



ROC-DSB MOU

Contents

PREAMBLE	3
ARTICLE I: DEFINITIONS	3
ARTICLE II: GENERAL PURPOSES	5
ARTICLE III: GENERAL PRINCIPLES OF THE OVERSIGHT OF THE UPI SYSTEM	6
ARTICLE IV: COMMUNICATION PROTOCOL BETWEEN DSB AND THE ROC.....	6
ARTICLE V: MEETINGS AND ROC OBSERVERS	7
ARTICLE VI: STANDARDS	8
ARTICLE VII: MUTUAL SUPPORT	9
ARTICLE VIII: CONTINGENCY ARRANGEMENTS	9
ARTICLE IX: ROC ACCESS TO INFORMATION ON DSB OPERATIONS AND FACILITY REPORTS	9
ARTICLE X: DISAGREEMENTS AND ESCALATION PROCEDURES	10
ARTICLE XI: DE-DESIGNATION AND DESIGNATION OF ANOTHER UPI SERVICE PROVIDER AND OPERATOR OF THE REFERENCE DATA LIBRARY	11
ARTICLE XII: MISCELLANEOUS.....	11
ANNEX.....	13
PREAMBLE	13
ARTICLE I: DEFINITIONS	13
ARTICLE II: DSB’S COMMITMENTS TO THE UPI SYSTEM	13
ARTICLE III: DSB POLICIES AND PROCEDURES.....	15
ARTICLE IV: DSB GOVERNANCE	16
ARTICLE V: DSB ADVISORY COMMITTEES	18

ARTICLE VI: DSB VALUE ADDED SERVICES 19
ARTICLE VII: TRANSPARENCY TO THE PUBLIC AND TO USERS 19

**MEMORANDUM OF UNDERSTANDING BETWEEN THE
REGULATORY OVERSIGHT COMMITTEE OF THE GLOBAL
LEGAL ENTITY IDENTIFIER SYSTEM AND OF CERTAIN
OTHER GLOBAL DATA IDENTIFIERS AND ELEMENTS (ROC)
AND THE DERIVATIVES SERVICE BUREAU LTD (DSB)**

PREAMBLE

The Regulatory Oversight Committee (ROC), a Charter-based organization of authorities from multiple jurisdictions, and The Derivatives Service Bureau Limited (DSB), a UK based limited company, together referred to as “Participants”:

Having regard to the Financial Stability Board (FSB) Governance arrangements for the Unique Product Identifier (UPI),¹ which identify the ROC to be best positioned to oversee the UPI in the broad public interest and designate the DSB, as the UPI Service Provider and operator of the UPI Reference Data Library;

Having regard to the [ROC Charter](#), as amended in October 2020,² to oversee the UPI system as contemplated in the FSB Governance arrangements for the UPI;

Recognizing the need to memorialize the relationship between the ROC and the DSB, and the processes for implementing their respective responsibilities in the functioning of the UPI system as contemplated in the ROC Charter and the FSB Governance arrangements for the UPI;

Affirming and supporting the independence of the DSB in its operation of the UPI system and of the ROC consistent with its Charter, in accordance with the Governance Principles of the UPI system;

Have reached the following understanding:

ARTICLE I: DEFINITIONS

For purposes of this **Memorandum of Understanding (MOU)**,

1. The **Governance Principles of the UPI system**, means the FSB Governance arrangements for the Unique Product Identifier (UPI);

¹ FSB (2019). [Governance arrangements for the UPI](#), 9 October.

² ROC (2020). [Charter of the Regulatory Oversight Committee for the Global Legal Entity Identifier System and Governance of Certain Other Global Data Identifiers and Elements](#), 1 October.

the Technical Guidance on Harmonisation of UPI of the Committee on Payments and Market Infrastructures (CPMI) and the International Organization of Securities Commissions (IOSCO); the High Level Principles listed in Annex C of the ROC Charter as well as any amendments thereof and any additional principles or standards adopted by the ROC.

