

**SIIA • Financial Information Services Division  
Executive Committee Meeting Notes  
Sunday, October 9, 2005 • Rome**

**Attendees:**

Chair: John Bottega (CSFB), Vice-Chair: Sara Banerjee (Telekurs)

Wendy Morgan (LSE), Chris Pickles (BT Radianz), Jeannie Merritt (NASDAQ), Jack Sabo (NYBOT), Ralph Bassfeld (Telekurs), Andrew McLean (Reuters), Georg Gross (Deutsche Bourse), Bill Lee (Morgan Stanley), Paula Hardy (Lehman Brothers), Leo Vozel (Jordan & Jordan), Claire Pons (Thomson Financial), Phil Burch (Interactive Data Corp), Jason Keady (Australia Stock Exchange), Theo Reijnders (Euronext), Neil O'Grady (Bloomberg), Niel Siekerka (Merrill Lynch)

FISD/SIIA: Tom Davin, James Hartley, Elizabeth Cummings, and Ken Wasch

**Governance Advisory Committee (Co-chairs: Jack Sabo and Niel Siekerka):**

- Executive Committee Elections – The EC reviewed briefly the plan for conducting EC elections and found it to be acceptable.
- MiFID Activities – After an extended discussion of MiFID, the EC reaffirmed the importance of FISD engagement on this issue. In particular, two suggestions were made regarding the inclusion of the topic of MiFID in upcoming FISD events:
  - As a segment at the December General Meeting that would emphasize the importance of this issue for a primarily North American audience
  - Conduct a half-day program on MiFID in conjunction with the March General Meeting which will probably be in Amsterdam. This potentially could be done in coordination with the MiFID Joint Working Group and provide important exposure to this issue in Continental Europe.

**Operations Advisory Committee (Chair: Claire Pons):**

- Membership Development Strategies - The EC was supportive of the recommendations of the OAC and approved the creation of a new standing committee. The approved strategies include (1) a more focused approach to membership development (e.g., concentrate on a smaller group of candidates at any one time); (2) widen the gap between the services that members receive from FISD and those that non-members receive; and (3) leverage more effectively existing members contacts in developing new members.
- The Membership Development Committee will assist the staff in (1) identifying potential new members, (2) prioritizing staff effort among various potential new members, and (3) reaching out to potential new members. The new committee would be comprised of volunteers from FISD members (committee members need not be on the EC) and would be under the auspices of the OAC. The staff will begin to seek volunteers.
- FISD Event Schedule for FY 2006 – The current schedule for the remainder of the fiscal year was reviewed and the EC approved the creation of a new standing committee. The Program Committee will assist the staff in developing and managing the FISD's event schedule. The new committee would be comprised of volunteers from FISD members (committee members need not be on the EC) and would be under the auspices of the OAC. The staff will begin to seek volunteers.

**Securities Processing Automation Advisory Committee (Chair: Niel Siekerka):**

- The EC discussed at length the future direction of MDDL and xtcMessage. A large portion of the discussion surrounded the potential and actual overlap between these FISD-supported standards and those managed by ISO, FIX, and SWIFT. As a result of these discussions, two action items were identified:
  - The staff will produce a discussion document that lays out FISD's options for MDDL vis-à-vis other standards and protocols
  - The staff will work with Chris Pickles and other members who also participate in FIX to seek ways to harmonize/coordinate between xtcMessage and the newly announced FAST compaction protocol

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

- Electronic Invoicing Working Group – The EC approved the proposal that the staff explore whether there was member interest in creating a working group to look at issues related to billing and the potential development or identification of an electronic invoicing standard.

**SIIA / Financial Information Services Division  
Governance Advisory Committee  
September 23, 2005  
Meeting Notes**

**Attendees:** Sabo (NYBOT, Co-Chair), Burch (Interactive Data), Lee (Morgan Stanley), Vozel (Jordan & Jordan), Davin (FISD/SIIA)

**Process and Schedule for Executive Committee Election:**

Per the recently approved FISD By-Laws (<http://www.fisd.net/about/structure.asp>), FISD will resume the process of having the general membership elect its Executive Committee. The GAC discussed the staff's proposed plans and offered a few changes.

**Update on Government Affairs MiFID:**

The staff briefed the GAC on its activities on MiFID. As previously reported, FISD joined with FIX, ISITC, and RDUG to form the MiFID Joint Working Group (JWG) which encourages a centralized industry approach to identifying and solving issues related to MiFID.

