

# INTRODUCTION TO THE DSB

**ANNA**

ISIN NUMBERS THE WORLD

DSB | Derivatives Service Bureau

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# DSB OVERVIEW

# The Need for OTC Derivatives Data Standardisation

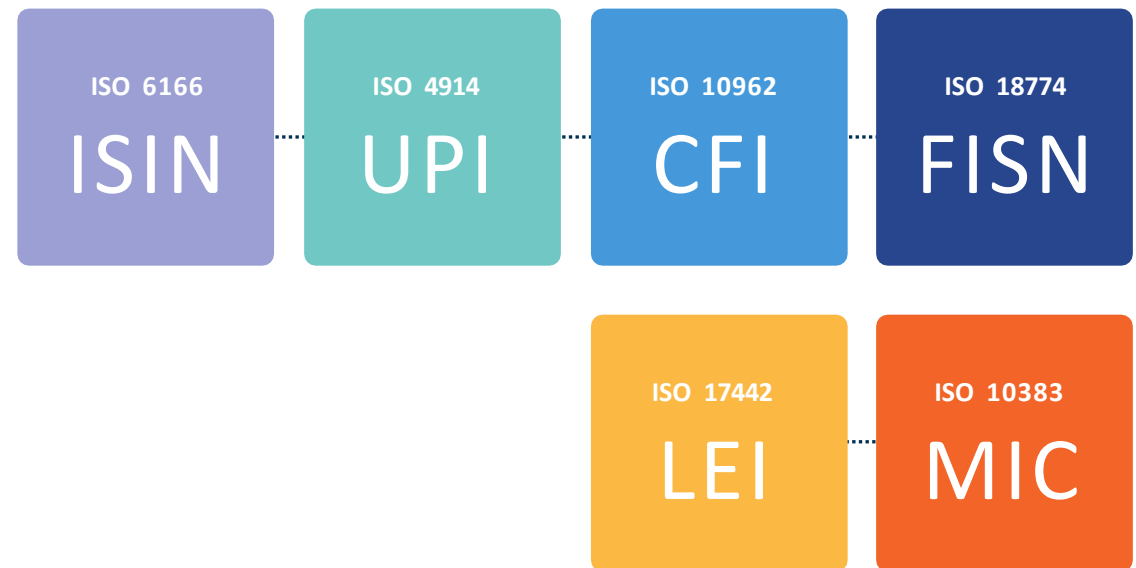
- The financial crisis of 2008 highlighted the need for a consistently shared understanding of the risks in the financial system.
- The [International Organization for Standardization](#), (ISO), standards are the global market language, recognised and used around the world, and visible proof of the power of group commitment.
- Global regulators and policy makers subsequently sought to rely on the use of international standards such as the Unique Product Identifier ([UPI - ISO 4914](#)), International Securities Identification Number ([ISIN – ISO 6166](#)), Classification of Financial Instruments ([CFI – ISO 10962](#)), Legal Entity Identifiers ([LEI](#)), and Critical Data Elements (CDE) to support their efforts to monitor the trading over-the-counter, (OTC) derivatives on the world's financial markets.
- [G20 jurisdictions will require the reporting of UPIs as part of market practitioners' trade reporting workflows.](#)

# The Need for OTC Derivatives Data Standardisation

## ISO Standards: The Global Market Language

Recognised and used around the world. Harmonizing the full lifecycle of investments for investors and financial firms. Created and maintained by the industry they serve. ISO financial standards are visible proof of the power of group commitment.

**One global language opens a world of possibilities.**



# How the DSB Helps

- A global utility with widespread industry representation, expertise and collaboration at its core, the DSB is the first numbering agency designed to operate globally, providing near real-time allocation of standardised reference data for OTC derivatives, across the entire data hierarchy.
- The DSB's technology platform generates ISIN, FISN and CFI codes for OTC Derivatives as required from market participants and maintains the associated reference data library. The DSB also distributes and provides access to this data to all market participants.
- Users can access a Production environment, and 2 testing environments, subject to level of subscription.
- Access means include a web interface, programmatic connectivity and file download.

# How the DSB Helps



## OTC ISIN Service:

- In September 2015, European regulators decided the OTC ISIN would be the preferred identifier for new regulatory reporting mandates coming into effect, specifically MiFID II, MAR and MiFIR.
- This includes the requirement to have a new ISIN and Classification of Financial Instruments, (CFI).
- The DSB is the golden source of ISINs for OTC derivatives and was engineered to serve the needs of regulators and industry participants, to enable the industry to meet regulatory obligations.



## UPI Service:

- [G20 jurisdictions around the world either have proposed or final rules requiring reporting of the UPI to Trade Repositories](#). For this, the DSB has been designated by the FSB as the sole UPI Service Provider, as well as the and operator of the UPI Reference Data Library.
- The DSB's UPI related governance activities are governed by the Regulatory Oversight Committee, pursuant to completion of a [Memorandum of Understanding](#) in 2021.

# Who uses the DSB

- The DSB serves as the golden source of OTC derivatives reference data for financial market participants in over 33 countries, with the OTC derivative ISIN service now embedded in industry infrastructure.
- Q1 2022, the OTC ISIN Service is provided to roughly 5,000 users spanning almost 600 institutions, the DSB user base is split amongst fee-paying and free users – with 70% of users obtaining OTC ISIN data free of cost.
- The DSB facilitates access for a broad spectrum of users, including:
  - Credit institutions
  - Small brokerages
  - Private wealth management firms
  - Boutique asset managers
  - Large, multi-segment and/or multi-market trading venues
  - Derivatives houses from across the buy and sell-sides and universal-bank style sell-side institutions with multiple business segments within a single group holding structure.



