

SIIA / Financial Information Services Division
Executive Committee – Paris
March 13, 2007 – Meeting Notes

Participants: Banerjee (Chair – Telekurs), Bassfield (Telekurs), Burch (Interactive Data), Sabo (NYBOT), Dickey (CBOT), Mangan (Lehman Brothers), Merritt (NASDAQ), Bartashus (Bloomberg), Pickles (BT Radianz), Brookfield (CME), Trempe (Montreal Exchange), Gross (Deutsche Boerse), Raday (Lehman Brothers), Williams (Credit Suisse), Alvarez (TAP Solutions), Neff (ICE/NYBOT), Wadhvani (ICE/NYBOT), Jordao (Townsend Analytics)

Wasch, Davin, Cummings, Hardy, Nichols (FISD/SIIA)

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

- FISD Financials – The Executive Committee reviewed the forecast for the remainder of FY 2007.
- **Action Item:** The Exec Committee approved the recommendation from OAC/GAC that renewal of SIIA/FISD service model be renewed through FY 2009. This approval was based on general satisfaction of the members and SIIA/FISD management with the existing arrangement.
- **Action Item:** The Exec Committee approved the creation of Data Vendor sub-group of Vendor Constituent Group. This group will meet at times other than when the main VCG meets.
- Executive Committee Elections
 - Results of December Exec Committee elections
 - The staff reviewed with the Exec Committee the process for filling the one open vendor position on the Executive Committee
 - **Action Item:** The Exec Committee approved a waiver of Article II, Section 5 of the FISD By-Laws through the end of CY 2007. As a result, Sara Banerjee (Telekurs) and Niel Siekerka (Reuters) will be able to continue to serve as Chair and Vice-Chair, respectively despite the fact that they both represent vendor members.
- Events
 - 2007 World Financial Information Conference – The staff reported on the progress of the WFIC in Newport, RI.
 - Asia Tour – The staff plans to conduct the first Asia “tour” during the week of May 14.
- Membership Development – The staff reviewed its membership development efforts.

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

- **Action Item:** The Exec Committee approved the Billing and Invoice Working Group’s best practice recommendations as formal FISD recommendations that can be communicated to the industry.
- **Action Item:** The Exec Committee approved the renewal of the Service Level and Communications Working Group. The staff will begin communicating to the members, especially those previously involved in this group.
- BIPPS/Joint Meetings of CCG and ECG – General discussion of the developments within the Joint Meetings.
- **Action Item:** - The Exec Committee approved the creation of a Market Data Piracy Working Group. Steve Dickey agreed to Chair.

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

- **Action Item:** The Exec Committee approved the FISD Standards Philosophy that was recommended by the SPA-AC.
- **Action Item:** The Exec Committee approved the creation of a Standards Steering Committee that is to be composed of interested members, including non-EC members.
- The Staff briefed the Exec Committee on its activities in various ISO Working Groups
 - WG 1 – ISIN
 - WG 11 – Securities Data Model
 - WG 8 – International Business Entity Identifier
- The staff briefed the Exec Committee on the latest developments related to MDDL

**SIIA / Financial Information Services Division
Operations and Governance Advisory Committees
March 2, 2007 - Meeting Notes**

Attendees: Sabo (NYBOT – Chair GAC), Pons (Thomson Financial – Chair OAC), Banerjee (Telekurs), Michaud (Capital Group), Wasch, Davin, Cummings (FISD/SIIA)

Financials:

The FY 2007 forecast has been updated.

SIIA-FISD Business Model:

The OAC and GAC recommend that the Executive Committee approve the extension of the existing SIIA/FISD business model for two additional years – through June 2009.

The original SIIA-FISD Business Model agreement ends in June 2007 (i.e., it covered FYs 2006 and 2007). 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 original Business Model document is attached on pages _ and _.

The OAC/GAC has considered how FISD should proceed after June 2007. The staff updated the Service Level Analysis that was done in 2005 and 2006. In general, SIIA management and FISD staff stated that they were satisfied with the way the Business Model has worked over the last two years and recommended that the existing arrangement be extended another two years (through FY 2009).

