DSB PRODUCT COMMITTEE MEETING MINUTES

Meeting:	The 177th DSB Product Committee Meeting				

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Date:	08-Feb-2022	**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	Absent
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.	Apologies
Uwe Hillnhuetter	Product Committee Member	Tradeweb	Yes
Nicholas Moger	Product Committee Member	J.P Morgan	Yes
Navraj Panesar	Product Committee Member	Citigroup	Absent
Gregg Rapaport	Product Committee Member	DTCC	Yes
Kirston Winters	Product Committee Member	OSTTRA	Yes
Mari Asakura	Regulatory Observer	JSDA	Absent
Davide Panadori Cino	Regulatory Observer	ESMA	Apologies
Giulia Ferraris	Regulatory Observer	ESMA	Apologies
Eiichiro Fukase	Regulatory Observer	JSDA	Yes
Dr Olaf Kurpiers	Regulatory Observer	BaFin	Apologies
Frank Lasry	Regulatory Observer	AMF	Apologies
Jean Obray	Regulatory Observer	FCA	Yes
Alex Stirling	Regulatory Observer	FCA	Absent
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	Apologies
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

No	Topics

1 Introduction & Agenda

2 Competition Law Reminder

Presented.

3 Review Minutes from Previous Meeting

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

| 4 | Announcements |

N/A

| 5 | Open Actions |

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
508	PC to discuss feedback from CFI maintenance agency regarding NDF's on Bitcoin. *Update: Awaiting review and feedback from ISO.*	ISO	OPEN
514	This new OTC ISIN status and status reason regarding Orphan ISINs to be reflected in the OTC ISIN status materials. *Update expected in Q1 2022.*	DDO	OPEN
515	The DSB to revert with a date for PC review of the UPI Status document. *Update expected in Q1 2022.*	DDO	OPEN
517	The DSB to ask responsible institutions for information concerning the creation of Non-Standard Options without Option Type / Exercise Style. *Update: The DSB are yet to receive meaningful and useful feedback from institutions. The DSB are to reach out once again in the new year. Target Date extended to mid Feb 2022*	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
522	The DSB to revert with implementation timelines following completion and sign-off of the CFI 2019 Transition change request document.	DDO	OPEN
537	The DSB organize a session with interested PC Members to review the day 1 UPI workflows to be supported by the DSB	DDO	OPEN
538	The DSB to consider the legal implications of relying on a data provider for UPI underlier ID mapping and to present conclusions to the PC.	DDO	OPEN
542	The DSB to ask members of the PC for guidance on the identification of Indices for the UPI and OTC ISIN.	DSB	OPEN
543	DSB to ask members of the PC for their views on the use of "OTHER" as a valid entry in the list of FROs for Rates products.	DSB	CLOSED
544	DSB to ask members of the PC to approve the release of DSB-1410 : Underlying ISIN Prefix validation.	DSB	CLOSED

| 5 | Announcements |

1. Dominic Harth will be stepping down from the PC with the group thanking him for his contributions to date. The DSB are working on finding a suitable replacement.

6-7	Current DSB Tasks	Status	Priority	Med
	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	Low
	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	High
	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	Low
	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	Med
	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	Low
	DSB-133	**Prop Index Process Analysis** Analyse the Proprietary Index management provision to identify efficiency and service improvements.	Tech	High
	DSB-370	**CFI 2019 Support** Support the updated 2019 ISO Standard for CFI (10962) throughout the DSB product suite.	In Prog	Low
	DSB-1076	**Structured Email Messages** To allow users to specify the types of DSB notification that they receive.	Sched	Med
	DSB-1120	**ISDA 2021 New GUI Titles** To provide solution options in implementing ISDA 2021 changes in the GUI to enhance user-experience. *Scheduled for release: Jan 2022*	Sched	Low
	DSB-1132	**Search Only User Type**	Tech	Med

		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.		
DSB-1135	**Streamline two-step OTC ISIN** Streamline process of two-step OTC ISIN generation.(Swaption/FX Swap)		Queue	High
DSB-1410	**Evaluate ISO 3166 (2 char) Validation** 2-char prefix validation for the entry of underlier instrument ISIN.		Sched	Med
DSB-1440	**ISIN : OTHER : OTHER : Non Standard** Update ISIN Request and Record Template Definition for Other Other Non Standard to align with the UPI requirement.		Tech	Med
DSB-1441	**ISIN : OTHER : OPTION : Non Standard** Update ISIN Request and Record Template Definition for Other Option Non Standard to align with the UPI requirement.		Tech	Med
DSB-1442	**ISIN : OTHER : SWAP : Non Standard** Update ISIN Request and Record Template Definition for Other Swap Non Standard to align with the UPI requirement.		Tech	Med
DSB-1566	**ISO 20022 Mappings** Update ISO 20022 Code Mapping for Rates and Non-Standard products in-line with FpML CS.		In-Prog	TBC
DSB-1571	**New Currency Codes** Add VED and UYW to the ISO Currency Code Codeset. (all templates)		Sched	Low
DSB-1574	**Header Attributes** Add hierarchy attributes to OTC ISIN Header in preparation for UPI go-live.		Tech	High
DSB-1604	**Cross-Ccy Basis OIS Template** CDIDE proposed new Rates.Swap.Cross-Ccy Basis OIS Template		In Prog	Med
DSB-1605	**Cross-Ccy Fixed Float Template** CDIDE proposed new Rates.Swap.Cross-Ccy Fixed Float OIS Template		In Prog	Med
DSB-1616	**New FpML FROs** Implement 32 new FROs following latest FpML Coding Scheme update		Sched	Med

8   Action 536 : Use of "OTHER" for FRO enumeration – Decision

As part of action 536 the PC asked to discuss whether a FRO value of "Other" needs to be introduced to support the reporting of Rates related products executed on values other than those in the current DSB golden source list (floatingRateIndexScheme).

