

EVIA Comments Collection for DSB Industry Consultation Paper 2
This second consultation opens on 5th July 2019 and will close on 29th July 2019

Respondent Details

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Country	Europe / UK
Company Type	Trade Association
User Type	Not Registered
Select if response should be anonymous	<input type="checkbox"/>

Question #	Question	Comments for Submission
CP2 Question 1:	<u>CFI Codes for EMIR</u> Given the approach and cost estimates provided by the DSB in this consultation, and bearing in mind that these costs would be shared across the DSB's user base as per the DSB's existing fee model, do you believe it is appropriate for the DSB to provide a CFI service to act as the golden source of CFI codes for all EMIR Level III products, or should such a service be left to commercial operators?	No we do not agree. As venues EVIA members are concerned with transparency, admittance, transaction reporting and further MiFID utility. They do not see this service as a core part of DSB's mission of providing ISINs for OTC derivatives. Any CFI service, that the DSB may develop should therefore be done as a separate service, funded completely independently. We note DSB is not in a position to operate at this stage a standalone fee model for such a service.
CP2 Question 2(a):	<u>Mapping to MiFID II Taxonomy</u> Do you concur with the DSB's proposal to perform the analysis for MiFID II Taxonomy mapping?	No, we do not agree; "now is not the time". In CP1 we explained that Trading Venues ['TVs'] used a variety of methods to map between ISINs and Products which are TOTV, both derivatives and other financial instruments, which on balance led firms to that now is not the correct time for the development of a single non-public golden source when revisions to MiFIR and equivalence are set to instil substantive changes.
CP2 Question 2(b):	<u>Mapping to MiFID II Taxonomy</u>	N/A

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	If you answered “yes” to the question above, do you want the DSB analysis to address all products under MiFID II RTS-2 scope or just OTC derivatives in scope of the DSB?	EVIA notes concerns around mission and cost creep, and that that any scope to DSB work should likely be to derivatives as designated by the title of the bureau.
CP2 Question 3:	<u>Default values in ISIN Templates</u> Do you concur with the DSB’s proposal to utilise the DSB Challenge Process and existing PC secretariat resourcing to manage default value population within the product templates?	Yes, EVIA does agree. This approach seems reasonable.
CP2 Question 4:	<u>Underlying Identifiers</u> Do you concur with the DSB’s proposal to utilise existing PC secretariat resources to manage requests for additional underlying data such as US equities?	Yes, EVIA does support the proposal since in CP1 we noted that we do consider that the underlying identifiers made available by the DSB are sufficient for the OTC ISINs.
CP2 Question 5:	<u>GUI Enhancements</u> Do you concur with the DSB’s proposal to implement a minimal set of search filters targeting non-technical users?	No EVIA does not agree with the DSB proposals due to the size of the budgets at both building and running tasks that are deemed necessary in CP2. In our response to CP1/Q1.5 we explained that MiFID TVs utilise both automation and GUI. Whilst on balance the majority of ISIN creation is via the GUI, there is we are concerned about the cost which will primarily be carried by those TV who are power users and who are more reliant on APIs.
CP2 Question 6:	<u>Other Technical Enhancements</u> Do you concur with the DSB’s proposal to utilise existing TAC resources to address the identified concerns as part of the DSB’s business as usual resourcing?	Yes, EVIA does concur with the DSB’s proposal to utilise existing TAC resources to address the identified concerns as part of the DSB’s business as usual resourcing.
CP2 Question 7:	DATA SUBMISSION ENHANCEMENTS <u>Tool for Proprietary Index Submissions</u> Do you concur with the DSB’s proposal to take no further action on a tool to enhance the proprietary index submission process?	Yes, EVIA concurs with the suggestion because we noted in CP1/Q2.1 that MiFID TVs do not make use of the proprietary index submission process for total return swaps.
CP2 Question 8:	<u>SLA for Proprietary Index Submissions</u> Do you concur with the DSB’s proposal to keep unchanged the SLA for proprietary index submissions?	N/A
CP2 Question 9:	<u>Automated User Submission Process for Proprietary Indices</u> Do you concur with the DSB’s proposal to investigate the provision of an automated user submissions process as part of the DSB’s business as usual resourcing and prioritisation?	N/A
CP2 Question 10:	<u>Machine-Readable Format for Proprietary Indices</u>	N/A

