

DSB PRODUCT COMMITTEE MEETING MINUTES

Meeting: The 153rd DSB Product Committee Meeting

Date: 26-Jan-2021 **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.	Yes
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	Apologies
Jay Shotton	Product Committee Member	J.P. Morgan	Apologies
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	Apologies
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	Yes
Malavika Solanki	DDO	DSB	Yes
Simon Wiltshire	Alternate DDO	DSB	Apologies
Adam Grace	Alternate DDO	DSB	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 heightened awareness period through to the 31st March 2021.

PC Term 3 (2021/22) Timelines

PC Members were reminded the current PC Term has been extended by 4 weeks (22nd March 2021) and that the new application deadline is now 10th February 2021. PC Members that had yet to respond were requested to do so as a matter of priority.

PC Participants

The PC were advised of a new joiner to the group effective from the meeting on 9th February 2021, and of a departure effective immediately with a replacement member to be sought to the extent practicable.

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.	DDO	OPEN
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Target Date extended to 23rd February 2021

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.	DDO	OPEN
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Target Date extended to 23rd February 2021

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 to 23rd February 2021</i>	DDO	OPEN
438	ISDA to provide an update to the PC once FRO related changes have been finalized.	ISDA	OPEN
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	CLOSED
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	CLOSED
450	The DSB will work with PC Members including those from trade associations to raise awareness of the UPI amongst industry participants.	DDO	OPEN
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	CLOSED
453	The DSB to reach out to PC Members and present the updated associated timeline for PC Term 3 (2021/22)	DDO	CLOSED
454	The DSB to document and present the process by which the DSB will be included in the CFI MA information sharing process.	DDO	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 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 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.	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-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
DSB-1048	New Reference Rate : GBP-SONIA Swap Rate Add GBP-SONIA Swap Rate to the enumerated list of Reference Rates for RATES and Non-Standard templates.	Tech	Med
DSB-1118	New Credit Index : Itraxx Asia ex-Japan IG (Restricted) Add Itraxx Asia ex-Japan IG (Restricted) to the enumerated list of Credit Indices	In Prog	Med

10 Standard Contract Type – Assessment

The DSB presented the PC an assessment of the current proposal regarding the standard contract type for CDS instruments. Standard Contract Type is included as a CDS attribute for the UPI

(CPMI/IOSCO Technical Guidance) so to maintain the ISIN/UPI Hierarchy, Standard Contract Type is proposed as an additional attribute of the ISIN Product Definitions for the impacted templates set out in the PC pack. The proposed enumerated list of contract types is currently based on the FpML Matrix Term Scheme.

The DSB sought the PC's opinion on the following discussion points;

1. **Does the PC agree with the use of FpML Matrix Term Scheme as the data source for Contract Type?** *Yes (with respect to use of the scheme as the data source). It was noted that there may be changes to the specific values currently listed in the scheme, and that an update on the results of the gap analysis would be provided to the PC by 23rd February 2021. >Action455. It was also noted that the specific contents of the scheme had developed since the data contained in the PC pack. The DSB are to liaise with the PC Chairs to identify the most up to date version of the FpML Matrix Term Scheme. >Action456*
2. **Does the PC agree with the following approaches to product variations? - CDS with a Non-Standard Contract Type : choose the required Contract Type from the enumerated list. Non-Standard CDS : use the Non-Standard CDS template?** *Yes – With additional best practice guidelines to assist the user community. >Action457.*
3. **Does the PC agree that the addition of the Contract Type does not impact OTC ISIN data quality?** *Yes. The PC reconfirmed that the additional value should also be reflected in the OTC ISIN to maintain the hierarchy between the UPI and the OTC ISIN.*
4. **Does the PC agree that the Contract Type is not required for other Credit Derivatives?** *Yes*

The PC also highlighted the level of detail this attribute adds to the UPI and noted this may need to be reflected across other asset classes and accepted the commensurate impact on the granularity of the OTC ISIN. Such an approach was deemed compatible with the provisions in the proposed UPI standard, which aimed to provide for a minimum dataset, with the PC able to augment product definitions as deemed appropriate by market practitioners. An example of such additional data elements to be considered for the UPI include, but are not limited to grades of specific commodity derivatives.

11 DSB-972 : 2021 ISDA Definitions – Update

The DSB presented the PC an overview of the approach being taken after to remind participants of key external dependencies with respect to availability of the golden source data from ISDA. The DSB's approach included; Key ISDA Dates, Current Assumptions, Provisional Schedule and some final considerations.

The PC **APPROVED** the current approach but raised an additional consideration. The PC requested that the DSB consider whether it might be able to make the new FRO's available ahead of the adoption by the market to aid the transition, with respect to enabling the creation of OTC ISINs for the new FROs at least a fortnight ahead of the industry's go-live date. The DSB noted that a significant element of the timelines was largely dependent on publication of the final FRO list by ISDA, but that it would examine resourcing and revert to the PC. >Action458. The PC also agreed that the DSB would be best placed to reach out to users; encouraging 'early adoption' as well as promoting data quality and consistency.>Action459

12 FISN Systematic Review

The PC were provided an update regarding the FISN Systematic Review being launched later this year. PC Members were reminded that the DSB is responsible for the allocation and maintenance of

FISNs, a derived attribute, for all OTC Derivatives and that there is a need for ISIN/UIP alignment with respect to creation of the FISN. The DSB will be represented on the ISO working group. It was also noted that the requirement to undertake analysis with respect to evolution of the FISN, (that resulted from industry consultation in 2020) would also be a consideration when determining next steps.

13 DSB-1118 : New Credit Index (ItraxxAsia ex-Japan IG (Restricted)) – Release Details

The DSB presented the PC the change details for the new credit index published on 14th January. The PC did not request any changes to the details presented.

Product Release Schedule

The DSB's next product release is scheduled for February

AOB

N/A

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
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
454	The DSB to document and present the process by which the DSB will be included in the CFI MA information sharing process.	DDO	09-Feb-21
455	ISDA to update the PC on the results of the gap analysis of the FpML Matrix Term Schema.	ISDA	23-Feb-21
456	The DSB to liaise with the PC Chairs to identify the most up to date version of the FpML Matrix Term Scheme.	DSB	23-Feb-21
457	The DSB to publish best practice guidelines relating to the product variations between CDS's with a Non-Standard Contract Type and Non-Standard Contract Type to assist the user community.	DDO	23-Mar-21
458	The DSB to investigate if it would be possible to make the new FRO's available ahead of the adoption by the market to aid the transition, with respect to enabling the creation of OTC ISINs for the new FROs.	DSB	TBC

459	The DSB to reach out to users; encouraging 'early adoption' of the 2021 ISDA Definitions as well as promoting data quality and consistency.	DDO	23-Feb-21
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Summary of New or Updated DSB Tasks	Status	Priority
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