

DSB PRODUCT COMMITTEE MEETING MINUTES

Meeting: The 147th DSB Product Committee Meeting

Date: 06-Oct-2020 **Time:** 15.00 – 16.30 UTC **Location:** DSB Offices /
Teleconference

Name	PC Role	Institution	Attendance
Harry McAllister	Co-Chairs	BNP Paribas	Yes
Joseph Berardo	Co-Chairs	Intercontinental Exchange	Yes
Michael Burg	Product Committee Member	State Street Financial	Apologies
Jourik De Lange	Product Committee Member	Smartstream RDU	Yes
Tia Ellerman	Product Committee Member	Citigroup	Apologies
Uwe Hillnhuetter	Product Committee Member	Tradeweb	Yes
Adam Lister	Product Committee Member	Bloomberg L.P.	Yes
Rene Muller	Product Committee Member	HSH Nordbank	Apologies
Maros Oberman	Product Committee Member	42 Financial Services	Absent
Jonah Platt	Product Committee Member	Citadel	Yes
Gregg Rapaport	Product Committee Member	DTCC	Yes
Ben Schofield	Product Committee Member	Refinitiv	Yes
Jay Shotton	Product Committee Member	J.P. Morgan	Apologies
Kirston Winters	Product Committee Member	IHS Markit	Yes
Mari Asakura	Regulatory Observer	JSDA	Apologies
Ayo Fashina	Regulatory Observer	FCA	Yes
Eiichiro Fukase	Regulatory Observer	JSDA	Absent
Emma Kalliomaki	Regulatory Observer	DSB Board	Yes
Dr Olaf Kurpiers	Regulatory Observer	BaFin	Apologies
Frank Lasry	Regulatory Observer	AMF	Yes
Olga Petrenko	Regulatory Observer	ESMA	Apologies
Robert Stowsky	Regulatory Observer	CFTC	Yes
David Broadway	Observer	Investment Association	Yes
Vincent Dessard	Observer	EFAMA	Yes
Karel Engelen	Observer	ISDA	Yes
Lisa Taikitsadaporn	Observer	FIX Trading Community	Yes
Fiona Willis	Observer	GFMA	Apologies

No Topics

1 Introduction & Agenda

2 Competition Law Reminder

Presented

3 Review Minutes from Previous Meeting

An update to the minutes from previous meeting has been made following feedback from PC Member. The prior meeting's minutes are now considered final.

4 Announcements

DSB Current COVID19 Status

The DSB (TAC) have extended the state heightened awareness through to the December 7th.

GBP-SONIA-COMPOUNDED-INDEX

ISDA provided an update regarding the release. As it stands no official notification has been published as discussions with the Bank of England remain ongoing on regarding the language.

The DSB have not received an official notification of any update to the FpML Coding Scheme and has therefore not promoted the update to Production.

New Participants

Frank Lasry and Lisa Taikitsadaporn were welcomed to the PC by the Co-Chairs.

UPI Governance

Members were reminded of a recent announcement that governance of the UPI, UTI and CDE had now transitioned from the FSB's Working Group on UTI and UPI Governance (GUUG) to the Regulatory Oversight Committee (ROC). Furthermore, the ROC has released its revised charter describing the new Committee on Derivative Identifiers and Data Elements (CDIDE). Robert Stowsky, along with Carmela Borsino of CONSOB, have been named co-chairs of the CDIDE. As part of the role as they will now represent the ROC on the DSB Product and Technical Advisory Committees.

With these roles now confirmed, the PC expressed the need for additional information to be shared with industry participants on the UPI timeline and key implementation related matters. >**Action 432**

5 Open Actions

368	The ISDA Symbology Group are to report back on industry consensus for the publication of new Reference Rates relating to €STR. <i>No Update from ISDA. Action to be reviewed again at the next meeting</i>	OPEN
412	DSB to provide an update to regulators on CFI 2019 adoption following any updated approach being shared with the DSB PC.	OPEN
413	The DSB to obtain regulatory feedback on CFI 2019 adoption after the initial outreach by the DSB.	OPEN
421	The DSB to work with ISO representatives to agree an information sharing framework to facilitate PC feedback to the CFI.	OPEN
422	ISDA to provide the name and implementation details of the new SONIA Reference Rates to the PC.	CLOSE
427	The DSB to discuss with the PC Chairs and confirm the requirements of the RTS2 Mapping File and the level of granularity required.	CLOSE
428	The DSB to investigate alternative sources for Equity indices data as part of DSB-65 for presentation to the PC.	CLOSE

