

## DSB PRODUCT COMMITTEE MEETING MINUTES

**Meeting:** The 171<sup>th</sup> DSB Product Committee Meeting

**Date:** 02-Nov-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	Apologies
Michael Burg	Product Committee Member	State Street Financial	Absent
Martyn Cole	Product Committee Member	Refinitiv	Absent
Jourik De Lange	Product Committee Member	Smartstream RDU	Yes
Dawd Haque	Product Committee Member	Deutsche Bank	Yes
Dominic Harth	Product Committee Member	Union Investment Privatfonds GmbH.	Yes
Uwe Hillnhuetter	Product Committee Member	Tradeweb	Yes
Nicholas Moger	Product Committee Member	J.P Morgan	Absent
Navraj Panesar	Product Committee Member	Citigroup	Absent
Gregg Rapaport	Product Committee Member	DTCC	Yes
Kirston Winters	Product Committee Member	IHS Markit	Absent
Mari Asakura	Regulatory Observer	JSDA	Absent
Davide Panadori Cino	Regulatory Observer	ESMA	Absent
Giulia Ferraris	Regulatory Observer	ESMA	Absent
Eiichiro Fukase	Regulatory Observer	JSDA	Absent
Dr Olaf Kurpiers	Regulatory Observer	BaFin	Apologies
Frank Lasry	Regulatory Observer	AMF	Apologies
Jean O Bray	Regulatory Observer	FCA	Yes
Alex Stirling	Regulatory Observer	FCA	Yes
Robert Stowsky	Regulatory Observer	CFTC	Yes
Dominik Zeitz	Regulatory Observer	BaFin	Absent
Andrew Bayley	Observer	ISDA	Apologies
Lisa Taikitsadaporn	Observer	FIX Trading Community	Yes
Fiona Willis	Observer	GFMA	Absent
Emma Kalliomaki	DSB Board Sponsor	DSB Board	Yes
Malavika Solanki	DDO	DSB	Yes
Simon Wiltshire	Alternate DDO	DSB	Yes
Adam Grace	Alternate DDO	DSB	Yes

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### No    Topics

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#### 1    Introduction & Agenda

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#### 2    Competition Law Reminder

Presented

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#### 3    Review Minutes from Previous Meeting

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The prior meeting's minutes were approved and are now considered final.

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#### 4 Announcements

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##### UPI Legal Terms and Conditions Consultation

The DSB has opened the consultation on the legal terms and conditions and client support model expected to apply to the UPI Service. The consultation sets out the proposals for users of the UPI Service as well as highlighting the resulting user experience for firms utilising the current OTC ISIN Service, and as such the DSB recommends that current and potential users review and respond to the questions set out in the consultation paper. The deadline for industry feedback is Wednesday 19th January 2022.

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#### 5 Open Actions

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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. <i>Update : DSB to consolidate all key principles agreed by the PC and then shared with regulators.</i>	DDO	OPEN
485	The DSB are to work with the PC to produce best practice guidance on the treatment of the funding leg in the generation of UPIs.	DDO	OPEN
500	The DSB to publish best practice and/or updates to the UPI FAQ following questions from PC members. <i>Update: DSB documentation now updated to reflect open questions.</i>	DDO	CLOSED
506	PC to discuss feedback from regulators relating to questions received regarding industry's queries pertaining to the UPI. <i>Update : DSB have received feedback from the CDIDE. This will be shared with PC members and presented at a future date.</i>	DDO	OPEN
508	PC to discuss feedback from CFI maintenance agency regarding NDF's on Bitcoin. <i>Update: Awaiting review and feedback from ISO</i>	DDO	OPEN
511	The DSB to raise the issue of Backwards Compatibility for the OTC ISIN and UPI with the CDIDE for further consideration.	DSB	OPEN
514	This new OTC ISIN status and status reason regarding Orphan ISINs to be reflected in the OTC ISIN status materials. <i>Update provided at the meeting.</i>	DDO	OPEN
515	The DSB to revert with a date for PC review of the UPI Status document. <i>Update provided at the meeting.</i>	DDO	OPEN
517	The DSB to ask responsible institutions for information concerning the creation of Non-Standard Options without Option Type / Exercise Style.	DDO	OPEN
519	The DSB provide data confirming what underlying asset values were currently being referenced – for each of FX Forwards and FX Options - in the creation of OTC ISINs when using the CFI 2015 standard	DSB	OPEN
520	UPI principles agreed by the PC are to be shared with regulators	DDO	OPEN
522	UPI principles agreed to be consolidated and used to underpin a formal change request document to support implementation of the initiative	DSB	OPEN

