

SIIA / Financial Information Services Division
Executive Committee – London
5 December 2007 – Meeting Notes

Participants: Banerjee (Telekurs – Chair), Dickey (CME Group), Gross (Deutsche Boerse), Hillman (London Stock Exchange), Williams (Credit Suisse), Alvarez (Asset Control), Schwab (Wellington Management), McElligott (CME Group), McLean (Interactive Data), Mangan (Lehman Brothers), Simeone (Merrill Lynch), Merritt (Nasdaq), Allison (Capital Group), Pons (Thomson Financial), Sivillica (Telekurs), Wasch, Davin, Cummings, Nichols, Merritt (FISD/SIIA)

Operations and Governance Advisory Committees (Chairs: Claire Pons):

- Notes and report from November 12 meeting of OAC/GAC follow in this document (pages 3-5)
- FISD Financials – The EC reviewed the most recent forecast. WFIC-related net revenue was above forecast. Membership dues revenue is tracking with budget as FISD absorbs a number of consolidations among its members.
- **APPROVED ACTION ITEM:** Training and Certification – The EC approves initial funding for a preliminary research stage which will be matched by the SIIA.
- **APPROVED:** Discussion of the role of EC Advisory Committees – Consensus of EC:
 - 1) The existing Operations and Governance Advisory Committees should be merged,
 - 2) Advisory Committee meetings do not have to automatically occur prior to each quarterly EC meeting. They should only be conducted when they are needed in the view of the AC Chair and/or the staff
 - 3) The staff should take steps to broaden EC member participation in the (now) three Advisory Committee
- **Events** – The EC reviewed the results or plans for the following events:
 - 2007 World Financial Information Conference
 - Asia Tour – results from Shanghai, Singapore, and Sydney
 - Asia-Pacific Financial Information Summit – October/November 2008
 - CY 2008 Event Calendar
- **Executive Committee Elections** – The EC reviewed the process for the selection of 15 members of the EC which will take place in December and January.
- **Membership Development** – Discussion of membership development: non-member candidates, renewals, and the impact of non-member mergers.

Business Issues Advisory Committee (Co-chairs: Jeannie Merritt and Leo Vozel):

- Staff report for BIAC follow in this document (page 6)
- **BIPPS**
 - **APPROVED ACTION ITEM:** Creation of Audit Working Group. Staff will begin recruiting members for the group and developing the agenda for the next meeting.
 - Internal Data Usage by Vendors/Consumers for product support, development, customer service, etc. – This issue is being dealt with in the BIPPS working group. The group is contemplating a two-pronged approach: (1) Facilitating greater transparency of existing exchange and data provider policies and (2) creation of a best practice recommendation.
- **Billing and Invoice Working Group** – Next meeting December 13
- **APPROVED ACTION ITEM:** Service Level and Communications Working Group – revised version 2 of recommendations is approved to be published as an FISD Best Practice Recommendation.

- Anti-Piracy Working Group – update for next meeting (December 12)
 - Web forum created for information sharing
 - Education of “inadvertent pirates”

Securities Processing Automation Advisory Committee (Co-chairs: John Bottega and John White):

- Notes from November 19 meeting of SPA-AC follow in this document (pages 7-8)
- ISO Working Groups – Staff reported on the recent annual ISO TC68/SC4 meeting
 - WG 1 – ISIN
 - WG 8 – International Business Entity Identifier
 - WG 11 – Securities Data Model
- MDDL
 - APPROVED ACTION ITEM: Open Source licensing. The staff will take steps to set up an open source licensing approach for MDDL.
 - MDDL/ISO 19312 Mapping Activity
 - ECB – No new developments
- Controlled Vocabularies – “List of Lists”

**SIIA / Financial Information Services Division
Operations and Governance Advisory Committees
Meeting Notes and Report to Executive Committee
November 12, 2007**

Participants: Pons (Thomson Financial), Banerjee (Telekurs), Vozel (Jordan & Jordan), Wasch, Davin, Cummings (SIIA/FISD)

Financials:

The year-to-date financials and FY 2008 forecast was reviewed. Largely as a result of higher-than-expected net revenue from WFIC (see below), we are now forecasting that FISD will add about \$75,000 more to its reserve during FY 2008 than was budgeted.