2. The **Regulatory Oversight Committee (ROC)** means the group of public authorities that have, at any given point, assented to the Charter of the ROC.
3. The **Committee on Derivative Identifiers and Data Elements (CDIDE)** refers to the advisory technical committee of the ROC.
4. The **Derivatives Service Bureau (DSB) Limited** means the limited company registered in England and Wales (No. 10542063), established as a subsidiary of the ANNA.³
5. **ROC Observers** refers to the ROC Chair and Vice Chairs observing DSB Board Meetings without participation in any voting or deliberations or activities normally reserved to DSB Directors.
6. References to **DSB Board Meetings** in this MOU are specific to meetings or parts of meetings of the DSB Board of Directors in connection with matters relating to the UPI Service and the Governance Principles of the UPI system only.
7. **UPI system** refers, as described in the FSB Governance arrangements for the UPI listed in Annex C of the ROC Charter,⁴ to the UPI code, the reference data and process of assigning a UPI code to a set of reference data elements, as well as the UPI Reference Data Library.
8. **UPI Service** refers to the systems and processes used in relation to the UPI code and related reference data, its generation, its assignment to a set of reference data as well as the underpinning system that provides this capability as well as access to the data for end users, including the UPI Reference Data Library. The scope includes any software, applications (third party or in-house), infrastructure including hardware application, operating system(s), database(s), connectivity, security, disaster recovery, interfaces, interoperability as well as supporting documentation and procedures applicable to the UPI Service.
9. **Open access** means, as described in the FSB Governance

³ <https://www.anna-web.org/>

⁴ FSB (2019), Governance arrangements for the UPI, p. 4.

arrangements for the UPI report listed in Annex C of the ROC Charter, unrestricted access to, and use of, UPI Codes and UPI Data Standards.⁵ “Free” access refers to an access free of charges, whereas “unrestricted” access refers to the absence of technical restrictions or limitations to access, reuse and redistribute the information.⁶

10. **Advisory Committees of DSB** refers to Industry Representation Groups (such as the DSB Technology Advisory Committee and Product Committee), which include representatives of, inter alia, reporting entities, derivatives infrastructure providers, or market data providers.⁷
11. The **UPI Data Standard** refers to the Data Standard relating to the UPI.
12. The **UPI Technical Guidance** refers to the September 2017 CPMI and IOSCO report *Technical Guidance Harmonisation of the Unique Product Identifier*.
13. The **UPI Reference Data Library** refers to the collection of reference data elements and their values for each product residing in a UPI Reference Data Library administered by DSB.
14. The **financial sustainability margin** is a mark-up determined by DSB of not more than 25% of the total cost including finance costs for provision of the UPI Service during the capital repayment period and excluding them afterwards. The total cost excluding finance costs is computed using the generally accepted accounting principles reported by DSB under UK statutory reporting requirements and consists of cost of sales plus administrative expenses plus depreciation and excluding finance costs and corporation tax.
15. The **cost recovery principle** means that DSB collects fees sufficient to cover the costs of running the UPI Service and the financial sustainability margin.
16. The **UPI value added services** refer to any other commercial service offered by DSB to users of the UPI Service that is not compulsory in order to use the UPI Service.

ARTICLE II: GENERAL PURPOSES

⁵ FSB (2019), [Governance arrangements for the UPI](#), section 2, key criteria, “open access” criterion, p. 6.

⁶ Generally, FSB (2019), [Governance arrangements for the UPI](#), section 2, key criteria, “open access” “cost” and “intellectual property” criteria, p. 6.

⁷ Definition of the IRG from the FSB (2019), [Governance arrangements for the UPI](#).

17. This MOU describes the common understanding between the ROC and the DSB, of the implementation of the UPI Governance arrangements, in particular the expected division of responsibilities for overseeing the UPI system. This MOU creates no legal rights between, by, or against the Participants or any of their respective Members or officers or employees, and is not legally binding.
18. This MOU reflects the designation by the FSB of DSB as the UPI Service Provider and the operator of the UPI Reference Data Library.
19. This MOU describes the oversight of the UPI system by the ROC and defines specific aspects of the ROC's relationship with the DSB.
20. This MOU is intended to provide clarity on how the governance criteria and the technical characteristics of the UPI system will operate in practice, but is not meant to modify in any way the DSB's Articles of Association and the Governance Principles of the UPI system.