Re-Configuration of Constituent Groups:

Members of the existing Vendor Constituent Group (VCG) who are traditional data vendors have proposed that a distinct Data Vendor Constituent Group (DVCG) be created. The DVCG would allow them to focus better on the unique challenges that they face. The initial approach will be to create this group as a sub-group of the VCG that is only accessible by organizations that are data vendors. As a result, the DVCG would meet at times other than when the full VCG (and other constituent groups) meet.

The following is the definition of “data vendor” with which the DVCG has been working:

A Data Vendor is an FISD member organization that takes in multiple objective sources of market data, bundles them, and passes them on to an external client base. Participation in the DVCG is limited to the member's employees who are specifically engaged in its data vending business.

Executive Committee Elections:

Annual Election:

The Executive Committee election process was completed in January 2007. The following is the list of newly-selected members whose terms end in December 2008:

<u>Member</u>	<u>Contact(s)</u>	<u>Constituent Group</u>
Australian Stock Exchange	Frank Hoer	Exchange
CBOT	Steve Dickey	Exchange
London Stock Exchange	Jarod Hillman, Wendy Morgan	Exchange
Nasdaq Stock Market	Jeannie Merritt	Exchange
Bloomberg	Jennifer Bartashus	Vendor
BT Radianz	Chris Pickles	Vendor

Interactive Data	Phil Burch	Vendor
Telekurs	Sara Banerjee, Ralph Bassfield	Vendor
Capital Group	Keith Michaud	Consumer
Charles Schwab	Randy Frederick	Consumer
J.P. Morgan Chase	Ludwig D'Angelo, David Morgan	Consumer
State Street	John White	Consumer

Replacement of Vendor Member:

A seat on the Executive Committee has opened up for a vendor member. Under the FISD By-Laws, we should follow the following process:

- 1) The general membership is given the opportunity to nominate candidates for the vacant EC position. We plan to notify the membership of the vacancy via the March newsletter and will give them until April 6 to nominate candidates.
- 2) The existing EC members of the Vendor Constituency Group shall provide recommendation(s) to the rest of the EC from among the candidates nominated by the general membership.
- 3) The EC shall then vote to choose from among all the nominated candidates.

Election of Exec Committee Chair and Vice-Chair:

The FISD By-Laws provide for an annual election of a Chair and Vice-Chair. In January, the Executive Committee was asked for nominations for these positions. The only nominations received were for the incumbent Chair and Vice-Chair - Sara Banerjee (Telekurs) and Niel Siekerka (Reuters). The By-Laws specify that the Chair and Vice-Chair are to be from different FISD constituent groups. In the absence of other candidates, the staff proposes that the Exec Committee waive that provision of the By-Laws through the end of 2007. Alternatively, someone needs to nominate themselves to be the Chair or Vice-Chair.

Events:

World Financial Information Conference (Newport, RI - September 23-26):

- 1) Program Content – The Program Committee has been meeting semi-monthly to develop content. Invitations to Keynote speakers have been issued. Topics for panels have been identified and the group is continuing to develop these and new topics. It is anticipated that the preliminary program will be set by mid-March.
- 2) Marketing -The website was launched on February 6th and marketing is in full swing. Registration for the conference and lodging is now available as well as the overall schedule.
- 3) Sponsorships – A total of 10 sponsorships have been purchased. The newest addition to the opportunities offered is the Market Data Cup Golf Tournament which was purchased almost immediately upon launch of the website. Eight slots are remaining and staff is fielding inquiries from a variety of members.
- 4) Market Data Lifetime Achievement Award - The nominating committee will convene in the Spring to begin the process.

Asia Local Meetings:

We are seeking to conduct a series of local membership meetings in Asia in late April or May. The top two priority locations are Tokyo and Hong Kong with a third meeting potentially occurring in Seoul or Shanghai.

**FISD Business Issues Advisory Committee
Meeting Notes and Executive Committee Report
February 20, 2007**

Attendees:

Steve Dickey – CBOT
Jeannie Merritt – NASDAQ
Jack Sabo – NYBOT
Leo Vozel – J&J
Tom Davin –FISD/SIIA
Paula Hardy –FISD/ SIIA

The BIAC meeting was held on February 20, 2007. The following are issues and results of that meeting.

Billing and Invoice Working Group:

The committee accepted the proposal for Best Practices and wanted this to be sent on to the EC for final review. The committee also requested that the FISD forward this to the EC for a vote before the next quarterly meeting in Paris. The reason for this is that the B&IWG is presenting to the general meeting the day before the EC and would like to present the result of the EC vote.