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	Do you concur with the DSB's proposal to investigate the automated provision of the full of list proprietary indices in a machine-readable format as part of the DSB's business as usual resourcing and prioritisation?	
CP2 Question 11:	<u>LEI for CDS Single Name</u> Do you concur with the DSB's proposal for the build of the LEI-ISIN mapping service for CDS single names?	EVIA did note in CP1/Q2.2 that MiFID TVs use the DSB to primarily create, but also occasionally search for credit derivative reference data. Therefore, this is one area that could prove useful due to the very incomplete provision of LEIs across both market counterparties and issuers. However, the costings set out in CP2 are higher than we would have supposed, notably in respect of the ongoing running costs. EVIA would consequently endorse an initial analysis that outlines in more detail the approach and work needed, the costs and the benefits of integrating the LEI-ISIN mapping for CDS.
CP2 Question 12:	<u>Validation of CDS Single Name</u> Do you concur with the DSB's proposal to examine the number of CDS Single Name ISINs that have been incorrectly created and work with the PC to determine next steps, if any?	Yes, EVIA does support this approach.
CP2 Question 13:	<u>Supplemental Data for ISIN-LEI Mapping</u> Do you concur with the DSB's proposal to perform initial analysis to further explore the supplemental data examples cited by users as part of the DSB's business as usual resourcing and prioritisation?	Yes, EVIA does support an initial analysis as part of the business as usual resourcing, in line with our support in CP1/Q2.2d.
CP2 Question 14:	<u>Mapping of Index Names to Underlying Identifiers</u> Do you concur with the DSB's proposal to perform the business and technical analysis on the mapping of index names to underlying identifiers?	Yes, EVIA continues from CP1/Q2.2 d & e with support for the DSB to do an initial business and technical analysis to look at solutions to improve the data quality.
CP2 Question 15:	<u>Data Review Process</u> Do you concur with the DSB's proposal to work with the PC to review each of the requests for additional underlying data made above on a case by case basis as part of its business as usual operations?	Yes, EVIA would suppose this to be a reasonable way forward.
CP2 Question 16:	<u>Bulk ISIN Creation</u> Do you concur with the DSB's proposal to drop further analysis on bulk ISIN creation?	Yes, EVIA would suppose this to be a reasonable way forward from our response to CP1/Q3.1.

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CP2 Question 17:	<u>Searchable On-Line Utility</u> Do you concur with the DSB's proposal to work with the TAC and PC to agree an appropriate design and functionality as part of its business as usual operations?	Yes, EVIA would support this as an appropriate way forward in-line with our support in CP1/Q3.2.
CP2 Question 18:	<u>Phone-Based Support</u> Do you concur with the DSB's proposal to drop further investigation on phone support?	Yes, EVIA would support this as an appropriate way forward in-line with our comments that MiFID TVs do not exploit phone support in CP1/Q3.3.
CP2 Question 19a:	<u>Proactive AUP Monitoring</u> 19(a): Do you concur with the DSB's proposal to implement the core functionality?	EVIA supported threshold notifications for the AUP in our response to CP1/Q3.4, and we reiterate broad approval for a proactive monitoring system of the UAP limits. However, in line with earlier responses, we view the current proposed cost as disproportionately high compared to the use case. Specifically, we envisaged minimal if any costs to simply create a notification email. Should the DSB not provide this functionality as part of the BAU environment without a cost increase, EVIA would condone this change case to be dropped.
CP2 Question 19b:	19(b): Do you concur with the implementation of the API functionality?	
CP2 Question 20:	<u>Downtime Window</u> Do you concur with the DSB's proposal to change the DSB's downtime hours to between 00:30AM Sunday UTC and 12:30PM Sunday UTC?	EVIA has no particular view on this, but in general would support the TAC recommendation.
CP2 Question 21:	<u>GUI Multi-Factor Authentication</u> Do you concur with the DSB's proposal to implement a minimal MFA solution for the GUI?	No, EVIA considers that in light of the risks cited, the costings and the scale of even a minimal MFA solution are too high at this point in time. In our response to CP1/Q5.1 we noted our understanding that since the DSB does not hold PII data, so the risks are more localised and bespoke.
CP2 Question 22:	<u>Secure SDLC</u> Do you concur with the DSB's proposal to move forward with analysis of Secure SDLC?	Yes, in line with our answer CP1/5.2, EVIA does support the DSB moving forward with the analysis.
CP2 Question 23:	<u>ISO 27001/2 for Cyber Breach Risk</u> Do you concur with the DSB's proposal to move forward with the analysis phase for the implementation of the ISO27001/27002 framework?	No, EVIA does not currently support this approach, although we note the balance of responses from CP1 are for the DSB looking further into this and doing the initial analysis. To reiterate CP1/Q5.3, MiFID TVs do not see the use case because DSB users would only use login/password, which can show email address that include name/surname/company name. Apart from this, DSB isn't holding any kind of PII, however implementing ISO 27001 just for this alone doesn't seem justifiable.
CP2 Question 24:	<u>ISO 27018 for PII Breach Risk</u> Do you concur with the DSB's proposal to take no further action?	Yes, in line with CP1/Q5.4, EVIA does agree with the analysis and DSB's proposal to not take further action.

