

SIIA / Financial Information Services Division
Executive Committee – Meeting Notes
March 3 2009 - London

Participants: Jacobi (Chair – Citi), Banerjee (Vice-Chair – SIX Telekurs), Etheridge (Jordan & Jordan), Pritchard (Rights Management), Flynn (Fidelity), McCrea (TMX Group), Killeen (Thomson Reuters), Hodgson (Thomson Reuters), Jordan (NYSE Euronext), Burch (Interactive Data), Merritt (NASDAQ OMX), Gritsuk (MICEX), D'Angelo (J.P. Morgan Chase), Schneck (Dow Jones), Sutton (Citi), Allen (Bank of America), Wasch (SIIA), Davin (FISD/SIIA), Cummings (FISD/SIIA), Merritt (FISD/SIIA), Nichols (FISD/SIIA)

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

- Notes and report from February 18 meeting of the GOAC follow in this document (pages 4 to 7)
- FISD Financials:
 - FY 2009 – Updated forecast projects a slight operating loss but now includes projected FY 2009 costs of Professional Certification project.
 - Good news: Travel expenses are down and APFIC net revenue exceeded budget.
 - Member dues levels are still well over budget but we know that we lose approximately \$40,000 to known member consolidations and going-out-of-business situations.
- **Action Item:** SIIA-FISD Business Model:
 - The SIIA-FISD Business Model agreement (the “70/30” deal) ends in June 2009
 - The EC is satisfied with the way the Business Model has worked over the last two years and approves extending the existing arrangement another two years (through FY 2011).
- Events
 - 2009 World Financial Information Conference (October 4-7, 2009 in Athens)
 - Strong sponsor support already
 - Program committee has met three times
 - Considering additional incentives for consumer attendees
 - CY 2008 Event Calendar – Note addition of London Happy Hour and Toronto local meeting
- Executive Committee Elections
 - We have completed the two-stage selection process for the 12 Executive Committee slots that were open. Bank of America (Steve Allen) joins the EC.
 - The Executive Committee approved Rich Jacobi and Sara Banerjee’s continuation in office as Chair and Vice-Chair respectively through the end of CY 2009.
- **Action Items:** Joint Activities with Other Organizations – The EC approves joint activities that FISD is undertaking with two other industry organizations:
 - JWG-IT
 - FIX Protocol Ltd.
- Professional Certification Facility - FISD/SIIA reached an agreement with David Anderson of Atradia to undertake Phase 2 of the Professional Certification project.

- Job Board – The staff reported on creation of new FISD Job Resources web page which includes links to job search resources offered by FISD members and links to job listings posted on members’ own sites.
- Membership Development - The staff noted that Exec Committee members are providing strong support, helping the staff identify and pursue likely candidates for membership.

Business Issues Advisory Committee (Co-chairs: Jeannie Merritt and Tom Etheridge):

- Staff report for BIAC follow in this document (page 8)
- **Action Item:** Audit Working Group - The EC approved the Audit Best Practice Recommendation (BPR) with one additional proposed amendment from Thomson Reuters
- Service Level and Communications Working Group – Group is continuing work on trial program to report exchanges’ and Content Providers’ adherence to the suggested recommendations set forth in the SL&C Best Practice Recommendation document. Several SERFs (Standardized Event Report Forms) have been submitted which will be reviewed at the next SL&C Working Group meeting.
- BIPPS Working Group- The staff reported:
 - On the promotion of Best Practice Recommendations for Internal Administrative Data Usage and Derived Data and Non-Display applications
 - The ongoing development of an FISD Glossary of Terms
 - That new discussions launched on exchange policies related to vendor distribution of market data
- Anti-Piracy Working Group – The staff reported that this group is compiling a list of case studies, best practices, and anecdotes regarding piracy and misuse of market data.

Securities Processing Automation Advisory Committee (Chairs: John White):

- Staff report follows in this document (pages 9 and 10)
- Financial InterGroup Proposal for an industry reference data utility – The staff reported on this proposal. The EC agrees to delegate the review of this proposal to the Securities Processing Automation Advisory Committee.
- Joint Activities with Other Organizations (see above) – The EC approved joint activities that FISD is undertaking with two other industry organizations:
 - JWG-IT
 - FIX Protocol Ltd.