ARTICLE III: GENERAL PRINCIPLES OF THE OVERSIGHT OF THE UPI SYSTEM

21. The ROC will oversee the UPI Service in accordance with the ROC Charter, Financial Stability Board Governance arrangements for the UPI, the Technical Guidance on Harmonisation of UPI of the Committee on Payments and Market Infrastructures (CPMI) and the International Organization of Securities Commissions (IOSCO), subject to any amendments and any additional principles or standards adopted by the ROC, as well as this MOU and Article II of its Annex.
22. Authorities should have unrestricted and free access to, and use of, the UPI Reference Data Library and of the UPI system itself. Entities with reporting obligations and trade repositories (TRs) should have unrestricted access to, and use of, the UPI Reference Data Library in a manner that is sufficient to at least allow them to associate a specific derivative product to its UPI Code in a timely manner and facilitate the discharge of reporting obligations for derivatives transactions.

ARTICLE IV: COMMUNICATION PROTOCOL BETWEEN DSB AND THE ROC

23. Unless specified otherwise in this MOU, all official notices and communications between the ROC and the DSB will be conducted respectively through:

- a. a message by the Chair or a Vice Chair of the ROC to the Chair of the Board of the DSB and to any other person designated by the DSB Board Chair for that purpose; or
 - b. a message by the DSB Board Chair to the Chair and Vice Chairs of the ROC and to the ROC Secretariat and any other person designated by the ROC Chair or Vice Chairs for that purpose.
24. This Article applies in particular to the DSB notifications on:
- a. Governance matters;
 - b. Technical matters; and
 - c. Operational matters.
25. Notifications on technical matters and on matters related to operational resilience are defined in a dedicated notifications protocol that is subject to regular revisions or other revisions, as appropriate, by the ROC and DSB. The process for DSB to notify the ROC on these matters will be specified in the notifications protocol itself.
26. Nothing in this Article prevents, in addition to the official notices and communications required above, informal discussions and information exchange between, on the one hand, ROC members and Secretariat and, on the other hand, DSB Directors or the DSB Management, or among members of joint working groups, particularly regarding the development of the standards foreseen in Article VI of this MOU.

ARTICLE V: MEETINGS AND ROC OBSERVERS

27. To facilitate coordination between the ROC and the DSB, to the extent practicable, in-person meetings of the ROC Plenary and Executive Committee (at least two each per year respectively and on a rotating basis regionally) and of the Committee on Derivative Identifiers and Data Elements (CDIDE) (at least one per year) and of the DSB Board (one each year) should be conducted at the same time and location so that joint sessions and other forms of interaction can take place in addition to the meetings of the bodies of the ROC and the DSB.
28. An annual schedule is to be developed jointly by the ROC Executive Committee and the DSB Board in October for the upcoming calendar

year.

29. As provided in the DSB Articles of Association, the ROC Observers may observe all DSB Board Meetings in connection with topics regarding the UPI Service and the Governance Principles of the UPI system. In this capacity, the ROC Observers will not participate in any voting or deliberations or activities normally reserved to DSB Directors. The ROC will provide notification to the DSB, as soon as reasonably practicable, when there is any appointment or removal of ROC Observers.
30. ROC Observers acknowledge that when attending DSB Board Meetings, relevant policies and codes of conduct would apply as when acting in the same or a similar capacity as part of their institutional activity.

ARTICLE VI: STANDARDS

31. The responsibility for developing standards for the UPI system may be coordinated as follows:
 - a. Policy standards for the UPI system concerning data or information are to be developed by the ROC in consultation with the DSB and other relevant stakeholders. For example, issuing updates to the UPI Technical Guidance or recommendations for (a) updates or changes to UPI Reference Data Elements or related data structures; and (b) coordinated approach to UPI implementation by Authorities.
 - b. Operational and technical standards for the UPI necessary for consistent implementation, or respecting specific schemas or transmission protocols, are to be developed by the DSB in consultation with the ROC and other relevant stakeholders. For example, procedures to ensure conformity with the UPI Technical Guidance, the UPI Data Standard, and any other standards relating to the UPI system; procedures to maintain a history of issued UPI Codes to avoid reuse; to ensure compatibility of old/new versions of the UPI and to facilitate the performance of historical data analysis; protocols for accounting for errors in issuance of UPIs, and for different status of UPIs; periodic assessments of the distribution of products within the classification system and ensuring that

products are assigned their proper taxonomical classification when appropriate.

ARTICLE VII: MUTUAL SUPPORT

32. The ROC will continue to promote the UPI system and the use of the UPI to expand the collective benefit from widespread adoption, in accordance with the objectives of the ROC set forth in the ROC Charter.
33. The ROC and DSB may coordinate to the greatest extent possible their actions to inform the public about the UPI system and promote the use of the UPI, including through their respective webpages and other means. In particular, the ROC and DSB will cross-link their respective webpages. However, the ROC and DSB will each keep the responsibility of determining and posting the content of their respective webpages.