Certification Initiative:

Action Item: The Executive Committee is asked to authorize the expenditure of up to \$10,000 in FISD funds on the initial phase of the initiative. This expenditure would be spent with outside consultants, contingent on the following:

- The SIIA provides a significant match to FISD expenditure – at least \$1:\$1
- The work plan for the initial phase (which would consist mainly of research) would be approved by the Training/Certification Study Group.

FISD Advisory Committees:

The Executive Committee created four Advisory Committees (ACs) about five years ago. The groups were to be comprised of EC members knowledgeable and interested in particular aspects of the FISD's agenda and/or operations: Operations, Governance, Business Issues and Securities Processing Automation.

In the last year, the number of EC members participating in the various Advisory Committees has dwindled. In this last quarterly cycle, a total of five EC members participated in the three meetings of the ACs (Operations and Governance groups had a joint meeting). The staff would like to tee up a brief discussion in the EC regarding the future approach to the Advisory Committees. A few options to consider:

- 1) Cease regular quarterly meetings of the ACs – The meetings instead could be called in special circumstances. These would typically be situations where detailed EC-level discussion of a topic was needed but the topic was one that fell outside the expertise and/or interest of a substantial portion of the EC.
- 2) Recruit more members of the EC to join and participate in the ACs – While about 2/3 of the members of the EC are on one or more of the ACs, many of them are not participating regularly.
- 3) Scheduling – Are there ways the staff can schedule these meetings (calls really) that will allow more EC members to participate?

Events:

World Financial Information Conference:

2007: WFIC 2007 was a success, both financially and programmatically. In addition to receiving very positive anecdotal feedback on the quality of the program and the networking activities, the results of the post-event survey were very positive. In response to the overall satisfaction question, 54% of respondents found the conference “Very Relevant” which is 8% higher than responses to the (very successful) WFIC in Rome.

2009: In the post-conference survey, respondents were asked for their 2009 location preferences among a number of European locations. The OAC/GAC instructed the staff to begin researching the feasibility of the three locations that were the top responses: Barcelona, Athens, and Dublin. The OAC/GAC also discussed the suggestion that FISD move the date of the 2009 WFIC to the spring (and leaving it in the spring thereafter). The rationale is that it would allow members to pay for the conference earlier in the year, before their budgets have been exhausted. After an extensive discussion, the OAC/GAC decided to retain a Fall 2009 date for the next WFIC citing the fact that the rest of SIIA (the other three membership divisions) has its major annual conference in May 2009 (and every year thereafter). The OAC/GAC (and staff's) concern is that conducting a WFIC within six weeks of another major event will severely strain the SIIA meetings support capabilities.

Fall Asia Local Meetings:

FISD, with the support from local members, conducted meetings in Shanghai (October 18), Singapore (October 29), and Sydney (November 5). The post-meeting survey results were generally very positive and the events all seemed to be well-received and provided FISD with an opportunity to develop its contact and membership base in Asia Pacific. FISD also conducted its first-ever Consumer Constituent Group meetings in Singapore and Sydney.

CY 2008 Event Calendar

In order to continue the practice of complementing and not conflicting with other industry events staff is securing dates and locations for 2008 events and will distribute it accordingly. The draft calendar is listed below:

February:	Issue Brief - New York
March:	General Meeting – Europe (probably Zurich)
April:	Local Meetings - Asia
May:	Issue Brief - London
June 12	General Meeting & Reception (in conjunction with SIFMA) - New York
September	General Meeting - London
Oct/Nov	Asia-Pacific Financial Information Summit (partner with Incisive Media)
November	Issue Brief – Chicago/Boston
December	Issue Brief & Market Data Holiday Party - London
December	General Meeting & Market Data Holiday Party - New York City

Executive Committee Elections:

The membership will soon be notified of the upcoming call for nominations for the FISD Executive Committee. The list of firms up for re-election is below.

