

SIIA • Financial Information Services Division
Executive Committee Meeting Notes
February 7, 2006 - Amsterdam

Participants: McCrea (TSX), Vozel (Jordan & Jordan), Dearie (Reuters), Burch (Interactive Data), Sabo (NYBOT), Mangan (Lehman Brothers), Dickey (CBOT), Trempe (Montreal Exchange), Merritt (Nasdaq), Hillman (LSE), Lee (Morgan Stanley), Flynn (Fidelity), Martinez-Maldonado (Deutsche Bourse), Wasch, Davin, Cummings, and Hartley (FISD-SIIA)

Governance and Operations Advisory Committees

- Updated SIIA Service Level Analysis and Q2 Financials – The EC reviewed the updated staff analysis of the SIIA’s costs associated with its core support of FISD. The staff explained the changes that had been made to the analysis based on SIIA structural changes and the staff’s re-assessment of the support received from the SIIA staff. The new analysis shows the SIIA spending \$457,733 in support of FISD and an implied cost to FISD (FISD revenue less FISD direct expenses and reserve) of this support of \$377,127.
- Revised By-Laws to address EC election ties – Brief discussion of the amended By-Laws that were previously approved by the EC.
- 2007 WFIC Scheduling – The staff reported on the results of the 2005 WFIC attendee survey that indicated that attendees’ preferences for the 2007 site were Montreal, Boston, Chicago, and a site outside of New York City. The staff is evaluating each of these locations as potential sites for WFIC. The EC requested that the staff also evaluate a Latin American site – possibly Mexico City.
- 2006 Member Survey – The staff reported that the 2006 Member Survey is almost finalized. The survey will be sent to all primary and secondary member contacts as well as all members of FISD working groups.
- Executive Committee Strategic Planning Meeting – The staff reported on the progress of the preparation for the June 19 Planning Meeting and the process for choosing a facilitator for this session. It was emphasized that the planning group thinks that it is very important to have as many EC members participating in person as possible.
- Membership Development – The staff reported on its progress in membership development. The staff noted that there had not been much interest from the membership in participating in the newly formed Membership Development Committee but that FISD had made excellent progress in recent months. The EC asked that it be provided, on a quarterly basis, with the staff’s “Top 10 List” of targeted potential members.

Securities Processing Automation Advisory Committee:

- ISO/TC68/WG4 – The staff reported that it will file a petition with ISO/TC68 to participate in WG4 which is focused on the ISO 20022 standard.
- ISO/TC68/SC4/WG11 – The staff reported that discussions with the members of WG11 were productive regarding harmonization of MDDL and the ISO 19312 standard. FISD staff will continue to develop UML documentation of MDDL which will facilitate the harmonization.
- MDDL Documentation Set – The staff reported that it was working with two vendors regarding MDDL documentation. The intent is to split the documentation work between the two vendors which should allow completion of at least 2/3 of the originally targeted documentation for approximately the targeted budget amount. The staff said that it plans to execute contracts with the two vendors shortly. The EC acknowledged that the staff would not be seeking any further approvals from the EC for this project. Any further member guidance would be provided by the ad hoc committee (Alvarez, Banerjee, Burch, Siekerka).

Business Issues Advisory Committee:

- BIPPS Working Group
 - Outreach to Exchanges Regarding Delay Intervals – A letter was sent to 20 exchanges that currently employ a delay interval greater than 20 minutes asking them to consider adopting the BIPPS recommendation.
 - Unit-of-Count Discussions – Recent discussions have compared and contrasted the BIPPS recommendation with the European Exchange policy statement. The EC discussed that it may not be possible, in the short run, to reconcile the BIPPS recommendation with the European Exchange policy. But it was noted that several other exchanges have expressed interest in adopting the European Exchange statement which would be a positive development and agreed that posting the two policies on FISD.net would be beneficial.
 - Derived Data and Non-display Usage – The BIPPS group is currently working on standard definitions and key principles for these types of usage.
- Billing and Invoice Working Group – The staff reported that the first three meetings of this group had been fairly well-attended with the group primarily focusing on best billing practices and standard invoice data elements.

