

SIIA • Financial Information Services Division
Executive Committee Meeting Notes
June 22, 2006, New York

Attendees: Banerjee (Chair, Telekurs), Sierkerka (Vice-Chair, Reuters), Bottega (Citigroup), Merritt (Nasdaq), Lee (Morgan Stanley), Keady (ASX), Burch (Interactive Data), Dickey (CBOT), Bartashus (Bloomberg), Killeen (Thomson), Pons (Thomson), Flynn (Fidelity), Alvarez (TAP Solutions), Schwab (Wellington), Gross (Deutsche Bourse), Harold (London Stock Exchange), Frederick (Schwab), Kennedy (GoldenSource), Trempe (Montreal Exchange), Jones (Merrill Lynch), Williams (CreditSuisse)

FISD/SIIA Staff: Cummings, Davin, Fredell, Hartley, and Wasch,

Governance Advisory Committee, (GAC) Chair: Jack Sabo :

The EC discussed recent developments related to FISD's engagement in the area of MiFID. The staff updated the EC on recent activities including the creation of the FISD MiFID Committee, its submission of the Real-time White Paper to CESR, the planned updates to the White Paper to cover real-time pre-trade data, and potential future activities of the Real-time Market Data Subject Group that FISD sponsors.

Operations Advisory Committee, (OAC) Chair: Claire Pons:

FISD FY 2007 Budget – The staff reviewed the budget that had been previously approved by the EC and submitted into the SIIA budget process for FY 2007 which begins July 2006. It was suggested that a future discussion for the OAC was a targeted level of reserve that FISD should carry.

Events - The staff reported that (1) the XML for Financial Industry conference in May had been successful both financially and with respect to attendees' satisfaction and (2) the FISD is partnering with Inside Market Data to put on the Asia Financial Information Summit in Singapore on October 18-19.

WFIC 2007 Location – The EC approved the OAC and staff's recommendation that Newport, Rhode Island be the site of the 2007 World Financial Information Conference. The conference will be held September 23 – 26.

2006 Member Survey – The staff provided a high-level overview of the results of the 2006 member satisfaction survey. In general, the results of the survey were very positive.

Membership Development – The staff reported on membership development and the significant growth in membership during FY 2006. The attached analysis was provided to the members of the EC. The EC discussed possible approaches for providing orientation for new members.

Securities Processing Automation Advisory Committee (Co-Chairs: John Bottega & John White):

The EC discussed the status of the various SPA related FISD activities:

- The MDDL Documentation Suite contracts have been signed (IRIS India and London Market Systems). Although some work has been completed, none of the fees will be paid from FY2006 monies.
- The ISO 19312 Securities Model (WG11) is scheduled for completion towards the end of this calendar year. FISD will be working with ISO/TC68/SC4/WG11 to ensure the mapping between ISO and MDDL is clearly defined.
- Staff will be contacting members to leverage participation in other industry organizations and standards activities to ensure FISD participation at the broadest level with a consistent voice.
- The ISO 16372 (International Business Entity Identifier) standard is being finalized and will be circulated within ISO for another vote. FISD's position will be conveyed to the working group members so that these concerns can be addressed: 1) Members have already had to deal with identifiers so have solutions in place. If

the IBEI existed then it would probably be carried as a separate identifier in existing infrastructures. The IBEI in a central repository is likely useful but a standardized set of relationships amongst the identifiers in this repository is really what is necessary. 2) As Sponsors are key to the success of the standard, it is essential to understand what will compel a financial institution (or its agent) to participate in the standard. 3) The standard seems to define what a commercial entity does rather than defining something that can be used by the entity. There may still be some room to understand how a utility could be better than a commercial enterprise.

