

Tanya Panova
Head of Unit
Securities Markets
DG FISMA

Carsten Ostermann
Head of Markets and Digital Innovation Department
ESMA

Charlotte Sickermann
Team Leader, Secondary Markets Unit
Markets and Digital Innovation Department
ESMA

Fabrizio Planta
Head of Data Intelligence and Technology Department
ESMA

[via email]

27 May 2026

Dear Tanya, Charlotte, Carsten and Fabrizio,

Re: Date discrepancy between draft RTS 2 and OTC derivatives identifier Delegated Act

As we trust will be well known to you, ISDA welcomed both the entry into force of Commission Delegated Regulation (EU) 2025/1003 on the identifying reference data to be used for OTC derivatives for the purposes of public transparency, and the new framework for derivatives transparency proposed in ESMA's Final Report and draft RTS of 15 December 2025. We are grateful to both the Commission and ESMA for their respective roles in the development of legislation we consider necessary and proportionate.

We note that, as recognised by ESMA in the Final Report, the proposed date of application of the revised RTS 2 (1 March 2027) falls after the date from which CDR (EU) 2025/1003 mandates the use of the new identifying reference data (1 September 2026).

ISDA fully agrees with the proposed date of application of the revised RTS 2, as the implementation of the new transparency framework will require this length of time. We also agree fully with ESMA's view that as the new identifying reference data and the new transparency regime are intrinsically intertwined, they should apply from the same date, and that by logical extension, that date should be 1 March 2027.

About ISDA

Since 1985, ISDA has worked to make the global derivatives markets safer and more efficient. Today, ISDA has over 1,000 member institutions from 78 countries. These members comprise a broad range of derivatives market participants, including corporations, investment managers, government and supranational entities, insurance companies, energy and commodities firms, and international and regional banks. In addition to market participants, members also include key components of the derivatives market infrastructure, such as exchanges, intermediaries, clearing houses and repositories, as well as law firms, accounting firms and other service providers. Information about ISDA and its activities is available on the Association's website: www.isda.org. Follow us on [LinkedIn](#) and [YouTube](#).

Legal uncertainty and regulatory risk

However, we are concerned that the discrepancy between the two dates creates some legal uncertainty and possible exposure to regulatory risk for investment firms, approved publication arrangements (“APAs”) and trading venues (“TVs”) that, as it stands, are unable to comply with the mandate to use the new identifying reference data from 1 September 2026 due to circumstances beyond their control.

ISDA respectfully requests that any legal uncertainty is removed, either by amendment of CDR (EU) 2025/1003 to mandate 1 March 2027 as the date from which the new identifying reference data should be used, or through the issuance by ESMA of a no action letter under Article 9a of Regulation (EU) No 1095/2010, or through some other form of relief such as a public statement by ESMA advising national competent authorities that it expects them to apply proportionate supervision.

We believe that this would provide comfort for market participants, enabling them to safely comply with the combined policy intention of both pieces of legislation in a timeframe in which it is possible to do so.

Lack of clarity of IRS post-trade transparency reporting requirements under draft RTS 2

In a separate but related matter, there are several areas of limited or unclear information in the draft RTS, and also of inconsistency between that and CDR (EU) 2025/1003, that will cause implementation issues if not clarified or resolved. We explore these issues in depth below, but for convenience, have also attached an Appendix setting out ISDA’s understanding of what data should be reported under RTS 2, and how it should be reported. Noting that it will be some time before a revised RTS 2 (whether in draft or submitted to the Commission) is produced or Level 3 guidance is provided, we would greatly appreciate timely confirmation of our understanding as set out below and in the Appendix, to allow our members to commence planning and preparatory work.

Firstly, we note that field 2 of Table 2 of Annex II to the draft RTS specifies that for OTC derivatives, identification of the instrument on the post-trade transparency report should be done in accordance with CDR (EU) 2025/1003. As a starting point, ISDA understands this to mean that the ISO 4914 Unique Product Identifier (UPI) (“the UPI”) should be reported in field 2 of the post-trade transparency report. As CDR (EU) 2025/1003 does not require the ISO 6166 ISIN (“the ISIN”) to be used for the purposes of public transparency, ISDA understands that the ISIN should not be reported in field 2 or elsewhere on the RTS 2 report. We would be grateful if ESMA could confirm both these points.