- Data Model Working Group
 - First meeting was February 10
 - Group is laying out various industry standards and models to identify commonalities and tie them into the FIX messaging model.
- Operational Risk and Regulation Group
 - Group is formed and likely to meet within the next couple weeks.
- ISO Working Groups
 - WG 8 – International Business Entity Identifier
 - WG 1 – International Securities Identification Number
 - WG4 - ISO 20022

**SIIA / Financial Information Services Division
Governance and Operations Advisory Committee
Report to Executive Committee
February 18, 2009**

Participants: Pons (Chair – Thomson Reuters), Jacobi (Citi), McElligott (CME), White (State Street), Banerjee (SIX Telekurs), Wasch (SIIA), Davin (FISD/SIIA)

FY 2009 Forecast:

The revised FY 2009 forecast shows a slight deficit for FY 2009. This expected deficit can be attributed to undertaking Phase 2 of the Professional Certification Program, a slight decline in membership revenue, and training revenue that is expected to be substantially below budget. On the positive side, the Asia-Pacific Financial Information Conference (APFIC) exceeded budget and travel expenses are lower than expected.

SIIA-FISD Business Model:

The SIIA-FISD Business Model agreement ends in June 2009 (i.e., it covered FYs 2008 and 2009). The Business Model provides that 70% of FISD revenue is to be dedicated to direct FISD expenses and that any excess FISD revenue share is to be rolled into an operating reserve for use in future years.

The staff has updated the Service Level Analysis that was done in 2007. As you can see, the estimated amount that SIIA spends to support FISD exceeds the amount that FISD spends on SIIA core support. In general, SIIA management and FISD staff are satisfied with the way the Business Model has worked over the last two years

The GOAC and SIIA/FISD management recommend that the existing arrangement be extended another two years (through FY 2011). If the FISD Executive Committee agrees, the proposal will be submitted to the SIIA Board.

Events:

2009 World Financial Information Conference

Program Planning: The Program Committee has met three times and is now in the process of choosing the topics for the plenary sessions. We anticipate having the plenary session concepts finalized by the end of February. We have confirmed one keynote speaker: Rob Cox, Editor of Breakingviews <http://www.breakingviews.com/AboutUs.aspx> and have targeted Duncan Niederauer, CEO, NYSE Euronext as the other keynote.

Marketing: We have been promoting the WFIC at all FISD and related industry events since June 2008. The marketing plan includes comprehensive outreach via electronic and snail mail as well as utilizing industry partnerships, press releases and leveraging relationships with conference sponsors.

Sponsorship Sales: Currently confirmed:

- Host – Athens Exchange (the first time we have had this level/type of sponsorship)
- Platinum – Deutsche Borse
- Gold – SIX EXFEED & BT Financial Services
- Silver – London Stock Exchange, Standard & Poor's, Dow Jones, SIXTelekurs
- Bronze – TMX Group

- Golf Tournament – Tullett Prebon Information

Staff is continuing to reach out regarding sponsorship sales. In addition to the sponsorship packages listed above we are also offering a Jacket and Conference. Details on the Sponsorship Program can be found at: http://www.fisd.net/wfic/2009/sponsors_packages.asp

CY 2009 Event Calendar

February 19 - Issue Brief & Networking Reception, Hosted by Citi, New York

March 3 – Happy Hour, London

March 11 – FISD Roundtable, Toronto

March 23 - General Meeting & Networking Reception, Copenhagen

April/May - Asia Local Meetings:

April 21 Shanghai - Hosted by SSE Infonet

April 24 Tokyo - Hosted by Thomson Reuters

April 28: Singapore - Hosted by the Singapore Exchange

May 1: Sydney Hosted by Australian Securities Exchange

June 2 - Issue Brief & Networking Reception, London

June 25 - General Meeting & Networking Reception, New York

October 4-7 - World Financial Information Conference, Athens, Greece

November 3-4 - Asia pacific Financial Information Conference, Hong Kong

November 17 - Issue Brief & Networking Reception, New York

December 3 - Issue Brief & Holiday Party, London

December 15 - General Meeting & Holiday Party, New York

Executive Committee Elections:

We have completed the two-stage selection process for the 12 Executive Committee slots that were open. The following members were elected to two-year terms that end in December 2010:

Australian Securities Exchange

London Stock Exchange

NASDAQ OMX

Singapore Exchange

Bloomberg

BT Global Financial Service

Interactive Data

SIX Telekurs

Bank of America

Charles Schwab & Co

J.P. Morgan Chase

State Street Global Advisors

Frank Hoer

Jarod Hillman

Jeannie Merritt

Lai Kok Leong

Gary Kotovets

Chris Pickles

Phil Burch

Sara Banerjee/Paolo Sivilica

Steve Allen

Mike Ippolito

Ludwig D'Angelo/David Morgan

John White

The incumbent Chair and Vice-Chair - Rich Jacobi and Sara Banerjee - have both volunteered to serve in these positions for 2009. No other Exec Committee members were nominated for either position. The Executive Committee approved Rich and Sara's continuation in office through the end of CY 2009.