FISD Chairs the Real-time Subject group within the JWG. A number of FISD members, especially among our vendor and consultant members have been active in this and other subject groups. The Real-time group's main activity so far has been to facilitate information sharing among members regarding the Directive. Most recently, we have begun looking at possible industry models for the publishing and distribution of pre- and post-trade information under MiFID. We are also beginning to track issues related to traffic/capacity and commercial contracts and terms. FISD has also participated in some of the other Subject Groups, especially Reference Data, but also Standard Protocols and IT. Because many of the topics covered in the Real-time group involve fundamental competitive issues, it may ultimately be difficult to achieve consensus.

The GAC briefly discussed the MiFID JWG's possible need for additional resources.

**SIIA • Financial Information Services Division  
Operations Advisory Committee  
September 7, 2005  
Meeting Notes**

**Attendees:** Pons (Thomson, Chair), Banerjee (Telekurs), Dickey (CBOT), Siekerka (Merrill Lynch), Davin & Cummings (FISD-SIIA)

**Membership Development Strategy:**

The OAC discussed the Membership Development Plan that was prepared by the staff. Existing approaches include allowing non-members to participate in FISD events, one-on-one approaches by the FISD staff, and contact made by Executive Committee and other FISD members.

The proposed plan is comprised of three strategies to enhance the existing membership development process. The OAC considered each in turn.

***More Targeted Approach:*** The staff recommends that it focus its efforts more intensely on a smaller group of candidates at any given time. The determination of the targeted firms will be made by the staff, with input from the Membership Development Committee (see below), based on several factors:

- Absent major players
- Revenue potential
- Likelihood of membership – i.e., “low hanging fruit”
- Synergy with meeting schedule and other FISD initiatives (e.g., upcoming Asian BPR Roundtable and conference are opportunity to focus on potential Asian members)
- Underrepresented regions or industry sectors

The staff recommended that initial focus be put on Asian exchanges and European consumer firms. To understand the ramifications of the proposal better, the OAC asked that the staff provide them with (1) statistics and analysis of membership development performance over the last three fiscal years which is attached and (2) a more detailed proposal that includes more specific deliverables and a more refined list of potential target firms divided into priority categories. OAC members want to ensure that staff time directed towards membership development be limited to ensure that ample time was available for the substantive FISD agenda.

***More Formal Leverage of Members' Relationships:*** The OAC agreed to form a new Committee under its auspices that will assist the staff in setting membership development priorities. The initial plan is to recruit the members of the Committee from the general membership and have them meet (conference call) on a monthly basis to review FISD's membership development efforts and identify situations where an existing member can assist in the recruitment of a potential member.

The OAC discussed ways to encourage and support existing members as they participate in the recruitment of new members. The group discussed creating an incentive plan for members to recruit new members. Incentives could include recognition at an FISD event, dues discounts, or gift certificates for dinner, tickets to sporting events, etc. This needs further discussion.

***More Differentiation of Value Provided to Members vs. Non-members:*** The staff seeks to encourage new members to join FISD by reducing the value that non-members receive from FISD and increasing the costs of “non-membership”. The OAC agreed with most of the staff’s specific proposals in three areas:

- General Meetings – Focus marketing efforts to be clear to both members and non-members that these meetings are, with few exceptions, for members only. Restrict complimentary non-member access to the meetings to only firms and people that are believed by staff or existing members to be real prospects for membership. Permit “non-prospects” to attend for a relatively high admission fee (\$500+) and do not allow them to participate in Constituent Group meetings.
- FISD.net – Increase the portions of FISD.net that are password-protected “member only” areas.
- Events – Continue to widen the member/non-member fee differential for FISD conferences and issue briefs

**FISD FY 2005 End-of-Year Financials:**

The OAC reviewed the FY 2005 results. In FY 2005, FISD was approximately \$21,000 unfavorable compared to budget. The discussion centered on two expense items with significant unfavorable balances:

Meetings and Events (\$33,814 over budget) – The staff noted that the amount budgeted for FY 2005 was significantly below the actual spending for FY 2004 and that the amount budgeted for 2005 should probably have reflected this. The budget for FY 2006 is of a similar magnitude as the FY 2005 actual spending.

Travel (\$28,124 over budget) – The FY 2005 budget did not anticipate the extent, and therefore the full cost, of the Asian mission in September 2004.