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

The EC discussed a variety of Business Issues topics:

- The EC generally agreed on the proposed next steps for the BIPPS Unit-of-Count recommendations. The staff will approach a wide variety of member exchanges to inquire whether they would accept either the BIPPS UofC recommendation or the consolidated European policy.
- There was general concern about the potential for MiFID to add to the diversity and complexity of the contracts and policies associated with European market data. It was suggested that this might be a good topic for a European Issue Brief.
- The subject of a Global Subscriber Agreement (GSA) was discussed at length. There was a general sense from the vendor and consumer members that (1) a GSA was desirable but (2) it is of concern if exchanges that do not currently have proprietary subscriber agreement requirements were now to impose them, even if they were based on a GSA.
- The EC supported the completion and promotion of the definitions and white paper for Derived Data and Non-display usage.

**SIIA / Financial Information Services Division
Governance Advisory Committee
Staff Report on MiFID Activities
June 9, 2006**

There have been a number of developments related to FISD's involvement in issues that surround the European Markets in Financial Instruments Directive (MiFID):

Creation of FISD MiFID Committee:

In April, the GAC (and subsequently the Exec Committee) approved the creation of an FISD committee to govern the ultimate decisions and positions of the MiFID Real-time Market Data Subject Group (RTMDSG) which FISD sponsors and chairs. This group will operate under the auspices of the Governance Advisory Committee but is comprised of all interested FISD members. The members of the group are members of the RTMDSG who work for FISD member firms. Chris Pickles is chairing the FISD committee.

FISD Increases Administration Role within MiFID Joint Working Group (JWG):

When the JWG was created over a year ago, one of the other founding organizations (FIX Protocol Ltd.) volunteered to handle much of the administration for the JWG including database management, meeting invitations and registration, distributions of meeting minutes and agendas, and maintenance of the MiFID JWG web site. FIX Protocol recently sought to reduce its workload in this area. Other members of the JWG have agreed to pick up additional administrative responsibilities. FISD will take on two new responsibilities: (1) Management of the notices and meeting registration for the RTMDSG which it chairs and sponsors and (2) Notices and registration for the plenary Joint Working Group meetings which occur approximately every six weeks. FISD will utilize SIIA's existing database and online registration facilities to handle this responsibility.

Submission to CESR:

On April 24, FISD submitted to CESR (Committee of European Securities Regulators) the RTMDSG's white paper on post-trade transparency. The submission was vetted and approved by the FISD MiFID Committee prior to its submission.

Expansion of White Paper on Real-time Transparency to include Pre-trade Data:

After meeting three times during the months of April and May, the RTMDSG has substantially agreed on the content that will need to be added to the white paper to incorporate the group's thoughts on pre-trade transparency. It is expected that the revised white paper (Version 2.0) will be completed in the beginning of July.

Future Activities of the RTMDSG:

The group discussed a number of areas where the group might turn its attention once version 2.0 of the White Paper has been completed:

Further Promotion and Engagement for the White Paper – The group thought that it would be worthwhile to raise the White Paper's profile among key government and industry representatives. It was mentioned that further engagement with MiFID Connect in the U.K. would be valuable.

Standards for Data Consolidation – The group could develop best practice recommendations or principles for vendors and consumers who are consolidating pre- and post-trade data. The standards could address issues related to the consolidation (or lack thereof) of data across currencies, trading venues, and clearing/settlement locales.

Traffic and Capacity – Clearly, this is an issue in the real-time industry. There is some question whether the RTMDSG members are the best people to address it. The group discussed working on this issue jointly with the reconstituted IT group or possibly a party like the Financial Information Forum.

Contracts, Policies, and Commercial Terms – This activity would probably revolve around the development of principles and/or a model contract that Investment Firms and Data Aggregators might utilize to support the data they publish. Again, there was a sense in the group that there were other people in our respective organizations

better able to address these types of issue. It was suggested that we possibly run this activity as a sub-group under the RTMDSG.

JWG “Summit” – Conduct a session in the fall with members of all the different MiFID JWG Subject Groups. The idea would be to have a roundtable session primarily focused on those issues that are common to two or more of the Subject Groups. The session would identify redundancies, inconsistencies and issues that have fallen between the gaps between the Subject Groups.

