

DSB PRODUCT COMMITTEE MEETING MINUTES

Meeting: The 158th DSB Product Committee Meeting

Date: 06-Apr-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
Martyn Cole	Product Committee Member	Refinitiv	Yes
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	Apologies
Nicholas Moger	Product Committee Member	J.P Morgan	Yes
Navraj Panesar	Product Committee Member	Citigroup	Yes
Gregg Rapaport	Product Committee Member	DTCC	Yes
Kirston Winters	Product Committee Member	IHS Markit	Absent
Mari Asakura	Regulatory Observer	JSDA	Absent
Ayo Fashina	Regulatory Observer	FCA	Yes
Giulia Ferraris	Regulatory Observer	ESMA	Absent
Eiichiro Fukase	Regulatory Observer	JSDA	Absent
Emma Kalliomaki	Regulatory Observer	DSB Board	Yes
Dr Olaf Kurpiers	Regulatory Observer	BaFin	Absent
Frank Lasry	Regulatory Observer	AMF	Absent
Robert Stowsky	Regulatory Observer	CFTC	Yes
Dominik Zeitz	Regulatory Observer	BaFin	Yes
Andrew Bayley	Observer	ISDA	Yes
David Broadway	Observer	Investment Association	Yes
Lisa Taikitsadaporn	Observer	FIX Trading Community	Yes
Fiona Willis	Observer	GFMA	Yes
Malavika Solanki	DDO	DSB	Yes
Simon Wiltshire	Alternate DDO	DSB	Yes
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 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 31 st , 2021.		
	New PC Member		
	A new regulatory observer, Davide Panadori Cino from ESMA, will be joining the PC from the next meeting.		
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. <i>Update: High level dates reviewed. To be discussed at the next meeting.</i>	DDO	OPEN
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
432	The DDO to work with the CDIDE Chairs and PC Members to identify, address and document the industry's information needs	DDO	OPEN
435	CFTC to present agreed UPI masking requirement for less liquid underliers to the PC.	CFTC	OPEN
438	ISDA to provide an update to the PC once FRO related changes have been finalized.	ISDA	OPEN
455	ISDA to update the PC on the results of the gap analysis of the FpML Matrix Term Schema.	ISDA	OPEN
461	The DSB will present possible options for the treatment of legacy OTC ISINs following the addition of the Contract Specification attribute to the UPI and OTC ISIN definitions.	DSB	OPEN
465	AG1 to present details of the proposed ISO 20022 changes <i>Update: Date amended to 20th April 2021</i>	AG1	OPEN
468	The DSB to make the UPI Project Milestones available via the DSB website. <i>Update: To be made available ahead of the next meeting.</i>	DDO	OPEN
469	The DSB are to establish how the ISO 4914 (UPI) specification can be shared with PC members. <i>Update: An update to be provided at the next meeting. Date rescheduled to 4th May 2021</i>	DDO	OPEN
470	PC Co-chairs to provide updated materials to aid the discussion regarding Swaption templates at the next meeting.	DSB	CLOSED

Update: Superseded by the discussion on item 11 below. To be 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 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 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 of 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.	Sched	Med

8 ISDA 2021 – Status Update

ISDA informed the PC that the finalised 2021 FRO list is expected to be released shortly and confirmed the new industry adoption weekend will be 2nd-4th October 2021. It was also noted that the FpML Coding Scheme for FROs is expected to contain all Reference Rates – including deprecated rates and those classified as Broker Rates. >**Action471**

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 28th May 2021.

9 UPI : Contract Specification and Backward Compatibility

Members of the PC were reminded that ISO 4914 (UPI) includes Standard Contract Specification as a conditional attribute for Single Name CDS and that, as agreed previously, this attribute would be added to OTC ISIN product definitions to maintain the UPI / OTC ISIN hierarchy – based on the values included in FpML Matrix Term Scheme 5.130.

The PC **APPROVED** the proposal for the treatment of legacy ISINs – whereby ISINs created before the Contract Specification implementation would be retrievable by ISIN and through the Search API and would return an associated UPI (without Contract Specification). It was also confirmed that, after go-live, new UPIs and OTC ISINs could not be generated without a Contract Specification.

Members of the PC asked the DSB to confirm whether legacy ISINs would include a “Null” value for Contract Specification or whether the attribute would be omitted from the record. >**Action472**

The DSB presented a proposal for the restriction of enumerated Contract Specification values based on the nature of each CDS product definition – eg: only include Corporate Contract Specification enumerated values on the Corporate CDS template. The PC **APPROVED** this proposal and so the DSB will take this forward into the UPI and OTC ISIN template designs.

10 UPI : Underlying Debt Issuance Tenor

The DSB confirmed that ISO 4914 (UPI) specifies the Underlying Debt Issuance Tenor Period/Multiplier as attributes for all Credit Derivatives. In-line with previously agreed principles for the UPI project, this attribute is to be added to the OTC ISIN and UPI product definitions – to ensure ISO conformance and to maintain the UPI / OTC hierarchy.

The PC expressed its concern over the inclusion of these attributes in ISO 4914 (UPI) and asked for the CDIDE to review the specification and respond to the PC once regulators have had an opportunity to review the PC's concerns. The DSB agreed to work with the PC co-chairs to draft a summary note and forward this concern to the CDIDE. >**Action473 & Action474**

11 UPI : Product Definitions Issues – Swaptions

In response to the UPI requirements, the DSB are having to consider how the details for the underlying Swap(s) can be recorded for Swaption products.

The members of the PC **APPROVED** the use of UPI as the identifier for Swaps underlying a UPI Swaption.

The PC requested that the Swaption creation process is wrapped into a single template as opposed to being carried out in a two-step process in order to improve efficiency and usability (create Underlying Swap using the Swap Template > create Swaption using the Underlying Swap via the Swaption templates). The DSB agreed to raise this request for the consideration of the DSB technical team and to report back to the PC at a future date. >**Action475**

12 UPI : Product Definitions Progress

The DSB updated the PC of the progress made with the new UPI Product Definitions, with just under third now completed using the previously discussed assumptions on the principles.

The DSB plan to make these available for review once the remaining principles have been confirmed.

AOB

1. The DDO presented the schedule for the review of the CFI 2019 migration plan to the PC. A follow up discussion will occur at the next meeting.
 2. In response to PC Members' queries, the DDO noted that the DSB are currently reviewing feedback from the first UPI Fee Model Consultation Paper, that responses are now available in the public domain, that discussions will be held with the TAC where necessary, and that the next consultation paper will be published on 10th May 2021.
 3. The DDO reminded PC Members that had yet to provide feedback on the two pieces of DSB guidance to be placed in the public domain, to do so ahead of the upcoming deadline.
-

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
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
438	ISDA to provide an update to the PC once FRO related changes have been finalized	ISDA	19-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
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
465	AG1 to present details of the proposed ISO 20022 changes.	AG1	06-Apr-21
468	The DSB to make the UPI Project Milestones available via the DSB website.	DDO	06-Apr-21
469	The DSB are to establish how the ISO 4914 (UPI) specification can be shared with PC members.	DSB	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
473	The DSB to forward to the CDIDE the concerns of the PC over the inclusion of Underlying Debt Issuance Tenor Period/Multiplier in ISO 4914 (UPI).	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
475	The DSB to raise a request for a one-step generation process for Swaptions (and other multi-part products) with the DSB Technical Team.	DSB	20-Apr-21

Summary of New or Updated DSB Tasks

Status **Priority**