Alliances with Other Organizations:

The GOAC and FISD staff proposes that FISD enter into joint work arrangements with two other industry groups: JWG-IT and FIX Protocol Limited (FPL). These proposed new relationships will increase the value of FISD activities in its new Data Model and Risk & Regulation working groups.

The arrangement with **JWG-IT** will permit FISD members to participate in the existing JWG-IT Customer Data Management Group and permit JWG-IT members to participate in the FISD Data Model and Risk & Regulation working groups. The two organizations will also market and support each other's services, events, and memberships.

JWG-IT is an independent think-tank which helps financial institutions define workable solutions to the challenges posed by EU regulatory change. Founded in January 2006, JWG-IT was setup in the belief that MiFID, like most EU regulation, could be implemented quicker, cheaper and better through collaboration across the technology value chain. It works with trusted technical experts from its membership to identify practical options which facilitate the adoption of appropriate, affordable and advanced IT solutions to changes driven by regulation in Financial Services.

The arrangement with **FPL** will permit FPL staff and certain members to participate in the FISD Data Model Working Group. FISD staff will be permitted to participate in FPL functions and working groups.

FIX Protocol Limited (FPL) is the non-profit industry association that is responsible for defining, managing and promoting increased usage of FIX as an enabler for electronic trading. This benefits the industry by facilitating greater transparency, straight-through-processing and cost savings.

Certification Facility:

FISD/SIIA reached an agreement with David Anderson of Atradia to undertake Phase 2 of the Professional Certification. Phase 2 will include the development of a basic-level certification and the development of the business models, and relationships necessary to launch an FISD Professional Certification facility.

Job Board

In January, at the Executive Committee's direction, FISD launched a new Job Resources page within FISD.net. This page provides links to member-provided job search resources including jobs boards like that recently introduced by LakeFront Data Ventures and permits members to post links to their own sites of listings of open positions within their firm.

Membership Development:

EC members are currently assisting FISD staff with membership recruitment. We had a successful recruitment just recently when Saxo Bank joined. All EC members are encouraged to participate.

FISD Business Issues Advisory Committee (BIAC)
Report to FISD Executive Committee
February 20, 2009

Participants:

Esther Brookfield – Jordan & Jordan (co-chair), Jeannie Merritt – NASDAQ OMX (co-chair), Georg Gross – Deutsche Boerse, Jocelyn Killeen – Thomson Reuters, Ed Flynn – Fidelity, Jarod Hillman - London Stock Exchange, Tom Davin - FISD, Nick Merritt -FISD

Audit Working Group:

In culmination of more than 13 meetings over the past 12 months, The Audit Working Group has compiled and refined the attached Best Practices Recommendation (BPR) document and now submits it for your review and approval. The document is very thorough and covers most aspects of the entire audit process from initial notification, to the on-site review, to the final correspondence. The Audit Working Group consists of 71 individuals representing more than 30 FISD member companies including every constituency within FISD membership.

ACTION ITEM: The BIAC, the Audit Working Group, and FISD Staff recommend FISD Executive Committee approval of the Audit Best Practice Recommendations document. One brief amendment has been offered by Thomson Reuters which is highlighted in Section C-6 of the BPR. The EC is asked to choose one of three options:

- 1) Decline to approve the BPR at this time**
- 2) Approve the BPR as finalized by the Audit Working Group**
- 3) Approve the BPR with the proposed amendment from Thomson Reuters**

Service Level and Communications Working Group:

The Service Level & Communications Working Group is continuing work on their trial program to report exchanges' and Content Providers' adherence to the suggested recommendations set forth in the SL&C Best Practice Recommendation document for communication with customers and down-stream data users. Several SERFs (Standardized Event Report Forms) have been submitted and these will be reviewed at the next SL & C Working Group meeting.