**SIIA / Financial Information Services Division
Operations Advisory Committee
Meeting Notes - May 24, 2006**

Participants: Pons – Chair (Thomson Financial), Banerjee (Telekurs), Pike (Wellington Management), Cummings, Davin, Wasch (FISD-SIIA)

FISD FY 2007 Budget

The OAC reviewed the proposed FY 2007 budget which will run from July 2006 through June 2007. The group's discussion addressed several areas: (1) FISD expects to carry a significant reserve into FY 2007 and budgets to add to it slightly during the year. Any time during the fiscal year, the Exec Committee may identify additional areas to which any reserve may be directed; (2) FISD expects increases in revenues related to sponsorships and costs related to travel and meetings because we will be conducting four general membership meetings compared to the three that we had in FY 2006 (one was replaced by WFIC); and (3) Conferences (like WFIC in 2006) only show up on the budget as a net revenue figure, net of their expenses, and do not show up as an expense on the master budget. There is no WFIC in FY 2007.

The OAC found the budget proposal to be acceptable. The budget was discussed by the entire Exec Committee on May 30. The Exec Committee members also found the budget to be acceptable. The budget has been submitted into the SIIA budget process.

Events:

Site for 2007 World Financial Information Conference (WFIC): The group discussed a number of North American cities as potential hosts of the 2007 WFIC. The group generally agreed that all sites should be judged based on both the post-conference survey results from WFIC 2005 and a metric created by the staff that focuses on the following criteria:

- Desirability – The “Wow!” factor both for the city and the hotel
- Access – Ease of travel for FISD's global membership
- Cost – Both for sleeping rooms and the conference venue
- Captive Audience – Does the site encourage delegates to participate in the entire conference?
- WFIC as a piece of business – how important is WFIC to the hotels etc.

After extensive discussions, the group was unanimous in choosing Newport, RI, as their first choice with Cambridge, MA and Chicago, IL coming in second and third. The staff will begin working with the two hotels in Newport immediately and schedule a site visit within the next month.

XML for the Financial Industry Conference: The staff reported that the *XML for the Financial Industry* conference was held in NYC on May 3. Based on anecdotal responses and the post-conference survey, the conference was even more popular than its three predecessors.

Asia Financial Information Summit: The staff reported that the FISD will conduct its Asia event on October 19 in Singapore. The event will be in conjunction with Inside Market Data's *IMD Asia* event on October 18. The two events will be marketed jointly as the *Asia Financial Information Summit 2006* and offer joint sponsorship packages. The Singapore Exchange will be the host and lead sponsor for this event.

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. This year's survey was conducted during March and April 2006 with 79 member representatives responding to the survey (up from 57 in 2005).

In summary, the results reflect a significant increase in members' satisfaction with their membership in FISD and their perceived value of membership. The top two box score (Satisfied/Very Satisfied) for overall member satisfaction went from 52% in 2005 to 82% in 2006. The survey seems to validate that the existing FISD agenda in

the Business Issues, Securities Processing Automation, and Government Affairs areas are all relevant and valuable. New initiatives like the monthly member newsletter and renewal of constituent groups also seemed to be well received.

The OAC was pleased by the overall results of the survey but asked the staff to review in more detail the comments made by the respondents who gave negative ratings to see if there were any insights to be gleaned.

Membership Development:

FISD added 10 new members since February 2006. The staff has created a new, more comprehensive membership report which shows new members, upcoming major renewals, non-renewals, and Top Ten candidates for membership.

SIIA • Financial Information Services Division
Securities Processing Automation Advisory Committee Meeting
14 June 2006 Meeting Notes

Attendees: Alvarez (TAP Solutions), Bottega (CitiGroup), Burch (IDC), Kennedy (GoldenSource), Cummings/Hartley (FISD). Absent/regrets: Banerjee (Telekurs), Gross (Deutsche Börse), Keady (ASX), Pons (Thomson), Siekerka (Reuters), White (State Street)

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

ISO/TC68/SC4/WG8

The SPA-AC members discussed the resulting ISO 16372 standard (IBEI) and the realities of it happening in the market place – specifically that solutions have already been found that work to a point on a commercial or in-house basis. If the standard existed today then the identifier would be carried around like the other identifiers provided by data vendors. Three points needs to be made clear regarding IBEI from FISD’s point of view:

1. The identifier, and a common database of entities, is interesting but marginally so without the relationships between the various entities. It is the shared and validated relationship hierarchy that makes a common database of entities truly valuable. Without hierarchies, the database will not likely be adopted because firms require the hierarchies as are provided with existing commercial ventures.
2. As Sponsors are the key to making the standard operational, it is essential to understand what will compel banks, brokerages, and institutions to participate (contribute) to a central repository.
3. It sounds as though the standard is defining an operation that is a commercial entity. There may still be some room to understand how a utility could be better than an outright commercial enterprise (that might necessarily need to be a monopoly to work).

ISO/TC68/WG4

FISD has been approved as a category D liaison to ISO/TC68 with the intended purpose of participating in WG4 to work on refinement of the ISO 20022 (UNIFI) standard and related processes.

Items to Report

The following are the principal activities and concerns since the last meeting on 21 February 2006 (in no particular order):

1. ISO/TC68/SC4/WG8 (IBEI)
2. ISO/TC68/WG4 (ISO 20022 UNIFI Process)
3. ISO/TC68/SC4/WG11 (Securities Model)
4. MDDL Content Development
5. MDDL Documentation Suite
6. Other Open Issues
7. Upcoming Events

1. ISO/TC68/SC4/WG8 (IBEI)

The International Business Entity Identifier standard – ISO 16372 – was voted on in December and, although it passed “Yes with comments”, review of the comments has suggested significant rewriting and/or amendment to the document. A meeting was held 18-19 May 2006 in Denver where the review was held, comments deliberated, and an action plan was established. One of the main stumbling blocks to completion is the identification of a Registration Authority. It seems that possible players are concerned about the complexity of this task without understanding the financials involved. Besides the rewriting, the challenge will be to get Sponsors who are willing to participate and an RA that can manage the whole process. Recommendations welcome...

2. ISO/TC68/WG4 (ISO 20022 UNIFI Process)

We have petitioned to be a Category D Liaison to TC68, primarily so we can participate on WG4. The voting was closed on May 26 (supposedly) but we have not heard the decision yet. We cannot help with the improvement of the ISO 20022 process (that governs WG11 below) until our status is confirmed.

3. ISO/TC68/SC4/WG11 (Securities Model)

WG11 is scheduled to meet in Boston June 7-9 2006 at the offices of Mellon Financial. One of the workitems will be a discussion on integration with MDDL. Although the MDDL documentation project is behind schedule, the UML diagrams that are available will be presented to the group to support the process of comparing MDDL with ISO 19312.

4. MDDL Content Development

The completion of MDDL *content* is still expected to be unveiled at the 22 June 2006 General Meeting (although the specification will likely be dated 01 July 2006 for convenience and alignment with a quarterly calendar). MDDL version 2.5 and 3.0 will include all of the content originally conceived for MDDL – and some content that has been added along the way to support the overall concept. MDDL 3.0 will *not* be backward compatible with MDDL 2.5 for technical reasons – but will include the same *content*. Note that completion of MDDL 3.0 for the June General Meeting does require that a key component of the MDDL Documentation Suite be completed by 14 June 2006 (see below).

5. MDDL Documentation Suite

We had decided to contract with London Market Systems (London, UK) and IRIS (Mumbai, IN). Although the contract with LMS was (finally) signed on 18 April 2006, the contract with IRIS has not.

LMS and IRIS both put forth effort before contracts were signed but we have only been able to progress with LMS and work began in earnest on 20 April 2006. The outline of the documentation (we are calling it the Framework) is mostly complete – and we are waiting for IRIS so we may collectively complete this important first step.

Meanwhile, LMS has continued on the UML-to-XML process and is nearly complete. Although it has not been completed in time to use with WG11, it is expected to be complete in time for completion of MDDL by the June General Meeting (discussed above).

6. Other Open Issues

FISD has placed xtcMessage on *hold* until it can be determined how FAST will work in comparison (and coincidentally, staff time has not allowed continued development). There is an opportunity for increased cooperation with FIX – but also with ISO – so the EC retreat discussion on this topic will be relevant to further activities.