SIIA / Financial Information Services Division
Joint Meeting of Operations and Governance Advisory Committees
February 15, 2006
Meeting Notes and Report to Exec Committee

Attendees: Pons (Thomson Financial), Sabo (NYBOT), Siekerka (Merrill Lynch), Burch (Interactive Data), White (State Street), McLean (Reuters), Pike (Wellington), Davin, Cummings, Wasch, and Meldrum (FISD/SIIA)

Financials: Updated SIIA Service Level Analysis and Q2 Financials

The staff presented an update of the Service Level Analysis that was used as the basis for the FISD business model adopted for FY 2006 and 2007. The revised analysis reflects changes to the SIIA's organizational structure and the FISD staff's updated evaluation of the allocation of SIIA core resources, both staff and financial. The new analysis shows the SIIA spending \$457,733 in support of FISD and an implied cost to FISD (FISD revenue less FISD direct expenses and reserve) of this support of \$377,127. (In comparison, the original 2005 analysis showed the SIIA spending \$392,542 in support of FISD and an implied cost to FISD of this support of \$281,342.)

The GAC/OAC also reviewed the FISD's financial results for the second quarter of FY 2006 (October - December 2006). The main differences from the FY 2006 budget are higher levels of member revenue and WFIC profits.

Revised By-Laws to address EC election ties

The GAC/OAC recommends that the EC adopt an amendment to the FISD By-Laws that provides for handling tie votes for Executive Committee or Chair/Vice-Chair elections. The GAC/OAC recommended one change to the staff proposal (at least three AC chairs must be eligible to vote in order for that tie-breaker to be utilized) and asked that the staff expedite the distribution of the amended language to the EC so that it will govern the upcoming Chair/Vice-Chair election.

WFIC Evaluation and Scheduling:

The GAC/OAC discussed the results of the WFIC attendee evaluation and the potential sites for the next WFIC. It was generally agreed that the next WFIC should be in North America in the fall of 2007. The staff was asked to go back and review the raw survey data to confirm the respondents' preferences among a number of North American locales.

2006 Member Survey

Last year the EC indicated that they wanted to follow-up the 2005 Membership Survey with another in the first quarter of 2006 to measure/validate the data from the 2005 report. The Strategic Planning Meeting Steering Group has identified this as an important tool for the retreat and will be reviewing a draft 2006 Membership Survey later this month.

Executive Committee Retreat:

The date has been set for June 19th and Thomson Financial has volunteered their location in NYC. We are still in need of a video conferencing location in London. The main focus of the planning group is the selection of a facilitator.

RFP for MDDL Documentation - Status:

The GAC/OAC discussed the current status of the MDDL documentation RFP process. The MDDL RFP received two viable responses and FISD staff has had several discussions with each firm about their proposals resulting in refinement of the expected deliverables. Although the project will not be completed within Q1CY2006, it is believed that it will be started soon and completed within approximately 3 months.

Membership Development:

FISD added eleven new members since December 2005.

Events:

The **Program Committee** is engaged and provided feedback on the April Issue Brief. Additionally a subgroup of the larger group is working on the XML for The Financial Industry Conference scheduled in May in NYC.

The FISD event schedule is set. FISD staff is currently working on the selection of a location for the Asia/PACRIM event scheduled for October. It is expected that a location will be confirmed very shortly.

**SIIA • Financial Information Services Division
Securities Processing Automation Advisory Committee Meeting
February 21, 2006
Meeting Notes and Report to Exec Committee**

Attendees: Chair: Siekerka (Merrill Lynch), Alvarez (TAP Solutions), Banerjee (Telekurs), Kennedy (Golden Source), Cummings/Davin/Hartley (FISD). Absent/regrets: Bottega (CSFB), Gross (Deutsche Börse), Keady (ASX), Pons (Thomson), White (State Street)

The entire agenda was reviewed with the following specific discussions and actions.