# DSB Principles

**1 Industry Stewardship** is at the core of the DSB. The DSB is industry led, driving collaboration and providing standardized OTC data for an evolving market. This happens through a number of DSB led initiatives, including:

- Product definitions and maintenance via industry-led [Product Committee](#) (PC) of market practitioners.
- [Technology Advisory Committee](#) (TAC) formed to advise on future evolutions of the DSB technology platform to address changing market requirements.
- Public and transparent [Industry Consultation](#) process is open to all users and other interested market participants to shape the evolution of the service.
- PC and TAC Minutes, as well we all consultation responses are available in the public domain.
- Third Party Assurance Audit - [ISAE 3402 Type I and Type II Reports](#) assist users and their auditors with information on policies, procedures and controls, as well as the design and implementation of controls.

# DSB Principles

**2 Parity** and efficiency in delivery of service are priorities.

- The DSB follows **standardised processes and procedures for all users** of the DSB operating under the cost recovery service, while utilising a **common agreement** to ensure **equal treatment** across all users.
- Any exceptions to the legal terms are only introduced on the basis that they can be consistently applied across all users without imposing a risk on the service.

**3 Cost Recovery** is the basis for the DSB service as well as **Reasonable and Non-Discriminatory (RAND) Access and Use**.

- The numbering agency services are provided on a cost-recovery basis.
- DSB ISINs and their associated data have no licensing restrictions on usage and distribution for any purpose as part of the ISIN record.
- Access to the DSB archive for consumption of OTC derivative ISINs and associated reference data is available for free to all registered organizations and users.

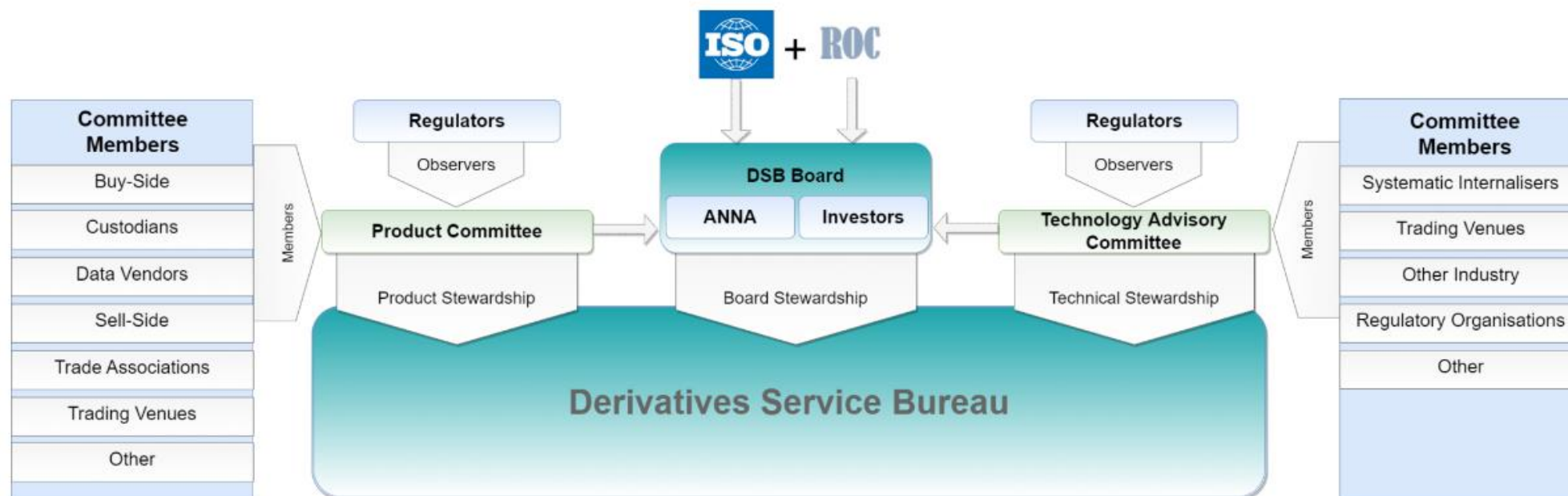
# DSB Principles

## 4 Leveraging the Existing DSB Service Provision

- Minimizing implementation and run costs which reduces the cost basis used to determine UPI annual user fees.
- Reduction of user's own technology burden so that the several hundred institutions already connected to the DSB can overlay their UPI related workflows in a manner that is more integrated with their other OTC derivative reference data needs.

# Governance

The DSB is governed by a board of directors. Reporting to the board is the industry-based Product Committee that determines the data definitions for ISINs and UPIs across a broad range of derivative types and the Technology Advisory Committee who advise on the future evolution of the DSB technology platform to address changing market requirements.