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<b>523</b>	ISDA to provide an indication of the reference rates most likely to be impacted by the IBOR transition and a view on the most likely change windows expected by the market.	<b>ISDA</b>	<b>CLOSED</b>
<b>524</b>	The DSB to review the information from ISDA and revert to the PC in the event of any capacity constraint and liaising with the TAC where necessary. <i>Update : No anticipated capacity constraint expected.</i>	<b>TAC SEC</b>	<b>CLOSED</b>
<b>6-8</b>	<b>Current DSB Tasks</b>	<b>Status</b>	<b>Priority</b>
<b>DSB-8</b>	<b>Review Source of Commodity Index</b> DSB to continue discussion with Commodity index providers with the aim of having an agreed design and an agreement in principle by end of Q3 2020.	In Prog	Med
<b>DSB-53</b>	<b>Set Maximum Number of Items in Arrays</b> The system needs to impose a maximum number of input values against each array to protect the system from unvalidated input.	Tech	Low
<b>DSB-62</b>	<b>CFI Code Service</b> DSB-managed service that will return CFI codes for any OTC derivative products without the associated generation of an ISIN (Analysis Only).	Tech	Med
<b>DSB-63</b>	<b>RTS 2 Sub-Asset Class Mapping</b> 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
<b>DSB-67</b>	<b>GUI Search Utility Improvements</b> 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
<b>DSB-90</b>	<b>Price Multiplier Validation</b> The Price Multiplier is subject to inconsistent rounding when very large numbers are input (eg: greater than 18 digits).	Tech	Med
<b>DSB-133</b>	<b>Prop Index Process Analysis</b> Analyse the Proprietary Index management provision to identify efficiency and service improvements.	Tech	Low
<b>DSB-370</b>	<b>CFI 2019 Support</b> Support the updated 2019 ISO Standard for CFI (10962) throughout the DSB product suite.	Tech	High
<b>DSB-1076</b>	<b>Structured Email Messages</b> To allow users to specify the types of DSB notification that they receive.	Sched	Low
<b>DSB-1120</b>	<b>ISDA 2021 New GUI Titles</b> To provide solution options in implementing ISDA 2021 changes in the GUI to enhance user-experience. <i>Scheduled for release: 28<sup>th</sup> November</i>	Sched	Med

<b>DSB-1135</b>	<b>Streamline two-step OTC ISIN</b> Streamline process of two-step OTC ISIN generation (Swaption/FX Swap)	Queue	Med
<b>DSB-1503</b>	<b>RATES</b> : Add new FROs to the to the Rates and Non-Standard Enumerated Lists (part 2)	In Prog	High

## 8 Reference Data Strategy

As part of the reference data strategy an appropriate designation for all in-scope underlying assets for use by all DSB users is required for the generation and retrieval of UPIs. The DSB proposes to establish a golden source for each proposed identifier and to ensure that each identifier satisfies an agreed selection criteria and any/all identifiers can be entered as an alternative to the primary identifier supported by the UPI. Working with the CDIDE the DSB has selected a data provider and is working with them to define the data feed coverage and requirements. At this stage the PC has been asked to agree the required identifiers.

PC members **AGREED** the DSB should proceed with the use of the current OTC ISIN primary underlier identifiers for the UPI as the default strategy.

### 1. Securities

The DSB presented the list of asset category packages for security reference data (inc. ISIN and alternative IDs) that are available from the data provider and asked the members of the PC to agree the asset categories that are to be accessed by the DSB for support of the UPI.

