

Derivatives Service Bureau Reports Rise in Registrations

Swap market participants begin using the service in increasing numbers

London, UK – 9 November 2017

Since the Derivatives Service Bureau (“DSB”) entered production on 2 October, the DSB has witnessed a steady rise in registrations, with rising numbers of firms looking to be on-boarded in time for the start of MiFID II on 3 Jan 2018. Given the DSB’s status as a new OTC derivatives market infrastructure utility, the DSB is publishing this report to inform the industry of its progress and performance and to inform market participants of timelines for guaranteed on-boarding before MiFID II go-live.

Rising Interest for Connectivity

As the industry’s first fully automated OTC derivatives reference data utility, there has been strong and rising interest for programmatic connectivity from swap market participants. Activity amongst technology vendors has also been strong, with many referring their own end-users to the DSB to discuss the best user model for each, including the use of the DSB’s free open-data.

In the first month of operations, the DSB has received executed contracts from 29 firms for programmatic connectivity, representing the majority of top-tier US and European swap dealers as well as some buy-side and trading venues. This pace of on-boarding is ahead of original expectations and with two months remaining to the end of the year, the DSB expects total numbers opting for programmatic connectivity to be at least the original projection of 100 contracts.

“The initial operations of the DSB have run smoothly, showing no issues with the platform, nor our capacity to onboard new programmatic users within five days,” said Sassan Danesh of the DSB management team. “However, anticipating a continued rise in applications for connectivity, we strongly advise incoming programmatic users to submit their executed contracts by Tuesday 28 November as the DSB will guarantee production on-boarding for all such users by Monday 18 December.”

Registration for web search and file download have also been rising, with many users seeking information on the free to use end-of-day file download. Currently 90 market participants are using the DSB’s web GUI for ISIN creation and search, with another 700 in the DSB testing environment.

Interactions with users have also been steadily growing. Non-technical interactions through the DSB Secretariat have almost tripled from 30 queries a day in July, to 80 a day in October, with no sign of slowing. Technical support, which assists with connectivity and onboarding processes, has also experienced a similar growth in interactions.

Creation of OTC Derivatives Reference Data

The DSB is unique in providing a fully automated reference data service for OTC derivatives with reference data creation based on user interest. The initial group of users onboarded in October, have focused on Equity derivative instrument reference data creation, with additional instruments created for Credit, FX and Rates. As of 3 November, the following numbers represent the current archive of OTC derivative reference data:

- Equity – 116,014
- Rates – 13,017
- FX – 10,056
- Credit – 1,848
- Total – 140,936

Performance and Resiliency

In the first month of operation, the DSB has met all its performance and resiliency targets, including surpassing the 99.9% availability rate of the Service Level Agreement (SLA), with zero outages in production. Similarly, the performance of the system has surpassed the 1000ms requirement of the Latency SLA, with the DSB processing 99% of all requests within 230ms.

“The resiliency and performance of the system was originally scoped for meeting the end of day reference data reporting requirements of MiFID II,” said Malavika Solanki of the DSB management team. “However, we have received rising interest from swap dealers to integrate the DSB into their critical front office trading flows and therefore we have designed the DSB to the much higher performance and resiliency requirements of real-time trading flows.”

Ongoing Developments

Additional product templates and updates for more complex OTC derivatives are being released on a near-weekly basis, with the current 49 products in production expected to be supplemented by an additional 34 products across all asset classes, including many exotic, non-standard products.

The DSB is also providing integration with European Securities and Markets Authority’s own instrument reference database, in order to provide market participants with the unified view of market and regulator instrument data that is required for determination of ToTV (Traded on a Trading Venue). Revised specifications and samples have already been released to allow industry preparations. The DSB will be hosting a webinar on this topic on 17 November, with speakers from ESMA and the DSB providing the latest information.

How To

All use of the Derivatives Service Bureau requires registration. To register, to obtain the user agreement and related documentation, and to obtain technical support, please email your request to technical.support@anna-dsb.com.

To obtain non-technical information on the DSB including information on product templates, or to register for the 17 November ToTV webinar, as well as to subscribe to the DSB updates by email, please send your request to secretariat@anna-dsb.com.

For detailed information on pricing and user categories, technical principles of the DSB, and information about the DSB Product Committee and its activities, please visit the [DSB section of the ANNA website](#).

About The Derivatives Service Bureau (DSB) Ltd

Headquartered in London, the DSB is a legal subsidiary of ANNA. Its core purpose is to serve as a global numbering agency, providing unique identification of OTC derivatives to serve the needs of market participants and regulators through allocation of the International Securities Identification Number (ISIN), as well as the Classification of Financial Instruments (CFI) and Financial Instrument Short Name (FISN), as OTC products are created. The ISIN, CFI and FISN are globally recognized and adopted ISO standards for identifying and classifying financial instruments.

More detailed information on the DSB and its development path can be found in the [DSB section](#) and related pages, as well as recent announcements at the ANNA website.

About ANNA

Established in 1992 by 22 founding numbering agencies, ANNA is the membership organization of national numbering agencies, which are operated by depositories, exchanges, government agencies, nationally central data vendors and other financial infrastructure organizations. ANNA also serves as the registration authority for the ISIN and FISN standards, under appointment by the International Organization for Standardization (ISO).

Under ANNA's stewardship, the role of the ISIN in enabling global financial communications has been established worldwide. ISINs are issued today more than 200 jurisdictions worldwide. In addition, ANNA is developing the Derivatives Service Bureau (DSB), a fully automated global numbering agency to meet the operational and regulatory requirements of the over-the-counter derivatives markets. The number of national numbering agencies and nations working to establish national numbering agencies continues to grow each year, now surpassing 120 jurisdictions globally. For information about ANNA, its members and activities, please visit anna-web.org.

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