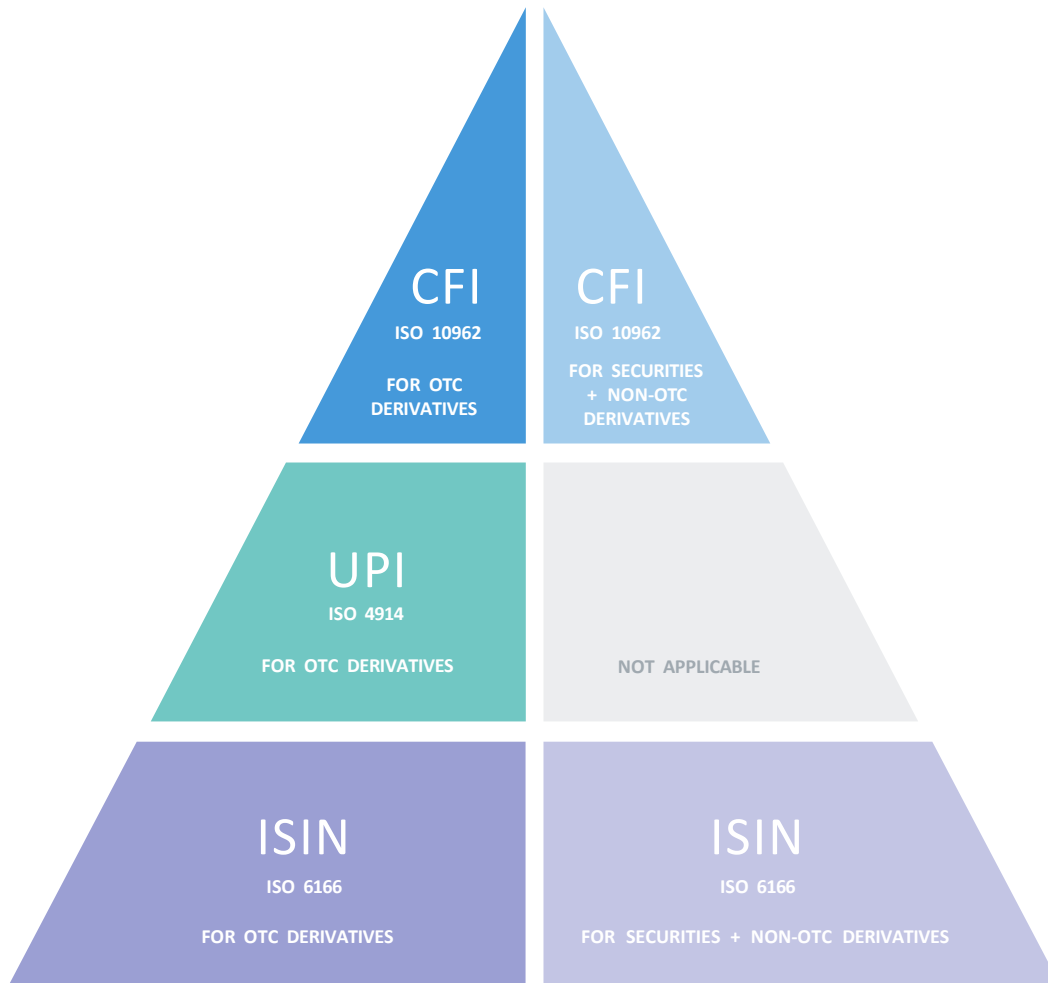
# UPI OVERVIEW

# UPI Role

- The UPI is to become globally reportable as a result of G20 regulatory mandates in an effort to improve the quality of reference data reported to trade repositories, which aid in supervising financial systemic stability related risks and detect market abuse.
- **Market participants reporting OTC derivatives to trade repositories around the world will be able to create, search for, and report a UPI.**
- The UPI will work in conjunction with the reporting of Unique Transaction Identifiers (UTIs) and Critical Data Elements (CDE) which will provide regulators with an improved, consistent view and common understanding of systemic OTC derivative risks.
- Some jurisdictions expect to require reporting of the OTC ISIN instead of the UPI (to Trade Repositories) to aid efficiency in specific scenarios.



# UPI Reference Data Alignment



**The UPI is part of the ISO Standards hierarchy, which include OTC ISIN and CFI**

- CFI (ISO 10962) describes broad characteristics.
- UPI (ISO 4914) provides some detail about the product.
- OTC ISIN (ISO 6166) describes granular details of the instrument that had been transacted.

**The DSB will issue UPI codes and maintain a reference data library that stores the data associated with each code.**

# UPI Scope & Identification

- Applicable to OTC derivative products falling under the following CFI categories:

**S** - Swaps

**J** - Forwards

**H** - Non-listed and complex listed options

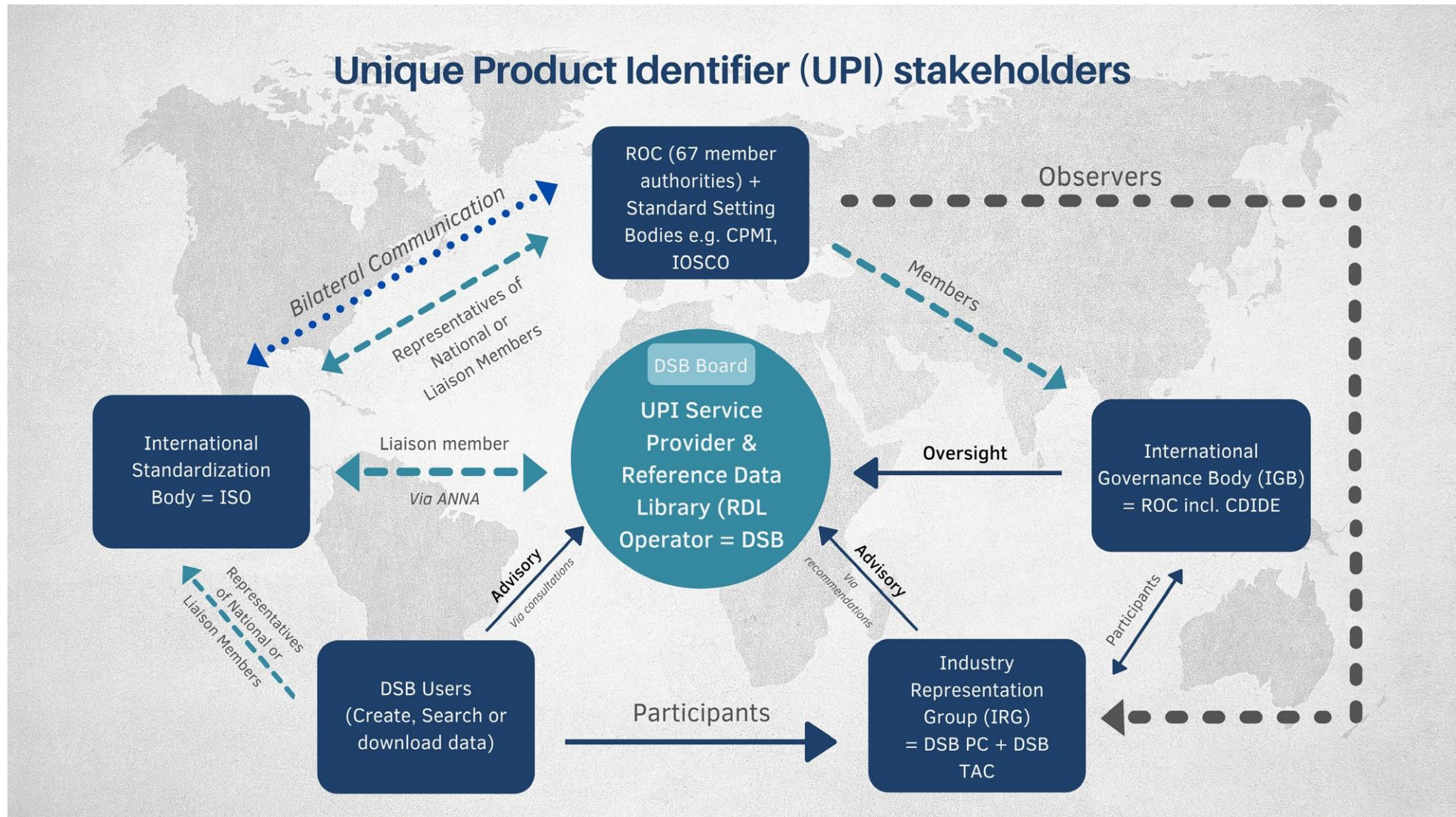
**M** - Others (Misc)