7. Upcoming Related Events

The following meetings or events related to the SPA agenda are scheduled:

07-09 JUN 2006: ISO/TC68/SC4/WG11 (Boston)
22-23 JUN 2006: FISD GM and SMWG MDDL Focus Meeting (New York)
14-14 SEP 2006: FISD GM (London)
09-13 OCT 2006: SIBOS (Sydney) w/ "Standards Forum", FISD Issue Brief
16-18 OCT 2006: ISO/TC68/SC4 (Beijing)
18-19 OCT 2006: IMD/FISD Event (Singapore)
02-02 NOV 2006: (tentative) FISD Issue Brief (Boston or Chicago)
??-?? NOV 2006: ISO/TC68/SC4/WG11 (Europe)

FISD Business Issues Advisory Committee
Meeting Notes and Report to Executive Committee
June 8, 2006

Attendees: Merritt (Co-Chair, Nasdaq), Vozel (Co-Chair, Jordan & Jordan), Lee (Morgan Stanley), Sabo (NYBOT), Michaud (Capital Group), Flynn (Fidelity), Davin & Cummings (FISD/SIIA)

Exec Committee Strategic Planning Meeting

The BIAC discussed the attention that will be given to the Business Issues agenda in the upcoming Executive Committee planning retreat on June 19. When the staff polled the EC to determine the issues that they thought most needed to be addressed during the planning session, the number one vote-getter was the Business Issues agenda.

BIPPS Working Group:

BIPPS Roundtable – June 21:

The BIAC discussed the open roundtable event that the BIPPS group will hold on June 21 at Lehman Brothers. It will be an opportunity for content providers and other interested parties to hear about the BIPPS recommendations and comment on them. The BIAC agreed to review the list of content providers who were invited and suggest additional contacts and/or encourage people who have already been invited to attend.

Unit-of-Count Discussions:

At the BIPPS Roundtable, the working group will draw attention to both the BIPPS recommendation (unit of count is a person) and the joint European exchange policy statement (unit of count is a user ID). The group will emphasize that while the BIPPS recommendation remains the first choice for the working group (at least the consumer and vendor members), a valuable second choice would be for other exchanges to move from their diverse policy statements and adopt the European policy statement.

Derived Data and Non-display Usage:

The BIAC confirmed the value of both the definitions and the white paper on Derived Data and Non-display usage (DD&ND). The BIPPS working group has completed a draft of standardized definitions for these two types of data usage. It is now working on a “white paper” that will lay out the various contentious issues related to DD&ND and describe the different, and sometimes opposing, views on these issues. Both the definitions and the white paper will be reviewed and discussed at the BIPPS Roundtable meeting on June 21.

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. 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.

Global Subscriber Agreement Working Group:

The exchange working group on the development of a Global Subscriber Agreement (GSA) last met on March 28. The GSA documents have progressed so that several exchanges are seriously considering adopting the GSA. Most exchanges participating in these discussions support the general idea of standardized agreements and vetting the GSA documents with a wider exchange audience. But a number of the exchanges still have significant legal concerns that restrain them from adopting a GSA at this time.

In the near future, the group may be asking that FISD publish the GSA as a potential best practice recommendation and seek further comment from other exchanges.

At its recent meeting of the BIPPS working group a number of members, particularly those from the Consumer Constituent Group, expressed support for the GSA concept. They asked that the exchanges expand the discussions to all exchanges with subscriber agreement requirements (possibly in the upcoming Exchange Constituency Group meeting) and continue to seek ways to utilize a common agreement.

Billing and Invoice Working Group:

The B&I Working Group has been meeting monthly since its inception on December 15. The main focus of the group has been on issues that would support best practice standards for invoicing. The group is seeking to complete a preliminary set of recommendations by the end of June that can be reviewed and commented upon by a broader audience especially among consumer firms. As currently envisioned, the recommendations will consist of policy/practice recommendations and a Billing Data Model that identifies all the invoice data elements that the members desire.