ARTICLE VIII: CONTINGENCY ARRANGEMENTS

34. The ROC and DSB plan to work on separate contingency arrangements that will also refer to intellectual property.

ARTICLE IX: ROC ACCESS TO INFORMATION ON DSB OPERATIONS AND FACILITY REPORTS

35. DSB acknowledges that the ROC may request access to, and review of, information concerning DSB operations and facilities used in providing the UPI Services. DSB may request confidential treatment for any such information it intends to provide, consistent with jurisdictions' laws applicable to authorities. DSB understands that the ROC also may request an inspection of DSB facilities and that the ROC will endeavor to provide notice to the DSB at least 15 calendar days before the intended start date of the inspection. The inspection should be effected with the least possible impairment to the DSB operations. DSB understands that the ROC may prepare reports on its review and inspections of DSB operations and facilities, and that the ROC will endeavor to provide DSB with a draft of such reports of the ROC for comments at least 15 calendar days before it is sent to ROC Executive Committee and Plenary. The DSB Board Chair may request that the comment period be extended by up to 15 calendar days, unless the ROC Chair or a Vice Chair determines that exigent circumstances apply. The DSB Board Chair may also request that the DSB response be annexed to the final report

of the ROC inspection team.

36. DSB will share information with the ROC on third party service providers to whom DSB has outsourced operational functions or activities, to the extent necessary to uphold the UTI, UPI, and CDE High Level Principles, including but not limited to
 - a. evaluating data quality and data standards,
 - b. ensuring public access to key data and safeguarding of any non-public data, and
 - c. confirming the application of the cost-recovery principle.

DSB will use reasonable efforts to help ensure that it will be able to share information on third party service providers.

37. This Article is without prejudice to the access to data and information by public authorities under their domestic frameworks.

ARTICLE X: DISAGREEMENTS AND ESCALATION PROCEDURES

38. DSB may respond within 30 days to a recommendation made by the ROC. The Chair of DSB's Board may request that the period to respond be extended, unless the ROC Chair or a Vice Chair raises exigent circumstances. DSB understands that the ROC Chairs and DSB Board will endeavor to reach mutual understanding on any extension of time.
39. Whenever DSB does not entirely adopt a recommendation delivered by the ROC, DSB may provide in its response to the ROC an explanation for its position or an alternative proposal.
40. If a disagreement remains and, in the view of the Participants or their respective Chairs a resolution is necessary to the well-being of the UPI system, DSB understands that the Chairs of the respective Participants may seek to negotiate a compromise proposal that can be accepted by each body pursuant to their respective decision-making procedures.
41. If this process is unsuccessful or impracticable, DSB understands that the ROC may, at its discretion, undertake alternatively or successively the following actions:
 - a. confirm its recommendation, so that it can be submitted again to DSB; and

- b. subject to the ROC giving due consideration to any confidentiality and privacy concerns of DSB and the ROC giving prior notice of its intention to publish its disagreement with DSB and reasonably considering any representations made by DSB in respect of such publication in advance thereof, publish its disagreement with DSB and the reasons thereof, and request DSB publish the reasonable grounds for its disagreement with the ROC's recommendation.

ARTICLE XI: DE-DESIGNATION AND DESIGNATION OF ANOTHER UPI SERVICE PROVIDER AND OPERATOR OF THE REFERENCE DATA LIBRARY

42. As foreseen in Article 9 (d) 12 of the ROC Charter, DSB understands that the ROC may de-designate DSB as a UPI Service Provider and designate another UPI Service Provider and Operator of the Reference Data Library in consultation with the relevant stakeholders in accordance with Article 3 (e) of the ROC's Charter. Such a possibility is not intended to affect the independent management of DSB by its Board.
43. DSB understands the paramount objective of preserving the use of the UPIs, the UPI Reference Data Library and of the operation of the UPI system; to that effect, DSB acknowledges that de-designation should not, absent exigent circumstances, be expected to result in abandoning the use of UPIs or unavailability of the UPI Service, with the aim of avoiding undue market or regulatory disruption and protecting intellectual property rights that are held for the public benefit, and taking into consideration, as appropriate, employment and other agreements entered into by the DSB.
44. DSB may request that the decision to designate another UPI Service Provider and Operator of the Reference Data Library takes effect one year after the adoption of such decision, or any longer period of time decided by the ROC for an orderly transition. However, DSB acknowledges that the ROC in its discretion may determine that a shorter period may apply.