- Where OTC Derivative Product is a group of OTC derivative instruments sharing common values for the set of data elements specified within the UPI reference data library. OTC derivative instruments are those financial instruments that either are, or would be, identified by an ISIN with the prefix EZ or ZZ.

- The UPI code consists of 12 alphanumeric characters consisting of the two character prefix 'QZ', nine alphanumeric characters (upper case A-Z and 0-9 excluding the vowels A, E, I, O, U and the character 'Y') and one alphanumeric check character.
- Each UPI will be associated with a defined minimum set of reference data elements, which are mandatory or conditional according to asset class and instrument type.
- Reference Data Library holds the codes plus associated reference data values for each product and is maintained by the UPI service provider.



# UPI Stakeholders



# Who determines UPI product coverage?

## International Standards Organization (ISO)

- The ISO has been nominated as the International Standardisation Body for the UPI. ISO's work on development of the UPI standard began in June 2020, with a final standard published in late 2021. The standard includes the format and computation of the UPI code, as well as the minimum data elements driven by the UPI Technical Guidance.

## DSB Product Committee

- The [DSB Product Committee](#) is an industry group that is continuing the work of the ISO study group tasked with defining the ISIN for OTC Derivatives. The Product Committee oversees the definitions of a broad range of OTC derivatives and how they translate into data requirements for allocation of these identifiers. They also support the development and inclusion of descriptive taxonomies used to identify OTC derivatives.

# UPI Service to mirror DSB OTC ISIN Service

- Industry feedback has ratified the DSB's proposal to use the existing OTC ISIN Service provision service for the upcoming UPI Service.
- Such an arrangement will result in the reduction of user's own technology burden so that the several hundred institutions already connected to the DSB can overlay their UPI related workflows in a manner that is more integrated with their other OTC derivative reference data needs.
- Furthermore, it shall minimise implementation and run costs for the DSB which in turn reduces the cost basis used to determine UPI annual user fees.
- The UPI Service will have a different client onboarding and customer support process.

# UPI Availability Timeline

| # | UPI Implementation Milestones   | Date(s)                   |
|---|---|---------------------------|
| 1 | <a href="#">UPI Fee Model Consultation Final Report published</a>                           | 27 <sup>th</sup> Sep 2021 |
| 2 | Publication of <a href="#">DSB UPI Legal Terms and Conditions Consultation Final Report</a> | 12 <sup>th</sup> Apr 2022 |
| 3 | <a href="#">UPI Product Templates</a> finalized and published                               | 7 <sup>th</sup> Sep 2022  |
| 4 | <a href="#">UPI Technical Specifications for API connectivity</a> finalized and published   | 7 <sup>th</sup> Sep 2022  |
| 5 | Publication of the final <a href="#">UPI Main Terms and Policies</a>                        | 28 <sup>th</sup> Sep 2022 |
| 6 | Publication of the <a href="#">UPI JSON Templates</a>                                       | 1 <sup>st</sup> Feb 2023  |
| 7 | Internal DSB Quality Assurance Testing of UPI Platform                                      | Ongoing                   |
| 8 | UPI User Acceptance and Integration Testing Commences + User on-boarding commences          | 17 <sup>th</sup> Apr 2023 |
| 9 | UPI Production system available – live UPIs can be created, searched and reported           | 16 <sup>th</sup> Oct 2023 |

# USER ACCESS AND WORKFLOWS

# Which service is right for you?

## **UPI Users will be able to:**

- i. Create records
- ii. Search for records
- iii. Subscribe to receive newly created and/or updated records (FIX API connection only)
- iv. Download individual records
- v. Download regularly published delta files

## **The DSB will support 3 types of workflows:**

- a) CFI, FISN and UPI only
- b) CFI, FISN, and OTC ISIN only
- c) CFI, FISN, UPI, and OTC ISIN together (fully mapped data)

**Users need to decide which of the above workflows they need before connecting to the DSB as this will affect the DSB User Type they elect to become.**

