

DSB PRODUCT COMMITTEE MEETING MINUTES

Meeting: The 154th DSB Product Committee Meeting

Date: 09-Feb-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
Jourik De Lange	Product Committee Member	Smartstream RDU	Yes
Tia Ellerman	Product Committee Member	Citigroup	Absent
Dominic Harth	Product Committee Member	Union Investment Privatfonds GmbH.	Yes
Uwe Hillnhuetter	Product Committee Member	Tradeweb	Yes
Adam Lister	Product Committee Member	Bloomberg L.P.	Yes
Rene Muller	Product Committee Member	HSH Nordbank	Yes
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	Yes
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	Apologies
Emma Kalliomaki	Regulatory Observer	DSB Board	Yes
Dr Olaf Kurpiers	Regulatory Observer	BaFin	Apologies
Frank Lasry	Regulatory Observer	AMF	Apologies
Olga Petrenko	Regulatory Observer	ESMA	Apologies
Robert Stowsky	Regulatory Observer	CFTC	Yes
David Broadway	Observer	Investment Association	Yes
Karel Engelen	Observer	ISDA	Yes
Lisa Taikitsadaporn	Observer	FIX Trading Community	Yes
Fiona Willis	Observer	GFMA	Absent
Malavika Solanki	DDO	DSB	Apologies
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 are now considered final.

4 Announcements

DSB Current COVID19 Status

The DSB (TAC) have extended the heightened awareness period through to the 31st March 2021.

PC Term 3 (2021/22) Timelines

PC Members were reminded the current PC Term has been extended by 4 weeks (22nd March 2021) and that the new application deadline is now 10th February 2021. PC Members that had yet to respond were requested to do so as a matter of priority.

UPI Fee (Consultation Paper 1)

The first UPI Fee Model consultation webinars have now taken place (Tuesday 2nd Feb 2021 & Wednesday 3rd February 2021). The webinar slide deck and recordings are available via the UPI Fee Model Consultation 2021 page on the DSB website.

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
------------	--	------------	-------------

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
------------	---	------------	-------------

421	The DSB to work with ISO representatives to agree an information sharing framework to facilitate PC feedback to the CFI.	DDO	OPEN
------------	--	------------	-------------

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	OPEN
------------	---	------------	-------------

Target Date extended to 23rd February 2021

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
------------	--	-------------	-------------

436	DSB to reach out to industry participants and advise on best practice for when creating ISINs for CDS Single Name products.	DDO	OPEN
------------	---	------------	-------------

Target Date extended to 23rd February 2021

437	DSB to reach out to the institutions that raised LEI/ISIN Mapping at the Industry Consultation to share the solution and understand their business requirements. <i>Target Date extended to 23rd February 2021</i>	DDO	OPEN
438	ISDA to provide an update to the PC once FRO related changes have been finalized.	ISDA	OPEN
450	The DSB will work with PC Members including those from trade associations to raise awareness of the UPI amongst industry participants.	DDO	OPEN
454	The DSB to document and present the process by which the DSB will be included in the CFI MA information sharing process.	DDO	OPEN
455	ISDA to update the PC on the results of the gap analysis of the FpML Matrix Term Schema.	ISDA	OPEN
456	The DSB to liaise with the PC Chairs to identify the most up to date version of the FpML Matrix Term Scheme.	DSB	CLOSED
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	OPEN
458	The DSB to investigate if it would be possible to make the new FRO's available ahead of the adoption by the market to aid the transition, with respect to enabling the creation of OTC ISINs for the new FROs	DSB	CLOSED
459	The DSB to reach out to users; encouraging 'early adoption' of the 2021 ISDA Definitions as well as promoting data quality and consistency.	DDO	OPEN

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 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). <i>See section 11.</i> <i>To be Closed subject to completion of Action 437.</i>	Closed	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	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.	Tech	Low
DSB-134	CDS Single Name Validation Assessment of the quality of CDS Single Name underliers and a determination of possible next steps. <i>See section 10.</i> <i>To be Closed subject to completion of Action 436.</i>	Closed	Med
DSB-370	CFI 2019 Support Support the updated 2019 ISO Standard for CFI (10962) throughout the DSB product suite.	In Prog	High
DSB-910	Investigate Proprietary Sources of Equity Indices Investigation of 3 rd party data providers as alternative sources of Equity Indices for OTC ISIN creation.	Hold	Med
DSB-972	Update FpML Reference Rates Update FpML Reference Rates following ISDA 2021 Definitions Review	In Prog	High
DSB-1048	New Reference Rate : GBP-SONIA Swap Rate Add GBP-SONIA Swap Rate to the enumerated list of Reference Rates for RATES and Non-Standard templates.	Tech	Med
DSB-1118	New Credit Index : Itraxx Asia ex-Japan IG (Restricted) Add Itraxx Asia ex-Japan IG (Restricted) to the enumerated list of Credit Indices.	In Prog	Med

10 UPI Principles

The DSB presented a summary of the principles proposed for the support of an OTC derivative product ID hierarchy (CFI>UPI>ISIN). The basis of this proposal is that the DSB will use the OTC ISIN definitions as a basis for the UPI in order to maintain the hierarchy and deliver a UPI service in the given timeframe and at a reasonable cost. This means that, in some cases, ISO20022 values would be used in the definition of the UPI rather than those specified in ISO 10962 (CFI) but the service would ensure that the CFI Code would be returned for all valid UPI requests.

