

May 17, 2017

Submitted via email to:
DSB-PC-Secretariat@ANNA-DSB.com

Re: ANNA-DSB Product Committee Consultation Paper Phase 2

The International Swaps and Derivatives Association, Inc. (“ISDA”)¹ appreciates the opportunity to provide The Association of National Numbering Agencies (“ANNA”) and the Derivatives Service Bureau (“DSB”) with comments in response to the Consultation Paper referenced above. ISDA is a strong proponent of global data harmonization, working in tandem with our members and other buy- and sell-side market participants and market infrastructure providers to promote the important role of global standards in improving data quality and increasing the efficiency and value of regulatory requirements while simultaneously improving business processes.

Preface

The industry has put a lot of effort into the work performed by ISO TC68 SG2 so that the templates put forward and accepted by ISO reflect the requirements of the industry. As a result, we strongly believe the DSB should implement the SG2 requirements, including, very importantly, the hierarchical framework. However, valuable time has passed since the conclusion of the SG2 work in May 2016 and we understand the increasing pressure of implementation limitations and considerations. Little time is left at this point to tackle the open questions SG2 left outstanding and to complete the SG2 analysis for all asset classes.

Taking the above into account, we see the following as the best model to implement for the January 3, 2018 start date of MIFID II. The option described below allows the industry and DSB to leverage ISIN beyond just RTS 23 requirements.

Proposed model:

3 levels of granularity:

- Level 1: required RST 23 and RTS 2 fields without Maturity Date.

¹ Since 1985, ISDA has worked to make the global derivatives markets safer and more efficient. Today, ISDA has over 850 member institutions from 67 countries. These members comprise a broad range of derivatives market participants, including corporations, investment managers, government and supranational entities, insurance companies, energy and commodities firms, and international and regional banks. In addition to market participants, members also include key components of the derivatives market infrastructure, such as exchanges, intermediaries, clearing houses and repositories, as well as law firms, accounting firms and other service providers. Information about ISDA and its activities is available on the Association's website: www.isda.org

- Level 2: Level 1 above and in addition the EZ1 level element for each asset class as defined by SG2, without Maturity Date.
- Level 3: Level 2 above and in addition the Maturity Date.

One piece of information that we do believe should be provided by the DSB for each ISIN, besides the relevant CFI and ISDA product taxonomies, is the mapping of a particular ISIN to the MIFID Taxonomy. We refer back again to the SG2 report from June 2016 that contains some of the mapping issues related to the MIFID taxonomy.

Question 1: Bearing in mind that the Day 1 implementation of the ISIN is intended to satisfy the MiFID II Reference data reporting requirements, whilst maintaining structural flexibility for implementation of additional levels in subsequent phases, are there any attributes in the SG2 table above that should be added to the Fixed Float Plain Vanilla Product Definition?

Please bear in mind that whatever is decided will form a Level in the overall ISIN Framework and will therefore restrict Higher Levels to a subset of attributes that exist in this list and Lower levels will be mandated to contain all of these attributes.

See the proposed model with 3 levels of hierarchy as described in the introduction.

Question 2: Do you agree that these attributes can be derived from the Input attributes?

No, depending on the granularity, additional input attributes would be required.

Question 3: Do you agree that these should be output by the ANNA DSB?

Yes

In addition to the above the ANNA DSB PC is considering the derivation of the below attributes, if deemed relevant, which were defined as part of the SG2 Level 1 ISIN:

SG2 Attribute	SG2 Value	SG2 Source
Issue Description	SWAP_EQTY_Notional	ISO 6166
MiFIR identifier	DERV	ESMA RTS 2
Asset class of the underlying	INTR	ESMA RTS 2
Contract type	SWAP	ESMA RTS 2
Underlying type	INTR	ESMA RTS 2
Sub-asset class	Fixed-to-Float 'single currency swaps'	ESMA RTS 2 - Annex 3
Transaction type	Plain Vanilla	ISDA taxonomy v2.0

Question 4: Is the derivation of the above attributes useful for industry? If so, would this impact the industry's implementation and overall ability to meet RTS23 deliverables?

Yes, as indicated in the introduction, the derivation of these attributes should be included. We point out that the actual mapping to the MIFID II taxonomy (Asset class, sub class, sub asset class) might raise certain issues that will

need to be further fleshed out by the DSB. Some of these issues have been raised in the SG2 report e.g. the mapping for CFDs.

Question 5: Do you agree that the ANNA DSB should be designing the Product Definitions to align with the current thinking of CPMI IOSCO UPI requirements?

Yes. The model proposed in the introduction takes the current CPMI-IOSCO UPI requirements into account.

Question 6: Are there additional fields that you believe need to be added in order to ensure the goal of supporting CPMI IOSCO are met?

Once the CPMI-IOSCO UPI technical requirements are published by CPMI and IOSCO a field by field mapping should be done to ensure full coverage.

Question 7: Using the Fixed Float Plain Vanilla Product Definition as an example, are there other products in other asset classes where any additional SG2 Level 1 attributes outlined below should be added to the base RTS23 & CFI fields? In providing feedback, consideration should be given to any attributes that are relevant for CPMI-IOSCO's UPI.

See the model proposed in the introduction.

Question 8: Do you believe that the Product Committee's proposal for the DSB to indicate ToTV/uTOTV would benefit the market? Please explain why

In principle we agree it would be useful to have an indication of ToTV.

Question 9: Are there any other workflows in addition to the above that the DSB should accept or provide?

Not at this time.

Question 10: Should the DSB also provide Liquidity/SSTI data in the response to users alongside the ToTV and uToTV flags?

Yes, however we will point out again that for ISIN to be applicable for other use cases within MIFID II, it has to be implemented as a multi-level hierarchy, with maturity date on the lowest level of granularity.