The Billing & Invoice Working Group requested that the BIAC recommend to the FISD Executive Committee, the adoption of the B&IWG's recommendations as a formal FISD Best Practice Recommendation. The objective of the FISD Billing and Invoicing Working Group (B&IWG) is to identify the practices, specifications, and processes that can be standardized. The working group believes that by adopting these recommendations, in whole or in part, invoice providers will enable their customers to process invoices more quickly which will result in more timely payments to the providers.

The Working Group has created three documents for invoice providers' consideration which have been attached:

- (1) 'Best Billing Practice' recommendations have been created to define suggested business rules and procedures.
- (2) The standard data elements used to generate invoices and report product inventory have been defined and organized in the Market Data Invoicing Schema (MDI Schema).
- (3) A model invoice is included that demonstrates how the various data elements could be presented.

The B&I Group would like to have their documents accepted by the FISD as a Best Practices for the Industry. Once this is accepted, they plan to promote it with the data vendors, exchanges, and other invoice providers. Some of them plan to send a letter to each of their providers stating that this is the format that they want going forward. They will also follow up with calls and meetings to their major vendors and exchanges.

Service Level and Communications Group:

The committee accepted the proposal to revive the SLA committee to update their document and address other relevant issues. The BIAC recommends to the FISD Executive Committee that the Service Level and Communication working group be re-formed.

The vendors in particular would like to have this group revived to enhance their Best Practices document and address new issues related to this topic. Recently, changes to products without sufficient notice has caused a number of problems and has put some members in a disadvantaged competitive position.

They would like to update the existing document and add the next level of service. Many of the people that are making the request were on the previous committee.

ECG and CCG Joint Meeting:

The committee was given an update on the status of the ECG and CCG Joint meetings. An update was also given at the recent SIMFA meeting where it was discussed to do a joint recommendation of the possible outcome of Best Practices Recommendation. The ECG and CCG groups has been actively meeting to understand each others business issues with the goal of coming to and understanding of what may be utilized by the FISD in determining Best Practices for market data administration.

Some of the items that are currently being discussed are Unit of Count, Delayed Data, Derived Data, Non Display Usage, and Audits. The purpose has been to educate each other of where their business models have been and where they are now and in the future. This plays heavily on the administration burdens for both groups.

Timing of this is essential since many new policies changes are being developed.

Market Data Piracy:

BIAC members discussed re-forming the Redistribution Group. Some members have concerns on the increasing piracy of data in Asia and Russia. It was agreed that this would be put on the March 13th EC agenda for discussion and added to the agenda for the June general membership meeting.

**Securities Processing Automation
Staff Report for Executive Committee
March 13, 2007**

Standards

The FISD staff has been active on the Standards front in three ways:

1. After meeting with the SPA-AC, re-drafting the FISD Standards Philosophy statement and submitting it to the Executive Committee for approval.
2. Participating in ISO Working Groups, specifically WG1 and WG11.
 - a. For WG1, staff has attended meetings and been active in ongoing discussions related to the licensing terms around ISINs based on CUSIPs. We drafted an Issue Brief for members interested in the issue and formed an initial “Shadow Group” of interested members to monitor ongoing developments.
 - b. For WG11, we have been actively working with the Group to “harmonize” MDDL with the Securities Data Model the Group is developing. Staff participated in the most recent WG11 meeting in Zurich the week of March 5, and we are working to help the group complete the initial draft of the model in Q3 of 2007.
 - c. WG8 – At the direction of the SPA-AC, we plan to form an FISD working group to track developments in WG8. Current staff has not yet actively participated in this group.
3. The SPA-AC is proposing the creation of a Standards Steering Group for approval at the Paris EC meeting. This group is to be tasked with providing guidance to staff participation in the ISO arena and exploring other areas or groups where it makes sense for FISD to have an active voice on behalf of its members.

MDDL

We expect to have the new release 3.0 of MDDL completed by March 31, 2007. Once this release and documentation are available, the staff will work in a number of areas:

- Communicate the completion of 3.0 to the broad community of industry participants.
- Work with industry participants to encourage implementation and assess any gaps between their needs and MDDL’s capabilities.
- Identify opportunities for harmonization and/or partnership with other industry standards.