**FISD Event Schedule for FY 2006:**

The OAC discussed the staff’s projected event schedule through June 2006. While the schedule through the end of CY 2005 seems manageable, both the staff and the OAC were concerned that it might be too ambitious in CY 2006. In particular, conducting three one-day conferences (XML for Market Data, Market Data Administration, and the Asian conference) on three continents during the March through May period may stretch resources too much. A number of ideas were discussed for reducing the schedule, including eliminating an Issue Brief or one of the conferences, but for now it was agreed that the staff would work with this schedule.

SIIA • Financial Information Services Division  
**Securities Processing Automation Advisory Committee**  
**Minutes**  
**Teleconference, 19 September 2005, 11:00 – 12:00 EST**

**Attendees:**

N. Siekerka (Merrill Lynch), S. Banerjee (Telekurs), C. Pons (Thomson), P. Burch (Interactive Data), J. Hartley, T. Davin

**Items Discussed:**

• **Selection of New Chairperson**

After some light-hearted discussion, Niel Siekerka of Merrill Lynch volunteered to be the Chairperson for the SPA-AC. All agreed that Niel is an excellent candidate and confirmed his appointment.

• **Update on SMWG Activities**

A brief discussion ensued regarding the SMWG activities as highlighted in the status report from SMWG Chair Marc Alvarez.

• **Movement on MDDL Documentation**

The SMWG is preparing a Request for Proposal (RFP) to be circulated to the industry seeking a vendor to do MDDL documentation. The SPA-AC will also review the RFP and submit comments to James Hartley. The SPA-AC resolved that determination of when the RFP is “complete” and can be circulated lies with the SMWG.

• **Discussion of MiFID Activities**

The MiFID Joint Working Group (ISITC-Europe/RDUG, FISD, FIX) continues to meet and FISD is chairing the Real-Time Data Subject Group. Tom Davin reported that progress has been good but concern has developed that banks - the ultimate parties subject to MiFID - are not properly represented as much of the MiFID work is being directed by vendors and consultants. It is unclear whether the banks are “watching and waiting” or if they are not engaged. An increase in FISD’s role was discussed but the scope and direction of that effort could not be clarified so the group agreed to continue at current participation levels.

• **Report on ISO Activities**

The SMWG has been working with WG11 leadership to identify a process by which MDDL may be formally integrated into WG11’s effort to define the ISO 19312 Securities Data Model. A proposal has been submitted consistent with FISD’s documentation requirements for MDDL. The group agreed that both projects should move forward in concert.

**SIIA • Financial Information Services Division**  
**Business Issues Advisory Committee**  
**September 30, 2005**  
**Meeting Notes**

**Attendees:** Merritt (Nasdaq, Co-Chair), Vozel (Jordan & Jordan, Co-Chair), Banerjee (Telekurs), Dickey (CBOT), Flynn (Fidelity), Hardy (Lehman), Hillman (London Stock Exchange), Killeen (Thomson), Lee (Morgan Stanley), McLean (Reuters), Michaud (Capital Group), Warms (Bloomberg), Davin (FISD-SIIA)

**BPR Roundtables and Promotion:**

The two BPR working groups conducted a second roundtable in London on June 1. (The first Roundtable was held in New York City on April 25) We have scheduled an Asian roundtable for November 16 in Tokyo. The next day, Tom will be giving a presentation on the recommendations at the IMD conference in Hong Kong.

The BIPPS Working Group will meet with the assembled exchanges at the World Financial Information Conference in Rome on October 11. In North America, the working group plans to engage one-on-one with two or three exchanges to promote the adoption of the BIPPS 1.0 recommendations.

**Business Issues Policy and Practice Standards (BIPPS):**

The development of “Phase 2” recommendations on Non-display usage and Derived Data has been on hold because a disagreement emerged regarding how prescriptive the working group should be regarding the optimal business models for these types of usage. The BIAC discussed this issue and recommends that BIPPS Working Group focus its attention on the development of standard definitions for Non-display usage and Derived Data. The BIAC further believes that while it may not be appropriate to create specific recommendations regarding content providers’ business models, it may be possible to draft general guidelines for the content providers’ policies on these issues (e.g., policies should permit flexible usage and support rapid implementation of new uses).

**Creation of an Electronic Invoicing Working Group:**

After a discussion of electronic invoices and potential for standards, the BIAC noted that this is an important topic but one that would need to be addressed by the accounting experts within their respective organizations. The BIAC recommends that the staff poll the general membership to see whether there is sufficient interest in this topic to merit the creation of a new FISD working group focused on electronic invoicing. To be worthwhile, the working group should have committed representation from all of the major constituent groups within FISD.