ISO/TC68/WG4

The SPA-AC members agreed that participation – at least to the point of participating in activities – in WG4 is consistent with FISD desires. *FISD staff James Hartley will file FISD's petition with ISO/TC68* to facilitate FISD's continued participation in this effort.

ISO/TC68/SC4/WG11

FISD will continue to develop UML diagrams of its MDDL content that are consistent with the WG11 presentation materials. Initially, MDDL instrument identification, pricing, and corporate actions will be covered with the Working Group with the outcome being an itemized mapping of MDDL terms to WG11 ISO 19312.

MDDL Documentation Set

The discussion continued on whether a single vendor should be selected or if both vendors should be contracted. The goal is to create the best technical documentation in addition to other deliverables – and the path should be selected that maximizes the quality of documentation, as compared to quantity, while developing at least the minimum required set. *The decision was made to enlist each vendor for its strengths with FISD staff James Hartley providing coordination* thus permitting the development of at least two-thirds of the originally targeted documentation for the originally budgeted amount.

SIIA / Financial Information Services Division
FISD Business Issues Advisory Committee
February 23, 2006 - Meeting Notes and Report to Exec Committee

Participants: Voziel (Chair, Jordan & Jordan), Hardy (Lehman Brothers), McLean (Reuters), Sabo (NYBOT), McCrea (TSX), Flynn (Fidelity), Davin (FISD/SIIA)

BIPPS Working Group:

Outreach to Exchanges Regarding Delay Intervals:

The staff sent the letter to approximately 20 exchanges that utilize delay intervals greater than 20 minutes asking that they consider adopting the BIPPS recommendation. The letter was sent from Andrew McLean and Tom Davin. Andrew will also be speaking to a few of the more prominent exchanges about their potential adoption of the recommendation. To date, a couple exchanges have indicated that they have already or plan to adopt the policy and a number of others have indicated that they are considering the request. The staff will draft a notice or press release that acknowledges the exchanges that have adopted the recommendation.

Global Subscriber Agreement Working Group:

This group of exchanges has been meeting to consider the implications and opportunities for the development of a uniform subscriber agreement that could be adopted by multiple exchanges. The group is continuing to consider the potential value and cost in adopting a core Global Subscriber Agreement as the basis for exchange agreements.

Unit-of-Count Discussions:

In December, the European Exchanges provided the rest of the BIPPS group with a shared policy statement regarding Unit-of-Count. The European Exchange policy is based on User ID. Recent BIPPS discussions have been focused on ways to reconcile the BIPPS recommendation (which is based on End Users – i.e., natural persons) with the European Exchange policy, or possibly even adoption of the European policy as the revised BIPPS recommendation.

The sense of the BIAC is that it is unlikely that the two positions will be reconciled in the near future. The BIAC continues to believe that the BIPPS UofC recommendation offers a viable solution that addresses the current business realities of market data usage but recognizes that it is unlikely to be adopted by some exchanges, at least in the short-run. In the absence of adoption of the BIPPS recommendation, adoption of the European policy statement by additional exchanges would be of significant value to the industry as it would raise the level of policy standardization among exchanges.

The BIAC recommends that the staff ensure that the two positions be well documented for the industry (via FISD.net and any other appropriate media) to inform future analysis and decision-making by content providers.

Derived Data and Non-display Usage:

The working group has taken up these issues again in its last two meetings with a focus on agreeing on standardized definitions and identifying key principles for exchange treatment of these types of data usage.

Formation of Billing and Invoice Working Group:

The first meeting of the B&I Working Group occurred on December 15 with follow-up meetings on January 30 and February 22. The main focus of the group has been on issues that would support standardized invoicing, especially electronic invoicing. Most of the group's time has been spent on reviewing invoice data elements, best practices, and the concept of "Self-Invoicing" - a customer creating (and then paying) its own invoice from a service provider, based on its own records.