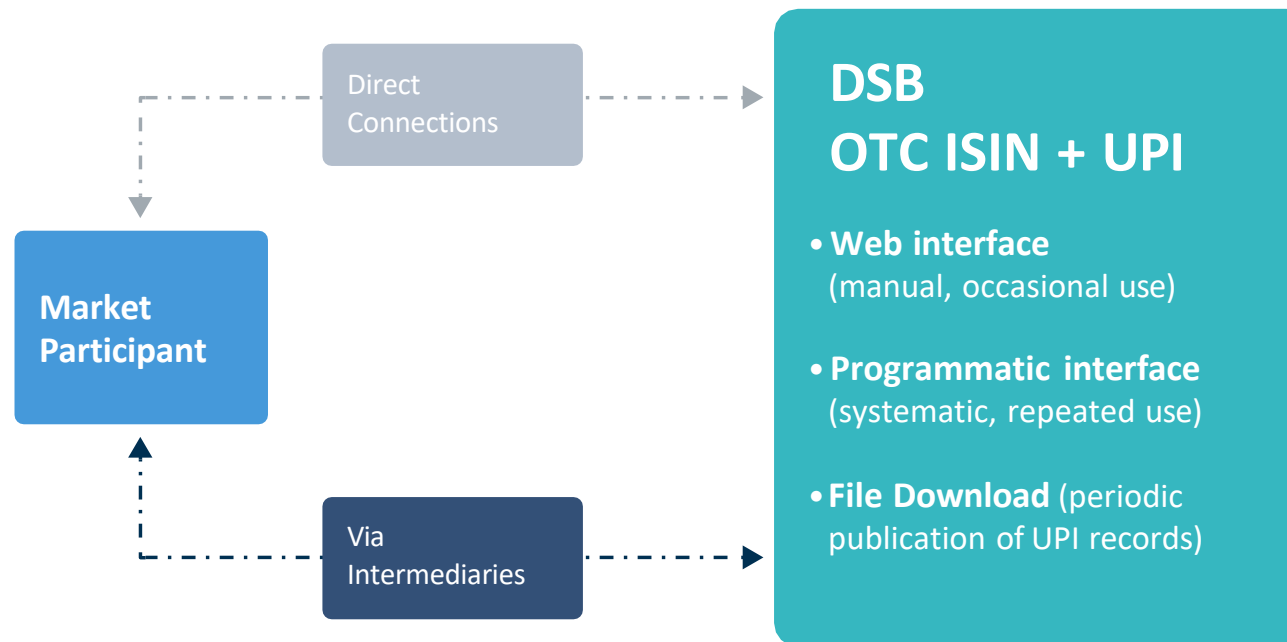
# Which service is right for you?

- Users will be able to upload a set of product attributes to obtain a new UPI code, or receive an existing UPI code.
- Users can access the DSB programmatically or online, to create and search for records, as well as get OTC derivative reference data from the DSB's free-to-use files.
- Institutions can either get the UPI on a stand-alone basis, or as part of a comprehensive data set containing the mapping between the CFI, UPI, OTC ISIN and FISN.
- This approach enables global institutions with multiple regulatory reporting needs to access streamlined workflows; while firms can also retrieve these independently of the more comprehensive data record, as each code serves a distinct purpose.

# Which service is right for you?

- Reporting parties needing a UPI can come directly to the DSB, or indirectly from their counterparty for a given trade, their trade execution platform, data vendor, and more.

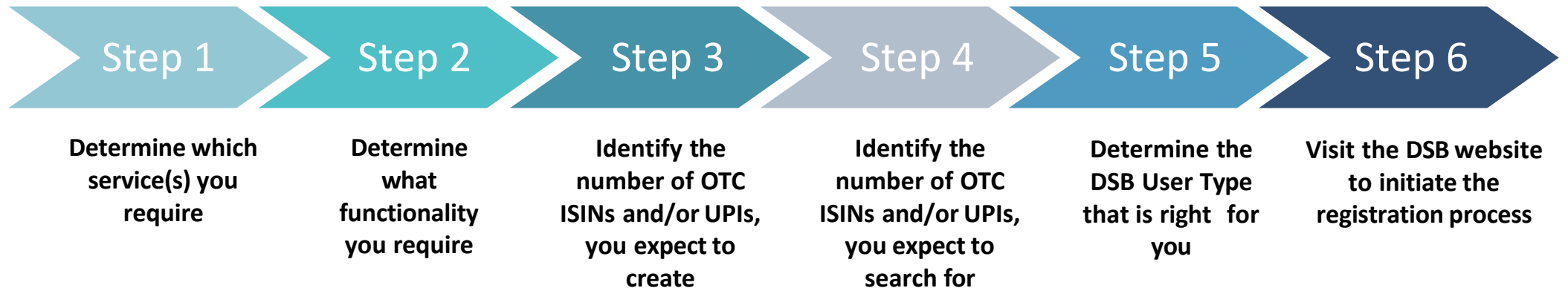
- Requested information is returned to the user and enters their internal systems. Users can then report the UPI in their OTC derivatives trade reporting to Trade Repositories.