ARTICLE XII: MISCELLANEOUS

45. Any modifications or amendments to this MOU must be made in writing and signed by the then-serving ROC Chair and DSB Board Chair, pursuant to the decision-making processes of the ROC and DSB, respectively.

46. The initial term of this MOU will be a period of five years from the date the MOU is signed. This MOU may be extended at any time by the mutual written consent of the ROC and DSB. If not extended earlier, the ROC and DSB will review the MOU at the end of the initial term and decide whether to extend it for an additional time period. Notwithstanding the above, this MOU expires with immediate effect upon dissolution of DSB or after de-designation and a transfer of service provider designation and functions takes effect (and after a transition period).

47. This MOU is a public document, published on the ROC and DSB websites.

Signed in two originals on 30 JUNE 2021



FRANÇOIS LAURENT
ROC CHAIR

Signature, Printed Name
and Title, of
Its duly authorized
representative

Regulatory Oversight
Committee (ROC)



EMMA KALLIOMAKI
MANAGING DIRECTOR

Signature, Printed Name
and Title, of
Its duly authorized
representative

The Derivatives Service
Bureau (DSB) Ltd

ANNEX

ACKNOWLEDGEMENT OF UNDERTAKINGS BY THE DERIVATIVES SERVICE BUREAU LIMITED

PREAMBLE

The Derivatives Service Bureau Limited (DSB), a UK based limited company:

Having regard to the Memorandum of Understanding between the Regulatory Oversight Committee of the Global Legal Entity Identifier System and of Certain Other Global Data Identifiers and Elements and the Derivatives Service Bureau Ltd (MOU);

Recognizing the need to memorialize undertakings DSB commits to as part of the UPI Service Provider;

Acknowledges as follows:

ARTICLE I: DEFINITIONS

1. All terms defined in the MOU have the same definition herein.

ARTICLE II: DSB'S COMMITMENTS TO THE UPI SYSTEM

2. Consistent with the general principles of the oversight of the UPI system, DSB acknowledges that with regards to the UPI system, the DSB Board will act consistent with the public and regulatory interest as described in, and promote adherence to, the UPI governance criteria,⁸ including providing information to the ROC regarding its activities related to:
 - a. granting open access to the UPI Service as defined in Article I, clause 9 of the MOU;
 - b. revising the relevant elements of the UPI system as defined in Article I, clause 7 of the MOU on a need-only basis and considering the benefits and costs of such revisions, in order to minimize the impacts on various stakeholders;
 - c. revising the relevant elements of the UPI system (except for the day to day process of updating the data held in the UPI Reference Data Library) following the appropriate review and

⁸ FSB (2019). Governance arrangements for the UPI, section 2, key criteria, "public interest" criterion.

input by stakeholders and after public consultation where appropriate;

- d. with regards to the UPI system, helping to ensure that costs are reasonable and economically sustainable over time (including ensuring that the returns of initial and subsequent investments do not accrue to third parties in perpetuity) while also observing the application of the cost-recovery principle;
- e. ensuring that fees on the UPI Service provision are charged on a cost recovery principle as defined in Article I, clause 15 of the MOU, allocated fairly across users and across UPI and other DSB services, and that the fee allocation is not affected by any conflict of interest;
- f. ensuring that any annual fee excess is rebated the subsequent year following the annual financial audit, so that any annual shortfall is not followed by an increase of fees without being preceded by appropriate review and input by stakeholders and that the potential impact of excessive year on year fluctuation on the UPI Service and its users ensures overall costs stability;
- g. maintaining the level of financial sustainability margin to ensure that the UPI system is economically sustainable over time⁹ and remains appropriate to cover only the costs for, in order of prioritization, the current and forthcoming business plan, financial reserves, reinvestment in the business and a reduction in costs for users. The ROC may monitor the financial sustainability margin in accordance with the cost-recovery principle;
- h. ensuring that DSB's overall business plan reasonably provides for economic sustainability over time;
- i. ensuring that for Authorities, the use of the UPI system is free of charges in accordance with the open access definition in Article I, clause 9 of the MOU;
- j. ensuring that implementation of the UPI Data Standard is not subject to any intellectual property restriction. Consistent with this, the use of any UPI Code should be free of licensing restrictions. As to the UPI Reference Data Library, intellectual property restrictions should be applied in a manner consistent with the rules applicable in a given jurisdiction;

⁹ FSB (2019), Governance arrangements for the UPI, section 2, key criteria, "economic sustainability" criterion.