The DSB presented the PC its considerations at the last meeting including; How "Other" is currently supported in other asset classes, what the DSB currently adivses if a user cannot find an entry on the FpML list, the templates the change would impact and also the monitoring the PC could then perform in order to highlight any unexpected use. Since the meeting (25th Jan 2022) was not quorate, the PC was unable to reach a consensus therefore the DSB shared details to the group via email requesting feedback.

A summary of the feedback received from PC members was provided:
- 3 respondents approved the use of "OTHER" for FROs.
- 1 respondents rejected the use of "OTHER" for FROs.
- 2 respondents did not express a firm view.

The following comments were also received:
- "OTHER" is a specific internal requirement for the booking of Swaps which cannot be reported at present.
- However N different not supported FRO's would mean the same UPI…. an issue to the market/regulators.
- Not just FRO but any "limited" data element.

The discussion considered the mandatory requirement in some jurisdictions for institutions to report transactions with a UPI and how this might be achieved if the underlying Reference Rate was not included in the enumerated list supported by the DSB. As a result of this discussion, the members of the PC **APPROVED** the proposal to add an entry of "OTHER" to the FRO enumerated list for UPI and OTC ISIN Rates products. In addition, it was ackowledged by the PC that this will require a monitoring framework be considered by both the DSB and CDIDE to help identify any use cases where "Other" may not be being used correctly or where there is a gap in the service.

9   UPI : LEI Entry of "Other" – Decision

The PC had previously agreed that RED6 and/or Bbg Company Code were not required as Legal Entity alternative identifiers for the UPI. The PC considered the way in which the DSB should support the generation of UPIs where the Legal Entity cannot be identified using either an LEI or an ISIN. The PC **APPROVED** the proposal for the UPI and OTC ISIN services to accept an entry of "OTHER" as a valid alternative to an LEI. As with the previous agenda item, the PC ackowledged that the use of "OTHER" will be monitored.

The DSB agreed to return to the PC with details of how the requirement to accept "OTHER" is to be implemented

10   DSB-1410 : Underlying ISIN Prefix validation

The DSB proposes to improve the current semantic validation process by validating the two character prefix of the underlying ISIN against the official RA list. The PC were presented the requirements, backward compatibility considerations and impact of the enhancements. Since the previous meeting (25 Jan 2022) was not quorate, the PC was unable to reach a consensus therefore the DSB shared details to the group via email requesting feedback.

A summary of the feedback received from PC members was provided:
- 6 respondents approved the validation of the two-character ISIN prefix.
- 0 respondents rejected the validation of the two-character ISIN prefix.

Following the presentation, the PC were in agreement and the release of this proposed enhancement was **APPROVED.**

11   UPI Timelines

Following the publication of the ROC's Progress Report, and a subsequent CFTC announcement detailing revised timelines for UPI adoption, the DSB have published updates to the proposed UPI UAT and Production start dates to align with revised regulatory expectations. The PC also discussed the impact on the publication of final DSB documentation to align with confirmed regulatory mandates, and reiterated that the DSB still requires the dates for regulatory reporting mandate be confirmed before being able to finalise the timeline.

The PC requested the DSB present any common trends seen in the incoming user queries regarding the UPI and encouraged the continued sharing of information via both the PC itself and more broadly via other DSB market awareness activities. *>Action545*

12   OTC ISIN Volumes for the New FROs

The DSB presented the PC key metrics detailing how the 151 new FROs made availble are being used for the period 19-Sep-21 to 31-Jan-22. The PC noted the concentration of reference rates for which OTC ISINs were being created.

13   OTC ISIN Creation, Search & Reporting Trends

The DSB presented OTC ISIN Creation, search & reporting trends for the year ending 2021. These included utalisation of the DSB by organisation type, ISIN creation across the asset classes and the number of unique ISINs created and then reported to FIRDS & FITRS respectively.
The PC welcomed this insight and discussed the trends and upticks.

AOB

The PC were informed that the ISO20022 derivitaives sub sec are beginning to discuss the changes to the Auth30 messages which are likely to impact UPI given the relationship between ISO20022 message set and UPI data. The PC are going to investigate the possibility of joining these discussions. *>Action546*

Respectfully submitted,

DSB Secretariat

Minutes Approved on: 22/02/2022

Summary of Open Actions		Owner	Target Date
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
508	PC to discuss feedback from CFI maintenance agency regarding NDF's on Bitcoin.	DDO	TBC
514	This new OTC ISIN status and status reason regarding Orphan ISINs to be reflected in the OTC ISIN status materials.	DDO	TBC
515	The DSB to revert with a date for PC review of the UPI Status document.	DDO	TBC
517	The DSB to ask responsible institutions for information concerning the creation of Non-Standard Options without Option Type / Exercise Style.	DDO	19-Oct-21
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	02-Nov-21
522	The DSB to revert with implementation timelines following completion and sign-off of the CFI 2019 Transition change request document.	DDO	TBC
537	The DSB organize a session with interested PC Members to review the day 1 UPI workflows to be supported by the DSB	DDO	TBC
538	The DSB to consider the legal implications of relying on a data provider for UPI underlier ID mapping and to present conclusions to the PC.	DDO	TBC
542	The DSB to ask members of the PC for guidance on the identification of Indices for the UPI and OTC ISIN.	DSB	25-Jan-22

| 545 | The DSB are to present any common trends seen in the incoming emails from users regarding the UPI to the PC | DDO | 08-Mar-22 |
| 546 | The PC are going to investigate the possibility of joining the ISO20022 discussions that will impact UPI. | DSB Chairs | 08-Mar-22 |

| Summary of New or Updated DSB Tasks | Status | Priority |