The PC raised the issue that the CPMI/IOSCO UPI Technical Guidance document is built on the attributes and values defined in the CFI standard and suggested that a large section of the market would want to use CFI values as the basis of the UPI definition.

>Action460 : DSB to distribute a detailed comparison of the CFI and ISO 20022 attributes and values that are impacted by the UPI hierarchy requirement.

11 UPI Underlier Data

The DSB presented a summary of the UPI underlier identification and mapping requirements to the PC followed by an outline of how the DSB proposes to approach the issue:

1. Work with the PC and CDIDE to identify suitable primary underlier IDs for all asset classes.
2. Conduct an RFI to identify a suitable data provider for the UPI service

The members of the PC **APPROVED** the proposed approach.

12 Credit Contract Specification (DSB-974)

The DSB re-presented the previously agreed requirements for this task:

1. The FpML Matrix Term Scheme is the data source for Contract Specification.
2. Additional best practice guidelines will be published in order to assist the user community with Non-Standard definitions.
3. The addition of the Contract Specification does not impact OTC ISIN data quality.
4. The additional value should also be reflected in the OTC ISIN to maintain the hierarchy between the UPI and the OTC ISIN.
5. The Contract Specification is not required for other Credit Derivatives (ABS, Loan, TRS, Index, Index Tranche)

The Terms of Reference for the project were **APPROVED** by the PC but further clarification was requested on the way in which legacy OTC ISINs would be handled post-implementation – especially concerning the way in which they would be linked to a UPI.

The PC proposed that a “dummy” Contract Specification might be added to the legacy OTC ISINs and this will be considered in the response produced by the DSB.

>Action461 : The DSB to 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.

13 ISDA 2021

DSB-972 : The DSB reiterated the key dates for the DSB dates for the inclusion of the new FROs and restated that any changes to the ISDA publication dates or functional requirements may result in a change to the release schedule.

The PC was informed that the industry adoption date for the new Rates had been pushed back to Sep/Oct 2021, but the PC agreed that this would not impact the DSB release date (with the previously stated provisos).

DSB-1120 : The DSB presented a proposal for the assisting GUI users with the identification of the correct FRO by amending the name of the FRO in the Reference Dropdown. This would impact only GUI users – the API would still require the FRO name provided in the FpML Coding Scheme. The PC suggested, for the sake of clarity and future-proofing, that the new FROs should not include an ISDA Definition Date suffix and that the now-redundant FROs should include a suffix of “(Deprecated)”.

*This proposal was **APPROVED** by the PC and will be included in the detailed design of the solution.*

Product Release Schedule

The DSB’s next product release is scheduled for the weekend of 13th February 2021.

AOB

1. The PC were made aware of the project initiated by ISO/TC068/SC08/AG1 to consider expanding the ISO 10962 (CFI) definition to include a new Category of “Portfolio Swap Agreements”.
The ISO Advisory Group have determined that the PC is best placed to provide expert guidance in this area and have proposed that the PC should agree and document the CFI specification for this product type for review by the ISO Advisory Group.
Further details of the proposal are to be presented at the next meeting of the PC.
 2. The DSB were asked to provide a summary of the UPI release schedule in order to allow industry and regulators to make appropriate provision for the introduction of the new identifier and prepare. **>Action463: DSB to present a summary of the UPI development and release schedule to the PC.**
-

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
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	23-Feb-21
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
436	DSB to reach out to industry participants and advise on best practice for when creating ISINs for CDS Single Name products	DDO	23-Feb-21
437	DSB to reach out to the institutions that raised LEI/ISIN Mapping at the Industry Consultation to share the solution and understand their business requirements.	DDO	23-Feb-21
438	ISDA to provide an update to the PC once FRO related changes have been finalized	ISDA	19-Feb-21
450	The DSB will work with PC Members including those from trade associations to raise awareness of the UPI amongst industry participants.	DDO	31-Jan-21
454	The DSB to document and present the process by which the DSB will be included in the CFI MA information sharing process.	DDO	23-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
456	The DSB to liaise with the PC Chairs to identify the most up to date version of the FpML Matrix Term Scheme.	DSB	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
459	The DSB to reach out to users; encouraging 'early adoption' of the 2021 ISDA Definitions as well as promoting data quality and consistency.	DDO	23-Feb-21

460	DSB to distribute a detailed comparison of the CFI and ISO 20022 attributes and values that are impacted by the UPI hierarchy requirement.	DSB	23-Feb-21
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	23-Mar-21
462	DSB to present a summary of the UPI development and release schedule to the PC.	DSB	23-Feb-21

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