- k. ensuring that the DSB overall business, including any integration between the ISIN and the UPI Service, is not affected by conflicts of interest;¹⁰
- l. ensuring that the DSB has policies and procedures that are reasonably designed, implemented and used to detect and effectively manage any potential conflict of interest and that access to the UPI is not tied or bundled with any other services offered by a UPI Service Provider;
- m. ensuring that the DSB has the ability to ensure operational sustainability and to enable it to operate securely and effectively as UPI Service Provider; and
- n. ensuring that the UPI Service is provided at a scale that meets user requirements across all time zones.

ARTICLE III: DSB POLICIES AND PROCEDURES

- 3. DSB intends to maintain and use policies and procedures to:
 - a. provide open access to the UPI Service in terms of
 - i. systems' technical reliability, suitability and speed;
 - ii. absence of legal restrictions or other impediments to open access;
 - b. assign and maintain UPI Codes, including to:
 - i. accommodate new product types, and decide subject to appropriate stakeholder input and review and relevant changes to permissible values by the ROC whether each addition or change to product types requires a change to associated reference data (e.g. through addition of new allowable values for the UPI Reference Data Elements within a given product type);
 - ii. subject to appropriate stakeholder input and review, maintain granularity and status of UPI Codes, account for errors in assignment and retrieval of UPI Codes;
 - iii. subject to appropriate stakeholder input and review distribute products within the classification system and assign them to a taxonomical classification; and

¹⁰ FSB (2019), Governance arrangements for the UPI, section 2, key criteria, "Conflicts of interest" criterion, p. 6.

- iv. ensure the quality of the data maintained.
 - c. enable users to access UPI services and other DSB services separately, should they so desire;
 - d. manage or eliminate conflicts of interest related to the provision of the UPI Service;
 - e. determine a fee model for the UPI Service, such as fee levels, classification of users, allocation of fees across different classes, treatment of excess fees or shortfalls materializing during the year;
 - f. provide users with mechanisms and procedures to contest fees and raise issues in relation to access to the UPI Service;
 - g. retain and maintain UPI Codes and a UPI Reference Data Library;
 - h. ensure sufficiently qualified staff on an ongoing basis; and
 - i. prepare for and address business continuity contingencies, such as significant technology disruptions or physical or public health events, including designation of another UPI Service Provider and Operator of the Reference Data Library, and consistent with Contingency Arrangements in the MOU.
4. No part of the activities of DSB intend to be the carrying out of propaganda, or otherwise attempting to influence legislation or rulemaking. The ROC understands that the objective of this provision is not to prevent DSB from otherwise communicating with public authorities, consistent with jurisdictions' laws. To facilitate coordination, DSB will inform the ROC of the relevant jurisdiction prior to delivering such information and to make clear the informational purposes in any speech, presentation or other material provided to public authorities.

ARTICLE IV: DSB GOVERNANCE

5. DSB intends to provide notification of governance matters as soon as reasonably practicable and prior to any broader consultation if such is anticipated that include:
- a. any substantial changes in the DSB equity holders or ownership structure;
 - b. any substantial changes to the legal entity structure and to the internal organisational structure, including the establishment of subsidiaries;