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.	OPEN
431	The CFTC to consider the data availability point further and revert at the next meeting.	CLOSED
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 UAT 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).	In Prog Low
DSB-65	Underlying Instrument Index Mapping To examine mapping of Underlying Instrument Index to Underlying Instrument Identifier (eg: ISIN) for unique ISIN creation from either attribute (Analysis Only). CLOSED - See section 10	In Prog Med
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). <i>See section 11</i>	In Prog 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.	In Prog	Low
DSB-134	CDS Single Name Validation Assessment of the quality of CDS Single Name underliers and a determination of possible next steps.	In Prog	Med
DSB-139	CFI Codes for Equity Options It is currently possible for an Equity Option to generate a CFI code in which the 4 th character is set to "X" (eg: HESXMC)	In Prog	High
DSB-370	CFI 2019 Support Support the updated 2019 ISO Standard for CFI (10962) throughout the DSB product suite.	In Prog	High
DSB-396	New CZK OIS Reference Rate The DSB has been made aware of the imminent release of a CZK OIS Reference Rate. <i>Awaiting FpML Coding Scheme update.</i>	Queue	Low
DSB-659	New Reference Rate : GBP-SONIA-COMPOUNDED-INDEX Add GBP-SONIA-COMPOUNDED-INDEX to the enumerated list of Reference Rates for RATES and Non-Standard templates <i>Awaiting FpML Coding Scheme update.</i>	Queue	High

10 DSB-65 : Underlying Equity Index (Assessment)

After previous assessment of the DSB's Equity Indices data the PC agreed that the ESMA's TTC list, used as the current source of DSB's Equity Indices, has significant limitations and that there is a need to look at alternative sources of Equity Indices rather than trying to improve the ISIN coverage for the existing data.

The DSB has assessed and presented a comparison of the following sources;

- TTC published by ESMA
- ESMA Annual Transparency Calculations (replacing TTC from 15 September 2020)
- ESMA Benchmarks register
- ASB data from ANNA

The DSB asked the PC members to review the assessment and provide guidance to the DSB regarding the next steps. The PC asked the DSB to provided additional assessment on potential 3rd party providers of equity index data.

DSB-65 is to be **CLOSED** now the analysis and assessment of the Underlying Instrument Index has been presented. The DSB will raise a new task for the additional assessment on potential 3rd party providers. >**DSB-910**

11 DSB-67 : GUI Search Utility

The DSB presented the PC with screenshots of proposed improvements to the GIU Search Utility following industry feedback on the 2019 consultation.

The PC acknowledged the restrictions and limitation the current GUI search engine has, specifically for non-technical users, non-fee paying and buy-side users of the search engine.

The proposed changes were **APPROVED** by the PC, with the DSB to reach out to buy-side participants for additional feedback on these changes. **>Action 433.**

The DSB will present required effort and delivery approach for the proposed functionality at a future PC meeting.

12 DSB-134 : CDS Single Name Data Quality (Assessment)

To be presented at the next PC Meeting, however the assessment into the main institutions responsible for the generation of erroneous Sovereign CDS ISINs was presented to the PC. The DSB are to reach out the institutions responsible and advise best-practice. **>Action 430**

13 UPI Project : Feedback from the FSB in response to the PC's Preliminary Analysis Paper (cont'd)

Following the discussion at the last meeting the PC were presented with the latest considerations relating to public/private data dissemination from the CFTC. The CFTC have approved a rewrite of it's Part 43 rule but did not expand the geographic masking requirements as initially proposed. It is intended that most liquid products that are priced at a certain geographic point will not need to be masked and this eliminates the need for masking underliers that are major indices or exchange traded products. Implementation of UPI masking requirements for less liquid underliers is still under discussion and will be raised at the PC when there is as decision, by the CFTC. **>Action 435**

The FSB's feedback to the PC's OTC ISIN - UPI preliminary analysis paper has now been fully discussed by the PC. Throughout these discussions several questions and considerations have arisen. The DSB have agreed to collate these and share them with the PC for review ahead of communication to the FSB. **>Action 434.**

Product Release Schedule

The DSB's next product release is scheduled for January

AOB

None

Respectfully submitted,

DSB Secretariat

Minutes Approved on:

Summary of Open Actions		Owner	Target Date
368	The ISDA Symbology Group are to report back on industry consensus for the publication of new Reference Rates relating to €STR.	ISDA	07-Apr-20
412	DSB to provide an update to regulators on CFI 2019 adoption following any updated approach being shared with the DSB PC.	DDO	TBC
413	The DSB to obtain regulatory feedback on the CFI 2019 approach after the initial outreach by the DSB.	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	20-Oct-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
433	The DSB are to reach out and share further details of the proposed changes to the GUI Search Engine with the Buy-Side Participants of the PC	DSB	20-Oct-20
434	DDO to collate all questions and considerations that have arisen from the product committee's discussions regarding the FSB's feedback on the preliminary OTC ISIN - UPI analysis paper and to then share this with the FSB.	DDO	30-Jun-21
435	CFTC to present agreed UPI masking requirement for less liquid underliers to the PC.	CFTC	TBC
Summary of New or Updated DSB Tasks		Status	Priority
DSB-910	Investigate Third-Party Sources of Equity Indices	In Prog	Med