

Contents

1. Introduction	1
1.1. History of FpML	1
1.2. About this User Guide	1
1.2.1. Purpose	1
1.2.2. Audience	2
1.2.3. Content Overview	2
1.2.4. Applicability	2
1.2.1. Materials for Download	2
1.3. FpML Documentation	3
1.4. Related Resources	3
1.4.1. XML Documentation	3
1.4.2. XML Terminology and Tools	4
1.4.3. Web-based Resources	4
2. How to Use FpML – Sample Applications	5
2.1. Introduction	5
2.1.1. Purpose	5
2.1.2. Overview.....	5
2.2. Straight-Through Processing (STP) Data Transfer.....	6
2.2.1. Objective.....	6
2.2.2. Requirements	6
2.2.3. Messages and Structures Used.....	6
2.2.4. Tools and Technology.....	6
2.3. Automatic Confirmation.....	8
2.3.1. Objective.....	8
2.3.2. Requirements	8
2.3.3. Messages used.....	8
2.3.4. Customizations / Restrictions	9
2.3.5. Validation	9
2.3.6. Tools and Technologies	9
2.4. Trade Archiving	10
2.4.1. Objective.....	10
2.4.2. Structures Used	10
2.4.3. Tools	10
2.4.4. Issues/Notes	11
2.5. Intra-day Activity Reconciliation	12
2.5.1. Objective.....	12
2.5.2. Messages Used.....	12
2.5.3. Reconciliation Approaches	12
2.6. Inventory Reconciliation	13
2.6.1. Objective.....	13
2.6.2. Messages/Structures Used	13
2.6.3. Matching/Reconciliation Approaches	13
2.7. Trade Reporting Applications	14
2.7.1. Objective.....	14
2.7.2. Messages/Structures Used	14
2.7.3. Tools and Technologies	14
3. How to Write FpML – Examples	15
3.1. Introduction	15
3.2. Basic Example: Forward Payment	15
3.2.1. Introduction.....	15

FpML 4 User Guide 2010 Edition

3.2.2.	Required Data Attributes	15
3.2.3.	Developing the FpML.....	16
3.3.	IR Swap Confirmation Message Example.....	21
3.3.1.	Introduction.....	21
3.3.2.	Required Data Attributes	21
3.3.3.	Developing the FpML.....	22
4.	The organization of FpML	31
4.1.	Introduction	31
4.1.1.	Purpose	31
4.1.2.	Overview.....	31
4.2.	Architecture.....	31
4.2.1.	Architecture Principles.....	31
4.2.2.	Schema and Instance Documents.....	32
4.2.3.	Architectural Changes Between Versions.....	35
4.3.	Document / Messaging Framework.....	37
4.3.1.	Sample Message Flows.....	38
4.3.2.	More Information.....	38
4.4.	Other Top Level Structures	39
4.4.1.	Party.....	39
4.4.2.	Trade.....	39
4.4.3.	Portfolio	40
4.5.	Building Block Components	40
4.5.1.	Currency and Location Related Components	41
4.5.2.	Date-related Components.....	42
4.5.3.	Payment	43
4.6.	FpML Validation Framework.....	44
4.6.1.	What Does Validation Add?	44
4.6.2.	What Information Does Validation Provide?.....	45
4.6.3.	How Does Validation Work Together With the Specification?.....	46
5.	The FpML instrument framework	47
5.1.	Introduction	47
5.2.	Derivative Products	47
5.2.1.	Product Substitution Framework	47
5.2.2.	Product Summary	49
5.2.3.	Adding New Products	50
5.3.	Underlying Assets	50
5.3.1.	Usage	50
5.3.2.	Underlying Asset Substitution Framework.....	50
5.3.3.	Summary of Underlying Assets.....	52
6.	The FpML Business Process Framework	53
6.1.	Introduction	53
6.2.	Pre-trade	53
6.3.	Trade Execution/Confirmation.....	54
6.4.	Post-Trade	55
6.5.	Reporting.....	57
6.6.	Loan Syndication.....	58
7.	Customizing FpML.....	59
7.1.	Introduction	59
7.1.1.	Purpose of the Section	59
7.1.2.	Overview.....	59
7.2.	Wrapping.....	59
7.2.1.	Explanation	59

FpML 4 User Guide 2010 Edition

7.2.2.	Advantages and Disadvantages.....	60
7.3.	Extending Type Content.....	60
7.3.1.	Example	60
7.3.2.	Advantages and Disadvantages.....	62
7.4.	Restricting Type Content.....	62
7.5.	Extending Product Coverage.....	63
7.5.1.	Create a New Type	63
7.6.	Extending an Existing Product	64
7.7.	Extending Messages	65
7.8.	Versioning and Version Migration.....	66