Please note the following approximate time table:

- November 30th deadline to nominate
- Electronic voting will be December 3 through 21st
- The Executive Committee will appoint the remaining seats (3) in January.

Term Ends December 2007:

<u>Member</u>	<u>Contact(s)</u>	<u>Constituent Group</u>
CME*	Brian McElligott	Exchange
Deutsche Boerse	Georg Gross	Exchange
Intercontinental Exchange	Martin Wadhwani	Exchange
Montreal Exchange	Jean Yves Trempe	Exchange
The TSX Group	Michael McCrea	Exchange
Asset Control	Marc Alvarez	Vendor

Jordan & Jordan	Leo Vozel	Vendor
Reuters	Niel Siekerka	Vendor
Standard & Poors	Samantha Gordon	Vendor
Thomson Financial	Claire Pons/Jocelyn Killeen	Vendor
Credit Suisse	Ian Williams	Consumer
Fidelity Investments	Ed Flynn	Consumer
Lehman Brothers	Bill Mangan	Consumer
Merrill Lynch	John Simeone	Consumer
Wellington Management	Melissa Schwab	Consumer

* CME has elected to use the existing CBOT seat (for which the term ends December 2008). As a result, the CME seat listed above will be vacated.

Membership Development:

The staff has updated its analysis of membership revenue at risk as a result of member consolidation. This update is based on members' renewal activities and further communications with the members in question. We currently believe that approximately \$120,000 is at risk in a "worst case" scenario. This is a decrease from our initial analysis that was done this past summer.

**FISD Staff Report to Executive Committee
Business Issues Advisory Committee
November 26, 2007**

BIPPS:

- **ACTION ITEM:** The BIPPS WG has suggested that a separate group be formed to develop best practice recommendations on the audit process (or update the existing 1998-vintage code-of-practice document). The recommendations would focus on a number of areas including possible certification of an outside audit firm that would handle the technical aspects, and the period of time an audit can cover. This new WG would be open to all FISD members and should provide representation from all FISD constituencies.
- The BIPPS WG is seeking more consistent policies regarding Internal Data Usage for vendors and consumer firms. A recommended policy for this data usage is being developed by a WG member. In addition, FISD Staff is creating a questionnaire and developing a matrix that can be used to collect data and increase transparency among data providers' policies on this issue.
- The draft version of BPRs for Non Display and Derived Data Usage still rest with the ad hoc group comprised of the Data Vendor Sub Group and the Consumer Constituent Group. Staff will approach ad hoc group with options on what can be done with the Recommendations.

Billing and Invoice Working Group:

- At the most recent B&IWG meeting it was suggested that further communication regarding the WG's BPRs should flow directly from FISD Staff to the major invoicing firms. Staff is contacting these providers to make certain they are aware of the recommendations, encourage their review, seek their feedback and comments, offer first-hand consumer viewpoints, encourage adoption and implementation of the recommendations and invite to our next WG meeting in NY on December 13.

Service Level and Communications Working Group:

- **ACTION ITEM:** The SL&C WG has updated the recommendations from 2Q 2005. Suggested updates include adding a new core section dealing with Administrative and Policy Changes, creating an Executive Summary section and additional guidance on implementing change. The revised document was also reviewed by both the BIPPS WG and the BIAC and is attached for Executive Committee review and approval.

Anti-Piracy Working Group:

- The WG is focused on a two-pronged approach to curtail misuse of market data – communication and education. Dialogue is being promoted among the WG members to help identify potential culprits and effective means of dealing with incidences of misuse and piracy. A special password-protected section of our website provides a forum for members of this WG (and ONLY members of this WG) to post and view threads and comments of other WG members. In addition, a portion of each WG meeting is set aside for interactive discussion regarding how individual members are dealing with unauthorized use of their data. And finally, an effort is being designed to educate the targeted audiences about the misuse of market data. Significant attention is now being directed to education via the print medium including possible articles in SIIA's *Upgrade* magazine and Incisive Media publications.

