

DSB PRODUCT COMMITTEE MEETING MINUTES

Meeting: The 160th DSB Product Committee Meeting

Date: 04-May-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	Apologies
Martyn Cole	Product Committee Member	Refinitiv	Absent
Jourik De Lange	Product Committee Member	Smartstream RDU	Yes
Dawd Haque	Product Committee Member	Deutsche Bank	Apologies
Dominic Harth	Product Committee Member	Union Investment Privatfonds GmbH.	Apologies
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	Yes
Mari Asakura	Regulatory Observer	JSDA	Absent
Davide Panadori Cino	Regulatory Observer	ESMA	Absent
Ayo Fashina	Regulatory Observer	FCA	Yes
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
Robert Stowsky	Regulatory Observer	CFTC	Yes
Dominik Zeitz	Regulatory Observer	BaFin	Absent
Andrew Bayley	Observer	ISDA	Yes
Lisa Taikitsadaporn	Observer	FIX Trading Community	Yes
Fiona Willis	Observer	GFMA	Yes
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

Please note – This meeting did not meet Quorum, as detailed in the Product Committee Charter and recommendations made by the group will be put forward for decision making via email in advance of the next PC meeting.

No Topics

1 Introduction & Agenda

2 Competition Law Reminder

Presented

3 Review Minutes from Previous Meeting

The prior meeting's minutes were updated as requested and are now considered final.

4 Announcements

DSB Current COVID19 Status

The DSB (TAC) are considering extending the current heightened awareness period through to the May 31st, 2021.

DSB UAT Disaster Recovery Test

The PC were presented an overview of the upcoming UAT Disaster Recovery Test taking place on the 16th July 2021. PC members were encouraged to notify all relevant people within their organisations.

UPI Fee Consultation

The DSB have made all materials and feedback received from the 1st UPI consultation paper available via the website. The 2nd UPI consultation paper is being published Monday 10th May.

The DSB were made aware that there have been several questions raised relating the UPI by a participant of the PC. It was agreed that the DSB would liaise with the participant offline and revert to the PC and the TAC (where necessary) with the items, if not already covered in published materials.

>Action 482.

UPI Informational Events

The DSB notified PC Members of two upcoming events that it was jointly hosting with the ROC to raise awareness of the UPI and respond to market participants' queries. The DDO is to follow via an informational email to PC Members.

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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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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438	ISDA to provide an update to the PC once FRO related changes have been finalized.	ISDA	OPEN
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465	AG1 to present details of the proposed ISO 20022 changes.	AG1	OPEN
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Update: To be presented at next meeting.

469	The DSB are to establish how the ISO 4914 (UPI) specification can be shared with PC members.	DDO	CLOSED
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Update: ISO have approved the sharing of relevant extracts within confidential PC materials to aid the decision making as part of the ANNA/DSB internal review process.

471	ISDA to revert to the PC if industry's expectation that all required reference rate information will be available in FpML cannot be met in a manner that enables access to a single authoritative data source.	ISDA	OPEN
472	The DSB to confirm the value to be returned for Contract Specification on legacy ISINs.	DSB	OPEN
474	CDIDE to respond to the PC's concerns regarding the current ISO 4914 conditional attributes.	CIDIE	OPEN
476	The DSB are to share the minutes from the sub-committee meeting with PC members.	DDO	CLOSED
477	The DSB to share the agreed proposal for the treatment of Portfolio Swaps when determining the CFI code with regulators. <i>Update: Proposed close date rescheduled for the next PC meeting.</i>	DDO	OPEN
478	The DSB to forward to the CDIDE the concerns of the PC over the inclusion of FX Settlement CCY in ISO 4914 (UPI).	DSB	CLOSED
479	The DSB to forward to the CDIDE the concerns of the PC over the inclusion of Single or Interpolated Reference Rate Tenor in ISO 4914 (UPI).	DSB	CLOSED

6-8	Current DSB Tasks	Status	Priority
DSB-8	Review Source of Commodity Index 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
DSB-53	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-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-90	Price Multiplier Validation	Tech	Med

The Price Multiplier is subject to inconsistent rounding when very large numbers are input (eg: greater than 18 digits).

DSB-133	Prop Index Process Analysis Analyse the Proprietary Index management provision to identify efficiency and service improvements.	Tech	Low
DSB-370	CFI 2019 Support Support the updated 2019 ISO Standard for CFI (10962) throughout the DSB product suite.	Tech	High
DSB-972	Update FpML Reference Rates Update FpML Reference Rates following ISDA 2021 Definitions Review.	In Prog	High
DSB-974	New Attribute: Standard Contract Type Add Standard Contract Type to Single Name CDS templates.	In Prog	Med
DSB-1002	ISDA 2021: New FROs The DSB will need to support all the new FROs as new entries in the enumerated list used across Rates and Non-Standard templates that include FROs as an underlier.	In Prog	High
DSB-1076	Structured Email Messages To allow users to specify the types of DSB notification that they receive.	In Prog	Low
DSB-1120	ISDA 2021 New GUI Titles To provide solution options in implementing ISDA 2021 changes in the GUI to enhance user-experience.	In Prog	High
DSB-1132	Search Only User Type To provide a cost-effective solution for DSB API users who wish to perform searches against the OTC ISIN database in real-time without the ability to create ISINs.	Tech	Low
DSB-1266	New Reference Rate : USD-AMERIBOR (x3) Add three new USD-AMERIBOR to the enumerated list of Reference Rates for RATES and Non-Standard templates. <i>Scheduled for August Release.</i>	Sched	Med

8 2021 ISDA Definitions – Update

The DSB presented the PC the status of the ISDA 2021 Definitions release and the PC were informed that the finalised 2021 FRO list is expected to be released shortly – following industry review.