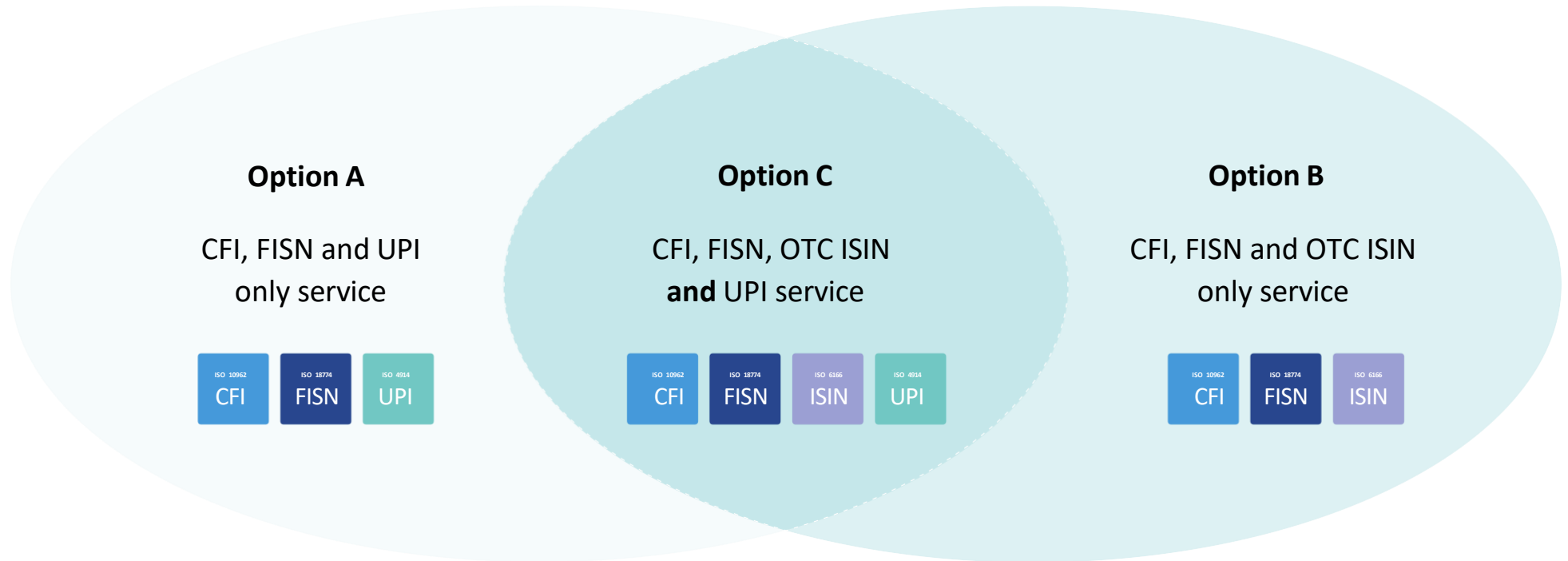
# HOW TO SUBSCRIBE TO THE DSB SERVICE(S) FOR OTC ISINS, UPI AND CFI?

# Key Decisions to be made by the User



## Step 1

## Determine which service you require



In each instance, the exact set of data elements returned by the DSB for each of the CFI, UPI, FISN, and OTC ISIN are subject to the criteria set out in the associated ISO standard and additional determinations made by the DSB Product Committee.

## Step 2

## Determine what functionality you require

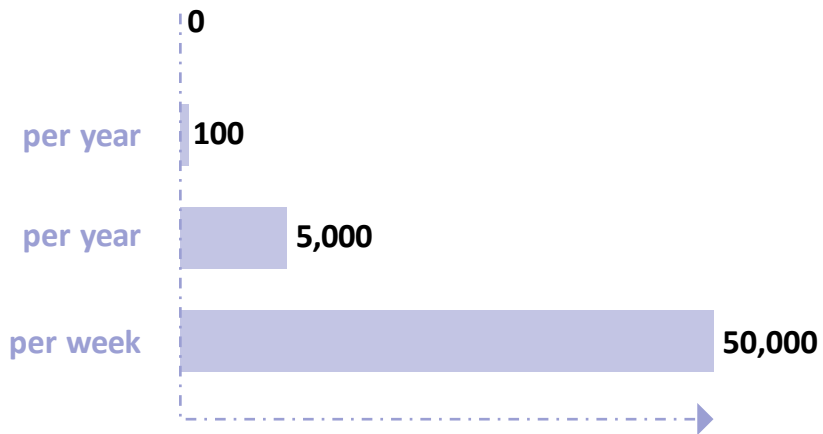
- a) **Download free** to use files (delayed data)
- b) **Manually search** for data
- c) **Manually create and search** for data
- d) **Programmatically + manually search** for data
- e) **Programmatically + manually create and search** for data

### Step 3

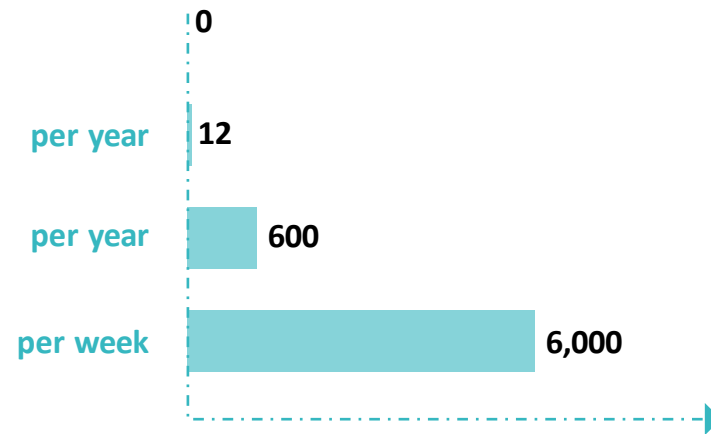
Identify the number of OTC ISINs and/or UPIs, you expect to create