ISDA notes that Table 1 of the Annex to CDR (EU) 2025/1003 does not apply to credit default swaps. Accordingly, as there should be no requirement to report the ISIN as well, it seems clear that for credit default swaps, the UPI should be the sole value reported in field 2 of the RTS 2 report. Again, we would be grateful if ESMA could confirm this.

However, in respect of interest rate derivatives, it is unclear whether the data elements specified in Table 1 of the Annex to CDR (EU) 2025/1003 are expected to be included in the post-trade transparency report, and if so, precisely how and where. Only one of those data elements is explicitly named in Table 2 of Annex II to the draft RTS (“notional currency,” in field 11).

Seven of the remaining data elements specified in Table 1 of the Annex to CDR (EU) 2025/1003 are inherent to the UPI, and so could be inferred from the UPI that is reported in field 2 (see rows 1, 2, 3, 4, 5, 6 and 7 of Table 1 of the Annex to CDR (EU) 2025/1003).

Two further data elements specified in Table 1 of the Annex to CDR (EU) 2025/1003 could conceivably be collectively substituted by two new fields required by Table 2 of Annex II to the draft RTS. These are “contractual term” and “effective date offset” (i.e., rows 9 and 10 of Table 1 of the Annex to CDR (EU) 2025/1003), which together can arguably be represented by the new fields 2a (“effective date”) and 2b (“expiry date”) in Table 2 of Annex II to the draft RTS. ISDA would again be grateful if ESMA could confirm that is the intent.

Assuming so, we note that there are various ways that combinations of “contractual term”, “effective date offset”, “effective date” and expiry date” could be reported, each with pros and cons. ISDA is working with its members to identify the optimal combination and will revert to ESMA as soon as possible with its recommendation. The possible options are also set out in tabular form in the Appendix.

Data elements that are neither inherent in the UPI nor required under draft RTS 2

However, two required data elements specified in Table 1 of the Annex to CDR (EU) 2025/1003 are not inherent in the UPI, are not explicitly identified as reportable fields in Table 2 of Annex II to the draft RTS, and cannot be represented by other fields that are explicitly specified in Table 2 of Annex II to the draft RTS. These are “standard business terms associated with the underlying reference rate” and “roll convention” (i.e., rows 8 and 11 of Table 1 of the Annex to CDR (EU) 2025/1003, the former of which refers in turn to data contained in Table 2 of the Annex to CDR (EU) 2025/1003).

Assuming that it can be clarified where the data element “standard business terms associated with the underlying reference rate” should be reported on the post-trade transparency report, it is also not entirely clear **what** should be reported. ISDA believes that the true utility of this data element is to differentiate the trading activity and price movements of the standardised interest rate swaps that form the vast majority of trading of those interest rate derivatives in scope of transparency from the trading activity of non-standard interest rate swaps, which is inherently less meaningful for price formation. We note that by their very nature, these standard business terms are well understood by the market.

Accordingly, we believe that “standard business terms associated with the underlying reference rate” should be reported as a Boolean value (i.e. “Y” if standard business terms apply and “N” if they do not) in a dedicated field on the RTS 2 report. As these standard business terms are listed in Table 2 of the Annex to CDR (EU) 2025/1003, individual market participants could cross-reference against this should they need to do so.

We would be grateful if the Commission and ESMA could confirm that it will be the case that “standard business terms associated with the underlying reference rate” will be reported as a Boolean value in the way ISDA has proposed above. The alternative would be to report the corresponding values from Table 2 of the Annex to CDR (EU) 2025/1003 directly on the RTS 2 report, which would add complexity without adding any value.

In respect of “roll convention”, we note that not only is this one of the data elements required by Table 1 of the Annex to CDR (EU) 2025/1003, it is also specified in Table 2 of the Annex to CDR (EU) 2025/1003 as one of the constituents of standard business terms associated with each of the in-scope reference rates. However, standard business terms can apply with a roll convention of either spot (referred to as “STD” in Table 2) or IMM.

Therefore, ISDA considers it necessary that where “standard business terms associated with the underlying reference rate” is reported as “Y”, “roll convention” should be reported as either “STD” or IMM” in a dedicated field on the RTS 2 report. Where “standard business terms associated with the underlying reference rate” is reported as “N”, it should not be required to populate the “roll convention” field.