BIPPS Working Group:

- In follow up to our last BIAC meeting, the Best Practice Recommendations documents for Internal Administrative Usage and Derived Data/Non-Display Applications were approved by the FISD Executive Committee. The group is now examining opportunities to communicate these suggested recommendations within their targeted audiences.
- The BIPPS Working Group is creating a 'Glossary of Terms'. Initial focus is reviewing the terms and phrases already defined in existing FISD documents including the Model Contract and Best Practice Recommendations.
- The BIPPS Working Group is also examining exchange policies related to distribution of exchange data from a vendor to another party.

Anti-Piracy Working Group:

The Piracy Working Group is compiling a list of case studies, best practices, and anecdotes regarding piracy and misuse of market data. This document will help to paint a broader picture of this issue as it exists within the market data community. Increased awareness of this issue particularly among the targeted "Inadvertent" and "Rationalizer" groups should help to curtail piracy and misuse of data at least to some degree.

FISD

Securities Processing Automation Advisory Committee

Agenda - Q1 2009

Participants: Pickles (BT), Borgman (Thomson Reuters), Ostroskey (Citi)

For Discussion and Action:

Proposal from FinancialInterGroup Holdings, Ltd. (Dr. Alan Grody) –Dr. Grody is proposing an industry reference data utility and is seeking support from FISD’s Executive Committee. He requested *that the SPA-AC review the proposal and, assuming sufficient interest, schedule a presentation to the EC.*

Joint Activities with Other Organizations: We are launching two new working groups: The FISD Data Model Working Group (DMWG) and the Operational Risk/Regulatory Response Working Group – descriptions of each are below. These groups were approved by the EC in December. In conjunction with these groups, we have drafted Memorandum of Understanding (MOU) with each of FIX Protocol Limited and JWG-IT. FIX and JWG-IT have each ratified their respective MOU. The SPA-AC and FISD staffs recommend that the EC approve these new joint activities.

Specifics of the MOUs:

- The FIX MOU permits reciprocal staff designations of individual liaison members, states that we will look for opportunities to partner together on an ongoing basis, that FIX will be an active participant in the DMWG, and that we will work with each other and other industry organizations (ISITC, FpML, etc.) to contribute to industry best practices and standards organizations.
- The JWG-IT MOU permits members of either organization to participate in one of the four combined WGs:
 - Customer Data and the related FSA “Breakwater” - JWG-IT
 - Liquidity Risk (chaired by Bob Cumberbatch of IDC)
 - DMWG – FISD
 - OpRisk/Regulatory Response – FISDAdditionally, it calls for a “td” group to coordinate related output from the four WGs.

Working Groups:

FISD Data Model Working Group (with FIX):

Goals and initial agenda:

A FISD Working Group is forming to consolidate and extend existing Instrument data models into a framework that addresses business issues exposed by the current Credit Crisis, including:

- intermittent and inconsistent reconciliation of business and technical practices across merged and acquired platforms,
- The relationship between streaming trade data and reference/proprietary information stored in multiple relational databases.

After discussion with members, staff has assembled a list of existing components/models to guide the content effort. The group held their first meeting on Feb 10, 2009 and is working to lay out side-by-side comparisons of existing instrument models, extend the result to address newer instruments (CDO/CDS) and tie it into the FIX messaging model.

Operational Risk and Regulatory Review Working Group (with JWG-IT):

This group has been formed from member discussions coming out of the Credit Crisis, and is focused on providing a forum for monitoring, sharing, and discussing Regulatory developments, coordinating messaging to Regulators if necessary, and evaluating possible alignment with similar industry efforts.

Standards Activities:

WG8 – IBEI – Entity Identifiers

- What appears to be the emerging de facto solution – Extended BICs and the new IGI – and member responses to date.
- Likelihood of ANNA becoming RA for IGI
- The SPA-AC recommends that the staff should formally note in a future WG8 meeting that the emerging solution does not fully realize the initial aim of an IBEI.

WG1 – ISIN/CUSIP/ANNA

- Nichols elected convenor
- Relationship to IGI, informal WG 8 proposals to tie IGIs to ISINs.

WG4/ISO 20022 RMG

- Joint proposal with FIX for a Reference Data Model (from Data Model WG above)
- Changes in 20022 organizational structure (RMG)
- Heightened awareness and involvement from Regulators
- Staff to present overview of 20022 and related ISO activities for SPA-AC to review and indicate where members can derive the most value.

US ANSI X9D

- Gerald Faulkner (S&P) resigned as chair
- Increases in 20022 RMG Business Justifications requiring responses.

Generally more active Regulatory interest in Standards

- Federal Reserve
- ECB
- CESR
- FSA