#### Number of OTC ISIN Creates



#### Number of UPI Creates

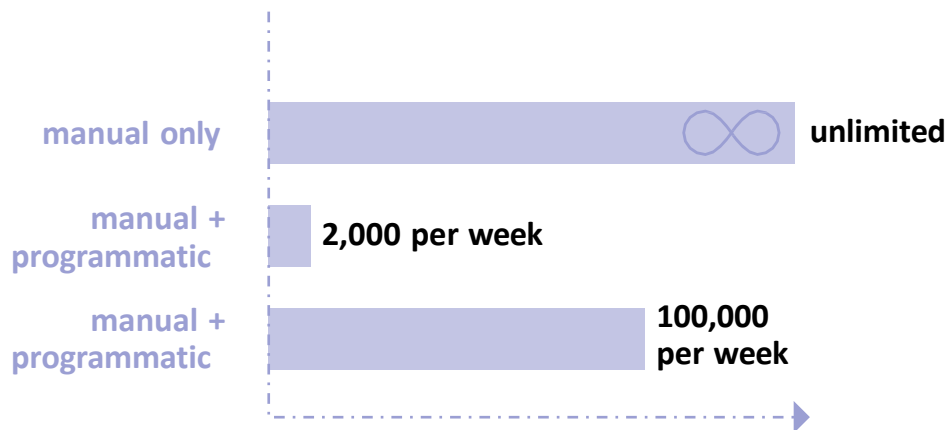


## Step 4

Identify the number of OTC ISINs and/or UPIs, you expect to search for

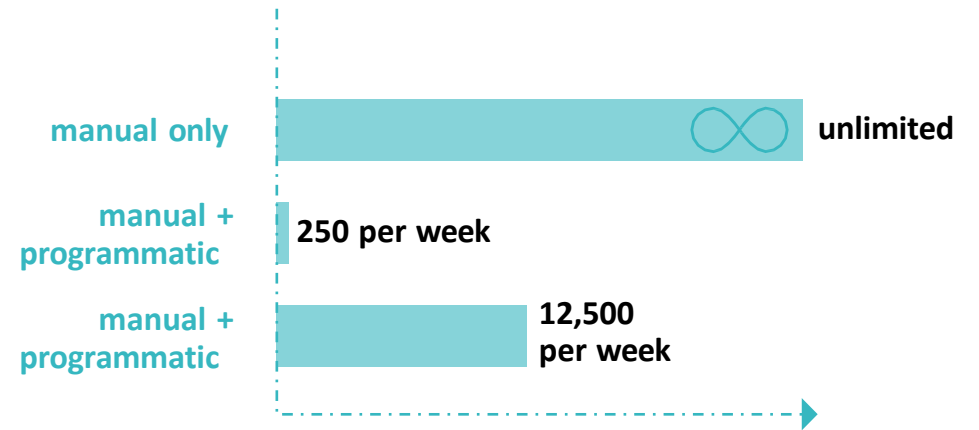
ISO 6166  
ISIN

### Number of OTC ISIN Searches



ISO 4814  
UPI

### Number of UPI Searches



## Step 5

# Determine the DSB User Type that is right for you

### DSB User Types:

- **Power User:** programmatic connectivity for high volume creation + search (paid usage).
- **Search-only API User:** programmatic connectivity for lower volume systematic search (paid usage).
- **Standard User:** manual creation and search for lower volume users, using a web-front end (paid usage).
- **Infrequent User:** manual creation + limited search using a web-front end – targeted towards very low volume users, with a limit on the number of search results returned and an unlimited number of searches (paid usage).
- **Registered User:** manual search services using a web-front end, with a limit on the number of search results returned and an unlimited number of searches, no creation possible (free to use).

# DSB User Type Overview

| Functionality                   | DSB User Type |            |             |                 |              |
|---------------------------------|---------------|------------|-------------|-----------------|--------------|
|                                 | Registered    | Infrequent | Standard    | Search-only API | Power        |
| File Download (delayed data)    | ✓             | ✓          | ✓           | ✓               | ✓            |
| Manual Search*                  | ✓             | ✓          | ✓           | ✓               | ✓            |
| Manual OTC ISIN Creation*       | ✗             | Max 100/yr | Max 5k/yr   | ✗               | Max 50k/wk   |
| Programmatic OTC ISIN Creation* | ✗             | ✗          | ✗           | ✗               |              |
| Programmatic OTC ISIN Search*   | ✗             | ✗          | ✗           | Max 2k/wk       | Max 100k/wk  |
| Manual UPI Creation*            | ✗             | Max 12/ yr | Max 600/ yr | ✗               | Max 6k/wk    |
| Programmatic UPI Creation*      | ✗             | ✗          | ✗           | ✗               |              |
| Programmatic UPI Search*        | ✗             | ✗          | ✗           | Max 250/wk      | Max 12.5k/wk |
| Cost Basis                      | Free to use   | Paid       | Paid        | Paid            | Paid         |

Notes: \*indicates data availability in near real time



# DSB User Type Summary

- It will be important for each user to consider their own create and search utilisation volumes needed, as each reportable trade will require an identifier.
- Any identifier is not transaction specific, and instead is a factor of the data elements that define the specific product and/or instrument.
- It will also be necessary to decide upon reference data required, the peak volumes + average.
- Users should consider whether data may be needed infrequently (infrequent User), regularly but not in high volumes (Standard User and/or Search-only API User), or frequently and at higher volumes (Power User).
- A more detailed view of these considerations follows on the next page.