Ambiguity in reporting of post-trade deferral flags

ISDA notes that the draft RTS, for reasons fully explained in the Final Report, provides for a single Large/Very Large size threshold for interest rate derivatives. We have no concerns about this construct; however, the representation of this in Table 5.2 of Annex III to the draft RTS creates ambiguity as to which post-trade deferral flag should be reported in field 19 of the post-trade transparency report.

Table 3 of Annex II stipulates that for transactions of a large size in financial instruments for which there is a liquid market, the flag “LLF3” should be reported. It further stipulates that for transactions of a very large size in financial instruments for which there is a liquid market, the flag “VLF5” should be reported.

As all interest rate derivatives in scope of transparency are deemed liquid, these are the only two flags that could possibly be reported in the case of an interest rate derivatives transaction of Large/Very Large size. However, it is not clear which of these flags should be reported.

Either flag would provide the same information, but ISDA considers that the most logical approach would be to report “LLF3”. We would be grateful if ESMA could confirm that “LLF3” is indeed the post-trade deferral flag that should be reported in field 19 of the post-trade transparency report.

Risk of inconsistent application by trading venues and approved publication arrangements

ISDA questions whether the intention is that individual APAs and TVs are expected to decide for themselves how to report each of the data elements discussed above. If that is indeed the intent, we note that this could lead to inconsistent approaches by APAs and TVs. This would be a

negative development for the coherence of market data, including as captured in a consolidated tape for derivatives. Ideally, Table 2 of Annex II to the draft RTS should be revised to unambiguously specify how each of the data elements required under the Annex to CDR (EU) 2025/1003 should be represented on the post-trade transparency report. However, we recognise the difficulties inherent in changing the draft RTS at this stage, so an alternative could be for ESMA to address this through guidance.

We note that this would also require either parallel revisions to Tables 8 and 10 of the Annex to the draft RTS on input and output data for the derivatives consolidated tape, or guidance mirroring that provided for RTS 2.

We have not addressed pre-trade transparency requirements under MiFIR Article 8a in this letter, but note that trading venue operators may have similar concerns in respect of how those requirements interrelate with CDR (EU) 2025/1003.

Interaction with future revisions to RTS 22 and RTS 23

Finally, ISDA notes that additional complexity was introduced into the sequencing of the secondary legislation arising from the MiFIR Review by ESMA's Call for Evidence on a comprehensive approach to simplifying financial reporting, which ISDA strongly supports, and by the Commission's deprioritisation of certain Level 2 acts, which we recognise was both necessary and desirable. We note that the Commission's letter to ESAs in respect of this deprioritisation stated that it would not adopt the deprioritised Level 2 acts before 1 October 2027. Therefore, a revised RTS 22 and RTS 23 could conceivably be adopted as early as that date, i.e. only seven months after the date of application of the new derivatives transparency framework.

ISDA strongly urges that further implementation effort to replace the UPI as the identifier for OTC derivatives transparency with a modified ISO 6166 (ISIN) should not be required by the revised RTS 22 and RTS 23 when these are eventually produced. Such effort would be significant and would render substantial effort previously expended on the implementation of the new transparency framework redundant. This would be entirely contrary to the Commission's and ESMA's simplification and burden reduction objectives.

This view is consistent with our longstanding advocacy that the UPI is in fact the optimal identifier for both OTC derivatives transparency and transaction reporting, and urge that in the upcoming development by ESMA of the revised RTS 22 and RTS 23 and their subsequent review by the Commission, the opportunity to move to the UPI as the identifier for both transparency and transaction reporting under MiFIR Article 26 is grasped. We remain at your disposal to discuss these matters with you at your convenience.

Yours sincerely,

Roger Cogan
Head, European Public Policy
ISDA

David Zahari
Senior Director, European Public Policy
ISDA

Appendix

Table 1: ISDA understanding of how RTS 2 report should be populated in respect of CDR (EU) 2025 fields

