

DSB PRODUCT COMMITTEE MEETING MINUTES

Meeting: The 122nd DSB Product Committee Meeting

Date: 04-Sep-2019 **Time:** 15.00 – 16.30 UTC **Location:** DSB Offices /
Teleconference

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

Attendees: **Voting Members**

Michael Burg, State Street Financial
Uwe Hillnhuetter, Tradeweb
Adam Lister, Bloomberg
Rene Muller, HSH Nordbank
Maros Oberman, 42 Financial Services
Jonah Platt, Citadel
Michael Sandro Bauch, Allianz Global Investors
Ben Scofield, Refinitiv
Jay Shotton, JP Morgan
Kirston Winters, MarkitSERV

Non-Voting Members

Vincent Dessard, EFAMA
Karel Engelen, ISDA
Jim Northey, FIX TC

Observers

David Olgilvie-Forbes, FCA
Eiichiro Fukase, JSDA

Designated DSB Officer

Malavika Solanki, DSB

DSB Secretariat /

Alternate DDOs

Simon Wiltshire, DSB
Nathan Dagg, DSB

Apologies: Jourik De Lange, Smartstream RDU
David Broadway, The IA
Fiona Willis, GFMA
Emma Kalliomaki, DSB Board

Absences: Tia Ellerman, Citigroup

No	Topics
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1	Introduction & Agenda
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2	Competition Law Reminder
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- Presented
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3	Review Minutes from Previous Meeting
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- Meeting was not quorate.
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4	Open Actions
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- **Action 308:** The setting of Term of Contract for products with differing Effective Dates on the Fixed and Floating legs is to be included on the agenda for the next PC meeting, following feedback from ESMA. **Open.**
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- **Action 324:** ISDA to confirm date on which new reference rate names(s) would be confirmed for use by the DSB development team. **Discussed in meeting. Closed.**
 - **Action 334:** The DSB to contact ESMA about the impact of FX Swap Delivery Type on mapping existing ISIN submissions and users post implementation change. **Open**
 - **Action 335:** DSB to update FAQ documentation to include a summary of the approach to the FX Forward and the Place of Settlement. **Open.**
 - **Action 336:** PC members to refer the Equity Option Strike Price changes to SME's within their own organisation for review and provide feedback prior to next PC meeting. **Closed.** PC agreed to proceed.
 - **Action 337:** The DSB to publish the Rates Fixed-Float Delivery Type analysis on its blog page and share with ESMA. **Open.**
 - **Action 338:** The DSB to produce a one-page summary of its Rates Fixed-Float Delivery Type analysis to share with trade associations. **Open.**
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5 Announcements

- The DSB provided an update on the recently published Industry Consultation report and summarized key findings relating to the PC. Further detail on each new initiative would be provided at the next meeting.
 - The DSB provided an update on the Dynamic Enumerations project, and noted that a proposed approach was to be presented to the TAC in the coming weeks, with proof of concepts having been evaluated in the interim.
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6a Proposed ISDA Taxonomy 2.0 Changes

- The PC members were asked to provide feedback on the proposed changes to the ISDA 2.0 Taxonomy.
 - For Rates, the proposed taxonomy will remove the Sub-Product or Transaction type and only have Inflation Cap/Floor. The PC discussed the change and agreed that the DSB should create a new Inflation Cap/Floor template to support the change made in the taxonomy, as the DSB currently only supports a Cap/Floor Option template
 - For Credit, the proposed taxonomy will introduce change Transaction Type to include Senior Non-Preferred. As the current DSB templates do not contain transaction type as an attribute, the PC agreed there would be no impact to the DSB at this time but would be subject to review at a later date, as this was a mandatory attribute for the UPI.
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6b Additional ISDA Taxonomy 2.0 Changes

- The DSB has requested ISDA to include an Inflation Fixed Float Zero Coupon Swap in the ISDA 2.0 Taxonomy, which ISDA included in the May 2019. The DSB advised the PC that this inclusion would match the two new Inflation Fixed Float Zero Coupon Swap which will be added to production in November
 - **Action 339:** The DSB will proceed with the development and deployment of an Rates.Option.Inflation Cap Floor template.
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6c FpML: Last Call Working Draft for Financial Products