The DSB presented the alternative identifiers for Securities requested by the CDIDE for their review and approval.

### 2. Known Underliers (Reference Rates, Legal Entities and Currencies)

The DSB presented the current primary identifiers for Reference Rates, Legal Entities and Currencies for review and approval by the PC. The DSB also presented the alternative identifiers for the Known Underliers requested by the CDIDE for their review and approval.

There was insufficient time at the meeting to cover (3) Indices and (4) Commodities. It was therefore agreed that the Reference Data Strategy material would be shared with PC members via email for feedback from the PC members. >**Action 525.**

## 9 DSB-1503 : ISDA 2021 (Release 3)

No new FROs have been added to the FpML Coding Scheme, but the DSB proposed this release window be used to update the ISO 20022 mappings using the FpML Coding Scheme as a golden source bringing the 31 existing FROs that have ISO 20022 mappings that are not consistent with FpML Coding Scheme back in line.

The PC stated that the FpML Coding Scheme could not be regarded as a golden source for the ISO 20022 mappings and asked the DSB to review the entries and raise any discrepancies with the PC. The result of this proposal is that the revised ISO 20022 mappings will not be included in the 28<sup>th</sup> November 2021 release. This task will be tracked as **DSB-1566.**

## 10 DSB User Query – SOP – Review

Held Over

## 11 DSB-1410 - Underlying ISIN Validation

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Held Over

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**Product Release Schedule**

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N/A

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**AOB**

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Respectfully submitted,

DSB Secretariat

Minutes Approved on: 16/11/2021

<b>Summary of Open Actions</b>		<b>Owner</b>	<b>Target Date</b>
<b>413</b>	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
<b>485</b>	The DSB are to work with the PC to produce best practice guidance on the treatment of the funding leg in the generation of UPIs	DDO	TBC
<b>500</b>	The DSB to publish best practice and/or updates to the UPI FAQ following questions from PC members.	DDO	TBC
<b>506</b>	PC to discuss feedback from regulators relating to questions received regarding UPI.	DDO	TBC
<b>508</b>	PC to discuss feedback from CFI maintenance agency regarding NDF's on Bitcoin.	DDO	TBC
<b>511</b>	The DSB to raise the issue of Backwards Compatibility for the OTC ISIN and UPI with the CDIDE for further consideration.	DDO	24-Aug-21
<b>514</b>	This new OTC ISIN status and status reason regarding Orphan ISINs to be reflected in the OTC ISIN status materials.	DDO	TBC
<b>515</b>	The DSB to revert with a date for PC review of the UPI Status document.	DDO	TBC
<b>517</b>	The DSB to ask responsible institutions for information concerning the creation of Non-Standard Options without Option Type / Exercise Style.	DDO	19-Oct-21
<b>519</b>	The DSB provide data confirming what underlying asset values were currently being referenced – for each of FX Forwards and FX Options - in the creation of OTC ISINs when using the CFI 2015 standard.	DSB	02-Nov-21
<b>520</b>	UPI principles agreed by the PC are to be shared with regulators	DDO	TBC
<b>522</b>	The DSB to revert with implementation timelines following completion and sign-off of the change request document	DSB	TBC
<b>523</b>	ISDA to provide an indication of the reference rates most likely to be impacted by the IBOR transition and a view on the most likely change windows expected by the market.	ISDA	TBC
<b>524</b>	The DSB to review the information from ISDA and revert to the PC in the event of any capacity constraint, and liaising with the TAC where necessary.	TAC SEC	TBC
<b>525</b>	The DSB are to email PC members with a request for direction for the Reference Data Strategy.	DSB	16-Nov-21

Summary of New or Updated DSB Tasks	Status	Priority
<b>DSB-1410</b> 2-char prefix validation for the entry of underlier instrument ISIN	<b>In Prog</b>	<b>High</b>
<b>DSB-1566</b> Update ISO 20022 Code Mapping for Rates and Non-Standard products	<b>In Prog</b>	<b>Med</b>