- c. any substantial change to DSB corporate governance policies, procedures and terms of reference governing its Board and – with reference to the UPI Service – also its senior management, non-executive members and, where established, Board committees. This includes the processes for the nomination, appointment, performance evaluation and removal of senior management and/or Board members;
- d. any notice of DSB Board Meetings and agendas, distinguishing items for information and for decision, and with the text of any proposed decision to be made available to the ROC Chairs who, after informing the DSB, may share excerpts with the ROC Plenary (to be held by the ROC Plenary on a confidential basis, in accordance with applicable laws);
- e. any pending and actual Board vacancies;
- f. any proposed appointment and removal of Board members;
- g. all proposed and adopted annual budgets of the DSB related to the UPI Service, including information on remuneration policy, cost-recovery principles, protocols and procedures underpinning the budget;
- h. all strategic plans and financial business plans related to the UPI Service contemplating different business scenarios over a certain horizon of 3-5 years;
- i. all audits;
- j. the minutes of DSB Board Meetings and documentation supporting agenda items discussed at DSB Board Meetings to be made available to the ROC Chairs who, after informing the DSB, may share excerpts with the ROC Plenary (to be held by the ROC Plenary on a confidential basis, in accordance with applicable laws);
- k. an explanation for the position by the DSB Board not to adopt, in whole or in part, a recommendation delivered by the ROC, in accordance with Article X of the MOU;
- l. any changes to data quality policies and standards in relation to the UPI Service;
- m. any changes to policies and procedures mentioned in Article III of this Annex to the MOU;
- n. any further substantial governance, legal, business change that may impact the UPI Service provision.

ARTICLE V: DSB ADVISORY COMMITTEES

6. DSB's Advisory Committees operate according to their Charter. They intend to:
 - a. provide stakeholder input and review in establishing and maintaining adequate policies and procedures:
 - i. to ensure conformity with the UPI Technical Guidance, the UPI Data Standard, and any other standards relating to the UPI system;
 - ii. to govern applications for obtaining new UPI Codes (including the form and the manner of data submission, how users must connect to the DSB to provide data and request a UPI code, and timing); and
 - iii. to review the UPI system to accommodate new product types, (including deciding whether each addition or change to product types requires a change to associated reference data), to maintain granularity and status, to account for errors in issuance of UPIs, to periodically assess the distribution of products within the classification system and to ensure that products are assigned their proper taxonomical classification when appropriate.
 - b. oversee the technical decisions of DSB and ensure that there is a mechanism for responding to complaints and inquiries.
 - c. provide recommendations to DSB for consideration regarding:
 - i. the information provided to DSB by the ROC;
 - ii. DSB's adherence to the UPI Technical Guidance, the UPI Data Standard, any other standards relating to the UPI system that may prevail, the UPI Governance Arrangements, and any terms or conditions forming part of such arrangements;
 - iii. analysis of and any response to issues relating to the UPI Data Standard (and any other standards relating to the UPI system that may prevail), UPI Technical Guidance updates and maintenance with other relevant standard-setting bodies, standards development organisations, regulators, or Authorities. This may include coordination relating to changes in or introductions of the identifiers of underliers;
 - iv. Considering updates to the UPI Technical Guidance and the costs and benefits of updates to the UPI Technical

Guidance; and

- v. Processing requests for information and providing clarification on the UPI Technical Guidance;
- d. provide recommendations for consideration by DSB on actions to be taken with regard to the provision of services by the UPI Service Provider(s), including applicable procedural safeguards;and
- e. receive any recommendation by DSB for further updates or changes to reference data or related data structures and inform the ROC.

The above applies to currently existing DSB Advisory Committees (the DSB Technology Advisory Committee and Products Committee) as well as to other new future DSB Advisory Committees.

ARTICLE VI: DSB VALUE ADDED SERVICES

7. DSB could in principle launch UPI value added services, as described in Article I, clause 16 of the MOU, on the condition that they cause no detriment to UPI Service users and do not create a conflict of interest.
8. DSB will notify the ROC of any proposal to launch or change UPI value added services that incorporate any UPI Reference Data Library record.

ARTICLE VII: TRANSPARENCY TO THE PUBLIC AND TO USERS

9. DSB intends to run public consultations on material changes to operations, costs, fees, and the open access of its UPI Service provision, such as the service level agreement, fee model, users' classification and user agreement. DSB intends to make all responses and analyses publicly available, publishing comments anonymously where requested by the respondent.
10. DSB will publish on its website regular information on:
 - a. operations of the service (such as service availability, latency, number and causes of critical incidents);
 - b. service usage; and
 - c. minutes of DSB Advisory Committees on matters related to the UPI Service.
11. DSB provides visibility to users of its operational oversight of third

party providers, through reporting of third parties assuring the quality of internal processes, and service compliance to contractual commitments.

12. DSB gives transparency to the public on the level of financial sustainability margin.

Signed in two originals in on 30 June 2021.



EMMA KALLIOMAKI
MANAGING DIRECTOR

Signature, Printed Name and Title, of

Its duly authorized representative

The Derivatives Service Bureau (DSB) Ltd