|---------------------------------|--|------------|--------------------|
| <b>DSB-275</b>                  | The DSB to provide a statistical comparison of ISIN creation showing usage of the new Rates/Inflation templates versus existing Rates/Inflation templates.<br><i>The PC asked for this task is to be scheduled for September 2020.</i> | Low        | Sep-20             |