The DSB confirmed that the previously agreed production release date (15th August 2021) would still be achievable if the finalised FRO list was published before 17th May 2021.

9 TAC SSC Questions

To allow the TAC SSC to close some outstanding questions they have, the PC have been asked to confirm the following.

1.Should the UPI contain a derived UPI short name (Attribute=ISO 18774 –FISN)? Yes - The PC agreed the UPI should contain a derived short name – in line with the CPMI/IOSCO Technical Guidance document.

2.Should the UPI contain a derived UPI full name (Attribute=Full Name)? The PC believed the UPI should not contain a Full Name but requested confirmation from the CIDIDE to aide final the confirmation. >**Action483.**

10 UPI : Custom Baskets – Requirements

The DSB presented the PC requirements and the proposed functionality for custom baskets, based on the UPI Technical Guidance document published by CPMI IOSCO¹ and draft ISO 4914 standard. The PC discussed and were asked to approve the following.

1. *UPI users will be required to identify an individual product underlier (eg: a single ISIN, single Reference Rate etc.) but will not be required to identify each constituent of an underlying custom basket. **APPROVED***
2. *A Custom Basket is defined as a collection of multiple (greater than one) underliers for a single OTC derivative. **APPROVED***
 - a. *Multiple underliers of different types constitute a single basket (eg: a product based on one Bond and one Index would be considered a basket). **APPROVED***
 - b. *Multiple underliers of different asset classes constitute a single basket (eg: a product based on one Bond and one Equity would be considered a basket). **APPROVED***
 - c. **Note:** *Basis Swaps are not considered to be Custom Baskets*
3. *If the product name implies an underlying custom basket (e.g.: Equity / Swap / Price Return Basic Performance Basket), there is no requirement for the user to input an underlier or indicate that the product is based on a custom basket. **APPROVED***
4. *For multi-asset products, the user will be required to specify the asset classes of the underlying basket's constituents. **APPROVED.***

During the discussion, the PC noted that this functionality will require the CDIDE provide guidance to industry as to how they believe industry should report these and why. It was agreed the PC would assist and provide examples and market expectation. >**Action484.**

It was noted that the CPMI IOSCO's approach to not require disclosure of the constituents for UPIs on basket products was intended to address industry's concerns about unmasking of counterparties to a trade. This approach dovetails with the requirement for non-public reporting of the constituents to trade repositories, resulting in all required information still be made available to regulators as part of their risk monitoring activities.

The PC concurred that the funding legs of OTC derivatives trades should not be taken into consideration when considering the asset class of the OTC derivative when creating a UPI. This is to be included in DSB awareness raising materials to help drive improved reporting consistency. >**Action485.**

11 UPI : Underlying Contract Tenor Period – Assessment

The DSB confirmed that the draft ISO 4914 (UPI) standard specifies Underlying Contract Tenor Period / Multiplier as a conditional attribute for all Options, Forwards, and "Others" across all Asset Classes.

The PC expressed its concern over the inclusion of Underlying Contract Tenor Period / Multiplier as a conditional attribute for the relevant options derivative products (Swaptions) and agreed that the attributes were not required as part of the definition of the underlying Swap. The members of the PC

agreed that the CDIDE will be asked (by the DSB) to review the specification and respond to the PC once regulators have had an opportunity to consider the PC's concerns. >**Action486**

During discussions about Swaptions, the PC noted that they wished the DSB to consider the introduction of a single template to support creation of multiple OTC ISINs where one was the underlying of another. For example, a single create request template to enable the creation of both the underlying Swap and associated Swaption, or the underlying FX forwards and the associated FX Swap. >**Action 488**.

12 UPI : 'Other' Instrument Type

The DSB confirmed that the draft ISO 4914 UPI standard and UPI Technical Guidance document by CPMI IOSCO specify a requirement for the UPI to support "Other" Instrument Types across all Asset Classes.

To be continued at the next meeting.

15 UPI : Product Definitions Status

N/A

AOB

N/A

Respectfully submitted,

DSB Secretariat

Minutes Approved on: 18/05/2021

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
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	Q4-21
435	CFTC to present agreed UPI masking requirement for less liquid underliers to the PC.	CFTC	TBC
438	ISDA to provide an update to the PC once FRO related changes have been finalized	ISDA	19-Feb-21
465	AG1 to present details of the proposed ISO 20022 changes.	AG1	04-May-21
471	ISDA to revert to the PC if industry's expectation that all required reference rate information will be available in FpML cannot be met in a manner that enables access to a single authoritative data source.	ISDA	TBC
472	The DSB to confirm the value to be returned for Contract Specification on legacy ISINs.	DSB	20-Apr-21
474	CDIDE to respond to the PC's concerns regarding the use of underlying debt issuance tenor for all credit derivatives.	CDIDE	TBC
477	DSB to ensure that regulators are made aware of the proposed timelines shared with the PC and the PC's views as set out above, to aid readiness.	DDO	18-May-21
482	DDO to liaise with PC Members regarding additional questions about the UPI service and revert to the PC	DDO	01-Jun-21
483	The DSB are to seek confirmation from the CDIDE for the exclusion of "Long Name" from the UPI requirements.	DSB	18-May-21
484	The DSB are to collate a list of cross-asset products for presentation to the CDIDE.	DDO	01-Jun-21
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	TBC
486	The DSB to forward to the CDIDE the concerns of the PC over the inclusion of Underlying Contract Tenor Period / Multiplier in ISO 4914 (UPI).	DSB	18-May-21
487	DDO to provide key extracts from the draft ISO 4914 standard.	DDO	01-Jun-21
488	DSB to present a proposal for the introduction of streamlined product templates for Swaptions and FX Swaps.	DSB	10-Aug-21