- The DSB advised the PC that ISDA/FpML send a notification advising their intention to include the support of Inflation Rate linked Asset Swaps as an extension of their Inflation Rate model.
 - The PC discussed the topic further and concurred that the majority of asset swaps currently traded were captured by the TRS and YoY Inflation Swap templates already made available by the DSB. PC agreed to revisit the support of additional types of Asset Swaps at a later date, should there be sufficient demand from industry
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7 New Product Templates

- The PC were provided an update on the new product templates to be released in November 2019
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8 Commodity Indices

- A member of the PC previously requested the DSB to revisit the inclusion of additional Commodity Indices. The DSB provided a list of data providers that users have requested and asked the PC to provide further input of the index providers used by their firm in order for the DSB to start the process of engaging index provider to supply the DSB
 - **Action 340:** DSB to redistribute list of known Commodity Index providers to the PC to help facilitate their internal review
 - **Action 341:** PC members are asked to provide the DSB with the names/identifiers of the Commodity Indices used in their organisations along with the name of the index provider and their contact details
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9 UPI Analysis: Commodities

- Item held over to next meeting due to lack of time
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10a Product Release Status: September 2019

- The DSB provided an update on the ongoing testing for field 41 and that regular communication to all DSB users was continuing. The PC discussed user awareness of the change and how best to dovetail the DSB's efforts with broader industry engagement groups.
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10b Product Release Status: ESTR / €STR

- ISDA provided an update on the naming convention for the new Risk Free Rate '€STR' in the FpML schema, the source of DSB Enumerations for interest rate derivatives.
 - ISDA noted their expectation that the rate will be called EUR-EuroSTR-COMPOUND and the definition is likely to be officially published in the coming weeks (prior to the 2nd October official go-live date for the rate), once it has passed final review by ISDA members.
 - The DSB reminded PC members that with the name now confirmed, the DSB could proceed with the previously agreed plan to release this rate in Production on 29th September, with no UAT period. The DSB advised that the rate would also be available in UAT at the same time as Production, with business rules ensuring that the expiry date would be no earlier than the first publication date of 2nd October 2019.
 - **Action 342:** ISDA to confirm official name and whether any other associated Reference Rates are to be introduced.
 - **Action 343:** DSB to distribute the name and details of the new Reference Rate to the PC and update user notifications, once the ISDA confirmation is received.
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11 AOB

- The DSB notified the PC that it has been engaged by a regulator concerning support for OTC derivatives on Crypto Assets.
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Respectfully submitted,

DSB Secretariat

Minutes Approved on: 13th September 2019

Summary of Open Actions

No	Actions	Owner	Target Date
308	The setting of Term of Contract for products with differing Effective Dates on the Fixed and Floating legs is to be included on the agenda for the next PC meeting.	DSB Sec	14-May-19
324	ISDA to confirm date on which new reference rate names(s) would be confirmed for use by the DSB development team.	ISDA	08-Sep-19
334	The DSB to contact ESMA about the impact of FX Swap Delivery Type on mapping existing ISIN submissions and users post implementation change.	DSB Sec	23-Jul-19
335	DSB to update FAQ documentation to include a summary of the approach to the FX Forward and Place of Settlement	DSB Sec	06-Aug-19
336	PC members to refer the Equity Option Strike Price Type changes to SME's within their own organisation for review and provide feedback prior to next PC meeting	DSB Sec	06-Aug-19
337	The DSB to publish the Rates Fixed-Float Delivery Type analysis on its blog page and share with ESMA	DSB Sec	06-Aug-19
338	The DBS to produce a one-page summary of its Rates Fixed-Float Delivery Type analysis to share with trade associations	DSB Sec	06-Aug-19
339	The DSB will proceed with the development and deployment of an Rates.Option.Inflation Cap Floor template.	DSB Sec	29-oct-19
340	DSB to redistribute list of known Commodity Index providers to the PC to help facilitate their internal review	DSB Sec	06-Sep-19
341	PC members are asked to provide the DSB with the names/identifiers of the Commodity Indices used in their organisations along with the name of the index provider and their contact details	DSB PC	13-Sep-19
342	ISDA to confirm official name and whether any other associated Reference Rates are to be introduced.	ISDA	20-Sep-19
343	DSB to distribute the name and details of the new Reference Rate to the PC and update user notifications, once the ISDA confirmation is received.	DSB Sec	20-Sep-19