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CP2 Question 25:	<u>On-Boarding of CISO</u> Do you concur with the DSB’s proposal to on-board a part-time CISO with a full-time security engineer?	No, in line with our reply to CP1/Q5.5, EVIA thinks that in view of the public and transparent nature of the data in question, we do not see the use case currently for a Chief Information Security Officer.															
CP2 Question 26:	<u>Fees and User Agreement</u> The current timeline for determination of annual fees is the first working day of December (DSB Charges Policy – paragraph 2.4 ¹). Communication of the fees is published two days following the fee determination i.e. within the first week of December. When do you need the annual fees for the following year to be communicated?	EVIA considers that the current process and procedure is adequate for the purposes stated. If bringing dates forward results simply in higher fees as a function of uncertainty, than we would not support that change. Answers 27, 28, 29, 30 were given in CP1/Section 6.															
CP2 Question 27:	The current timeline for determination of annual fees is the first working day of December (DSB Charges Policy – paragraph 2.4 ²). Communication of the fees is published two days following the fee determination i.e. within the first week of December. When do you need the annual fees for the following year to be communicated?	<table border="1"> <tr><td>July</td><td></td></tr> <tr><td>August</td><td></td></tr> <tr><td>September</td><td></td></tr> <tr><td>October</td><td></td></tr> <tr><td>November</td><td></td></tr> <tr><td>December (unchanged)</td><td></td></tr> <tr><td>No opinion</td><td></td></tr> </table>	July		August		September		October		November		December (unchanged)		No opinion		Answers 27, 28, 29, 30 were given in CP1/Section 6.
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CP2 Question 28:	The current cost recovery model results in DSB fees being set in way that incorporates adjustments related to the following years’ service provision, based on industry consultation feedback and input from both industry committees. By bringing the fee determination period forward, the DSB may need to allow for some level of build & run related uplift. This is because the outcome of industry consultation	<table border="1"> <tr><td>0-4%</td></tr> <tr><td>4-8%,</td></tr> <tr><td>8-12%,</td></tr> <tr><td>No opinion</td></tr> </table>	0-4%	4-8%,	8-12%,	No opinion	Answers 27, 28, 29, 30 were given in CP1/Section 6.										
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¹ https://www.anna-dsb.com/download/dsb-charges-policy_v3-1_2019_final/

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	may not be known at the time of fee determination if the timeline is brought forward. What level of cost adjustment should be accommodated?	
CP2 Question 31	Do you concur with the DSB's proposal to form the DSB Agreement Forum and present its findings within the annual DSB consultation in 2020? If not, what is your specific alternate proposal (if any)?	Yes, EVIA concurs that this would present a reasonable way forward.