**SIIA / Financial Information Services Division
Securities Processing Automation Advisory Committee
Meeting Notes and Report to Executive Committee
November 19, 2007**

Standards Activities

Recap of TC68/SC4 plenum in SA.

WG1 – ISIN/CUSIP/ANNA The SC4 meeting was almost anti-climatic, in that up until very close to the meeting date, it was expected that the SC4 Chair would attempt to ward off discussions about WG1 operational issues. Instead, the Chair presented the situation in a straight-forward recitation focusing on the possibility of dissension in the WG. The WG1 convenor declined to attend the meeting, and in his report to the group suggested he might step down. The decision was made by SC4 voting as a group to accept his suggestion. Several members of WG1 who had not previously expressed strong positions came out in favor of this motion. In order to finish the technical part of the work and possibly include an approach for structured instruments, WG1 will be continued with a new convenor. Discussions are underway with SC4 and WG1 members about the role FISD staff might play going forward.

Consensus was that if FISD staff were to become convenor, it would be with the goal of completing the Group's technical mandate as quickly as possible. This effort should serve to position FISD as neutral, unbiased, and focused on pragmatic actions.

WG8 – IBEI – Entity Identifiers Since the proposed standard was voted down recently, the WG will be reconvened for a new start. A Call for Experts will be issued soon. An informal nod without any guarantees was offered to those firms already issuing "IBEIs", since there is no existing standard. SWIFT appears willing to be the RA for that part of the data domain that is covered in their CIVIC and BIC codes. Several European representatives expressed the view that MiFID requires some type of IBEI, and that those firms assigning them currently were doing so out of necessity. Concerns related to the relationship between this identifier system and other existing (non-Market Data) compliance or risk systems were not actively discussed.

FISD staff anticipates participating in the new WG. This is an issue in which FISD members have expressed strong interest, and the FISD IBEI Shadow Group is exploring possible scenarios.

Enhances the impact any coordinated FISD actions will have. There are essentially two points of view: 1) multiple vendors are already providing entity identifiers, and a "standard" cannot be imposed; and 2) current implementations and vendor offerings aren't complete enough or accurate enough to cover business requirements especially as compliance issues become more complex.

WG11 – 19312 – Data Model This WG will continue for the time being. It is not going to issue a standard, but a Technical Report. The data model will be subsumed into a part of the WG4 20022 repository (or dictionary? – not specified). Who will do what work to incorporate the WG11 model into the 20022 model was not determined. The WG11 may also issue a call for additional experts if required, especially to deal with more complex instruments.

If anything, subsuming the 19312 standard into the 20022 repository means that any coordinated action on the part of FISD members will have more impact than if 19312 had remained a separate standard. See below for discussion of proposed 19312/MDDL Feed mapping activity.

General ISO Issues:

- Rate at which ISO process works
- What we really need in the industry in terms of “preparing” standards

Interaction with Other Standards Organizations:

- FIX – conversations begun at TS68 plenum – *this is **highly** encouraged.*
- OMG – conversations begun at Sibos – ok to spend some time making the case, but SPA-AC members don’t see that FISD participants tend to be concerned with purely technical standards activities.
- Potential joint efforts
 - Reference Data – *Continue with all due haste.*

Standards Steering Committee:

- Getting more traction
- SG direction
 - Staff should be more patient and push hard a couple more times before changing course.*

MDDL:

- **ACTION ITEM:** Open Source Licensing – see attachment for discussion
- MDDL/ISO 19312 Mapping Activity – FISD-led activity would map data elements from existing industry data feeds (exchanges, vendors, etc.) to MDDL and the emerging 19312 standards. The exercise would subject the standards to more “real world” validation and thereby increase their value as the “lingua franca”. Discussions ongoing within the industry.
- ECB disappears again

Other:

- Controlled Vocabularies – “List of Lists”
 - Distribute for review? *Mark Alvarez and Phil Burch to respond to initial list. Web site work area being set up now.*