# DSB User Type by Data access option

|  | Manual          |                                 |                                 | Manual + Programmatic         |                                   |
|--|-----------------|---------------------------------|---------------------------------|-------------------------------|-----------------------------------|
|  | Registered User | Infrequent User                 | Standard User                   | Search-only API User          | Power User                        |
| <b>Web Access</b>  |                 |                                 |                                 |                               |                                   |
| Real-time search for ISINs/UPIs by Identifier            | ✓               | ✓                               | ✓                               | ✓                             | ✓                                 |
| Real-time search for ISINs/UPIs by attributes            | ✓               | ✓                               | ✓                               | ✓                             | ✓                                 |
| Maximum record returned per search                       | 5               | 5                               | 50                              | 500                           | 500                               |
| Create new ISINs/UPIs                                    | ✗               | ✓                               | ✓                               | ✗                             | ✓                                 |
| Maximum new ISINs/UPIs                                   | ✗               | Max 100 ISINs/ 12 UPIs per year | Max 5k ISINs/ 600 UPIs per year | ✗                             | Max 50k ISINs/ 6k UPIs per wk     |
| <b>File Download</b>                                     |                 |                                 |                                 |                               |                                   |
| Access to ISINs/UPIs & products attributes archive (T+1) | ✓               | ✓                               | ✓                               | ✓                             | ✓                                 |
| ToTV/uToTV flag (T+1)                                    | ✓               | ✓                               | ✓                               | ✓                             | ✓                                 |
| <b>Programmatic Access (FIX API &amp; ReST API)</b>      |                 |                                 |                                 | Max 2k ISINs/ 250 UPIs per wk | Max 100k ISINs/ 12.5k UPIs per wk |
| Create new OTC ISINs and/or UPIs                         | ✗               | ✗                               | ✗                               | ✗                             | ✓                                 |
| Search for attributes by OTC ISIN and/or UPI             | ✗               | ✗                               | ✗                               | ✓                             | ✓                                 |
| Subscribe to today's OTC ISINs and/or UPI (FIX API only) | ✗               | ✗                               | ✗                               | ✓                             | ✓                                 |

## Step 6

Visit the DSB website to initiate the registration process



### OTC ISIN Service

**Free to use service (Registered Users):**

- Review the [Terms and Conditions](#).
- Complete the **registration forms** ([Production](#) and/or [UAT](#)) and send to **DSB Technical Support**.

**Paid services:**

- Review the [DSB policy documents](#).
- Complete the [DSB User Agreement](#) and return to the **DSB Client Admin**.
- Complete the registration forms ([Production](#) and/or [UAT](#) and [UAT2](#)) and send to **DSB Technical Support**.



### UPI Service

The Client Onboarding and Support Platform (COSP) is an online, self-service platform which allows Users to onboard to the UPI Service.

The COSP will be available from 17 April 2023 via the DSB website

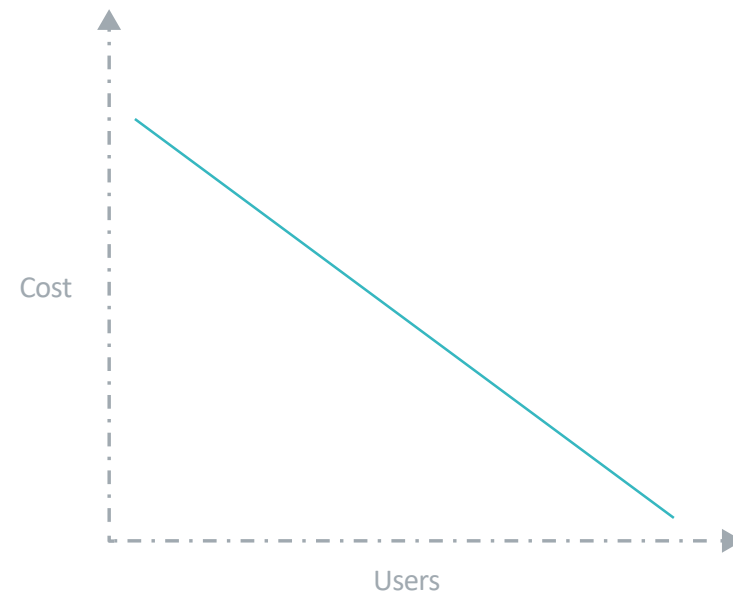
- Review the [DSB policy documents](#).

# UPI FEE MODEL

# Fee Model Fundamentals

- UPI annual user fees will be charged on a cost recovery basis.
- Fee model variables will be used to determine the user fee per DSB UPI User Type.
- Based on the existing DSB fee model structure, the variables to calculate the user fees will comprise the UPI Total Estimate Cost and the number of fee-paying users per DSB UPI User Type.

- An increased number of fee-paying UPI Users will therefore result in a lower fee for each user, in keeping with the DSB's fee model structure.



# Fee Model Fundamentals

- 1 The rationale for a fixed fee is that it is high enough not to disadvantage those Infrequent, Standard or Power Users but low enough to be acceptable to Infrequent and small lower volume UPI creators.
- 2 Following determination of the Infrequent User fee, the Standard, Search-only API and Power User fees are calculated. The Power User fee is proposed to be 3 times greater than the Standard User fee which is consistent with the existing OTC ISIN service provision, based on the respective functionality and connectivity.
- 3 The Search-only API User is a recently launched OTC ISIN user type set at 50% of the Standard User fee. This User type will be monitored to consider demand and support requirements.
- 4 This approach has been tested via consultation with industry and is subject to annual review and feedback by DSB users.

# Summary

The DSB offers a reliable, robust automated service for providing ISINs and UPIs, both agile and flexible to adapt to industry and regulatory requirements. Acting as a user driven utility to keep costs low, the DSB provides an innovative fully automated open and easily accessible service to take the strain out of OTC derivative ISIN, CFI, FISN and UPI creation. For more details, please visit the DSB's website:

[anna-dsb.com](http://anna-dsb.com)



# UPI FAQs

To refer to the most up to date information and UPI related FAQs please click on this link: [UPI FAQ's](#)



# Further information

- [Unique Product Identifier \(UPI\) latest information](#)
- [UPI Timeline](#)
- [About the DSB Product Committee](#)
- [About the DSB Technology Advisory Committee](#)
- [UPI Fee Model Consultation](#)
- [UPI Product Definitions](#)
- [UPI Technical Information](#)
- Please direct queries to: [otc.data@anna-dsb.com](mailto:otc.data@anna-dsb.com)

# Thank you!

## ISO Standards: The Global Market Language

Recognised and used around the world. Harmonizing the full lifecycle of investments for investors and financial firms. Created and maintained by the industry they serve. ISO financial standards are visible proof of the power of group commitment.

**One global language opens a world of possibilities.**