Fields in Table 1 of the Annex to CDR (EU) 2025/1003	Inherent in UPI	Draft RTS 2 overlap	Comments
UPI	N/A	N/A	Present in RTS 2 report (field 2, "Instrument identification code")
Asset class	Y	Implicit	Unnecessary to include in RTS 2 report
Instrument type	Y	Implicit	Unnecessary to include in RTS 2 report
Underlying asset type	Y	Implicit	Unnecessary to include in RTS 2 report
Notional currency	Y	Implicit	Unnecessary to include in RTS 2 report
Delivery type	Y	Implicit	Unnecessary to include in RTS 2 report
Notional schedule	Y	Implicit	Unnecessary to include in RTS 2 report
Underlying reference rate	Y	Implicit	Unnecessary to include in RTS 2 report
Standard business terms associated with the underlying reference rate	N	N	Include as explicit field in RTS 2 report. Report as Boolean value (Y/N)
Contractual term	N	Approximate	Together with "Effective Date Offset", could be represented by a combination of draft RTS 2 fields 2a (effective date) and 2b (expiry date). See Table 3 for options.
Effective Date Offset	N	Approximate	Together with "Contractual term", could be represented by a combination of draft RTS 2 fields 2a (effective date) and 2b (expiry date). See Table 3 for options.

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Roll Convention	N	N	Include as explicit field in RTS 2 report. If "Standard business terms associated with the underlying reference rate" is populated, populate with either STD or IMM; else do not populate.
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Table 2: ISDA understanding of how the RTS 2 report should be populated for instrument identification code, standard business terms associated with the underlying reference rate and roll convention

Field no.	Field Identifier	Financial instruments	Type of execution/publication venue	Populate with
2	Instrument identification code	All OTC derivatives	MTF, OTF, APA	{ISO 4914 Unique Product Identifier (UPI)} [UPI solely; ISO 6166 (ISIN) not reported]
2a	Standard business terms associated with the underlying reference rate	OTC interest rate derivatives	MTF, OTF, APA	{Y, N}
2b	Roll Convention	OTC interest rate derivatives	MTF, OTF, APA	If field 2a is populated: {STD, IMM} Else do not populate

Table 3: Options for identifying start and end of contract and whether spot or forward on RTS 2 report

ISDA is in discussion with its members to determine the optimal configuration, and will revert to ESMA as soon as possible

Option 1:

Field no.	Field Identifier	Financial instruments	Type of execution/publication venue	Populate with	Comments
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2c	Effective date	OTC interest rate derivatives	MTF, OTF, APA	Actual effective date, after applying actual effective date offset	Whether spot or forward inferred from reported trade date, effective date and roll convention, and standard business terms for reference rate specified in CDR (EU) 2025/1003
2d	Expiry date	OTC interest rate derivatives	MTF, OTF, APA	Actual expiry date	Contractual term inferred from reported effective date, expiry date and roll convention

Option 1a:

Field no.	Field Identifier	Financial instruments	Type of execution/ publication venue	Populate with	Comments
2c	Effective date offset	OTC interest rate derivatives	MTF, OTF, APA	SPOT, FWD	Whether spot or forward explicitly stated Actual offset inferred from reported trade date, effective date and roll convention, and standard business terms for reference rate specified in CDR (EU) 2025/1003
2d	Effective date	OTC interest rate derivatives	MTF, OTF, APA	Actual effective date, after applying actual effective date offset	
2e	Expiry date	OTC interest rate derivatives	MTF, OTF, APA	Actual expiry date	Contractual term inferred from reported effective date, expiry date and roll convention

Option 2:

Field no.	Field Identifier	Financial instruments	Type of execution/ publication venue	Populate with	Comments
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2c	Effective date	OTC interest rate derivatives	MTF, OTF, APA	Actual effective date, after applying actual effective date offset	Whether spot or forward inferred from reported trade date, effective date and roll convention, and standard business terms for reference rate specified in CDR (EU) 2025/1003
2d	Contractual term	OTC interest rate derivatives	MTF, OTF, APA	1Y, 2Y, 3Y, 5Y, 7Y, 10Y, 12Y, 15Y, 20Y, 25Y, 30Y	Expiry date not needed for purposes of transparency, but can be inferred from reported trade date and roll convention, and standard business terms for reference rate specified in CDR (EU) 2025/1003, if desired

Option 2a:

Field no.	Field Identifier	Financial instruments	Type of execution/publication venue	Populate with	Comments
2c	Effective date offset	OTC interest rate derivatives	MTF, OTF, APA	SPOT, FWD	Whether spot or forward explicitly stated Actual offset inferred from reported trade date, effective date and roll convention, and standard business terms for reference rate specified in CDR (EU) 2025/1003
2d	Effective date	OTC interest rate derivatives	MTF, OTF, APA	Actual effective date, after applying actual effective date offset	
2e	Contractual term	OTC interest rate derivatives	MTF, OTF, APA	1Y, 2Y, 3Y, 5Y, 7Y, 10Y, 12Y, 15Y, 20Y, 25Y, 30Y	Expiry date not needed for purposes of transparency, but can be inferred from trade date, standard business terms for reference rate specified in CDR (EU) 2025/1003 and roll convention, if desired

Option 3:

Field no.	Field Identifier	Financial instruments	Type of execution/ publication venue	Populate with	Comments
2c	Effective date offset	OTC interest rate derivatives	MTF, OTF, APA	Length of offset in values such as SPOT, 1W, 3M, 2Y, 5Y	Whether spot or forward explicitly stated Effective date inferred from reported trade date, effective date offset and roll convention
2d	Expiry date	OTC interest rate derivatives	MTF, OTF, APA	Actual expiry date	Contractual term inferred from reported effective date, expiry date and roll convention

Option 4:

Field no.	Field Identifier	Financial instruments	Type of execution/ publication venue	Populate with	Comments
2c	Effective date offset	OTC interest rate derivatives	MTF, OTF, APA	Length of offset in values such as SPOT, 1W, 3M, 2Y, 5Y	Whether spot or forward explicitly stated Effective date inferred from reported trade date, effective date offset and roll convention
2d	Contractual term	OTC interest rate derivatives	MTF, OTF, APA	1Y, 2Y, 3Y, 5Y, 7Y, 10Y, 12Y, 15Y, 20Y, 25Y, 30Y	Expiry date not needed for purposes of transparency, but can be inferred from reported trade date and roll convention, and standard business terms for reference rate specified in CDR (EU) 2025/1003, if desired

Option 5:

Field no.	Field Identifier	Financial instruments	Type of execution/ publication venue	Populate with	Comments
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2c	Effective date	OTC interest rate derivatives	MTF, OTF, APA	Actual effective date, after applying actual effective date offset	All values stated explicitly
2d	Expiry date	OTC interest rate derivatives	MTF, OTF, APA	Actual expiry date	All values stated explicitly
2e	Effective date offset	OTC interest rate derivatives	MTF, OTF, APA	Length of offset in values such as SPOT, 1W, 3M, 2Y, 5Y	All values stated explicitly
2f	Contractual term	OTC interest rate derivatives	MTF, OTF, APA	1Y, 2Y, 3Y, 5Y, 7Y, 10Y, 12Y, 15Y, 20Y, 25Y, 30Y	All values stated explicitly

Table 4: ISDA understanding of post-trade deferral flags to be reported for interest rate derivatives

Flag	Name	Type of execution or publication venue	Description
MLF1	Medium Liquid Flag	RM, MTF, OTF, APA	Transactions in derivatives benefiting from a deferral applicable to transactions of a medium size in a financial instrument for which there is a liquid market in accordance with Article 8 of this Regulation.
MIF2	Medium Illiquid Flag	RM, MTF, OTF, APA	Transactions in derivatives benefiting from a deferral applicable to transactions of a medium size in a financial instrument for which there is not a liquid market in accordance with Article 8 of this Regulation.
LLF3	Large Liquid Flag	RM, MTF, OTF, APA	Transactions in credit derivatives benefiting from a deferral applicable to transactions of a large size in a financial instrument for which there is a liquid market in accordance with Article 8 of this Regulation; and Transactions in interest rate derivatives benefiting from a deferral applicable to transactions of a large/very large size in a financial instrument for which there is a liquid market in accordance with Article 8 of this Regulation

LIF4	Large Illiquid Flag	RM, MTF, OTF, APA	Transactions in derivatives benefiting from a deferral applicable to transactions of a large size in a financial instrument for which there is not a liquid market in accordance with Article 8 of this Regulation.
VLF5	Very Large Liquid Flag	RM, MTF, OTF, APA	Transactions in credit derivatives benefiting from a deferral applicable to transactions of a very large size in a financial instrument for which there is a liquid market in accordance with Article 8 of this Regulation.
VIF5	Very Large Illiquid Flag	RM, MTF, OTF, APA	Transactions in derivatives benefiting from a deferral applicable to transactions of a very large size in a financial instrument for which there is a not liquid market in accordance with Article 8 of this Regulation.