



NEWS RELEASE
For Immediate Release

ISDA Outlines Key Principles for Further Improving Regulatory Transparency and Derivatives Trade Reporting

NEW YORK, February 26, 2015 – The International Swaps and Derivatives Association, Inc. (ISDA) today published a paper that outlines a number of key principles and initiatives for regulators, market participants and industry service providers in order to further improve regulatory transparency of derivatives activity.

Significant progress has been made in this area over the past several years. ISDA helped establish trade repositories in 2011, and regulatory mandates for trade reporting have been imposed in most key jurisdictions since that time. Today, virtually all derivatives transactions are reported to trade repositories. But major challenges remain, primarily because of a lack of standardization within and across jurisdictions in reporting requirements. Data requirements differ in different jurisdictions; some data requirements are not clearly defined; and standardized reporting formats have been not adopted quickly or broadly enough.

The end result is that regulators may lack a true picture of risk in individual jurisdictions because of incomplete and inconsistent trade data, and cannot aggregate data (and risk exposures) on a global basis. At the same time, market participants face costly, duplicative and conflicting trade reporting rules, while trade repositories must collect and standardize data from multiple sources for multiple jurisdictions.

“There has been significant progress in the reporting of swaps data, with reporting requirements coming into force in a number of jurisdictions,” said Scott O’Malia, ISDA’s Chief Executive Officer. “Yet much more progress could and should be made. Solutions to major trade reporting challenges exist and market participants, regulators and service providers need to work together to agree and implement them on a cross-border basis to ensure safe, efficient global derivatives markets.”

ISDA’s paper outlines key principles for standardizing, aggregating and sharing data across borders and action steps that all stakeholders should consider and align with in order to improve regulatory transparency.

Regulatory reporting requirements for derivatives transactions should be harmonized within and across borders: Toward this end, regulators around the world should identify and agree on the trade data they need to fulfill their supervisory responsibilities, and then issue consistent reporting requirements across jurisdictions.

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Policy-makers should embrace and adopt the use of standards – such as legal entity identifiers (LEIs), unique trade identifiers (UTIs), unique product identifiers (UPIs) and Financial products Markup Language (FpML) – to drive improved quality and consistency in meeting reporting requirements: Unique global identifiers for legal entities conducting a trade (LEIs), for product types (UPIs) and for trades (UTIs/unique swap identifiers) have been developed. They should be expanded as necessary and their use should be adopted across reporting regimes. The governance of such standards should be transparent and allow for input and review by market participants, infrastructure providers and regulators.

Where global standards do not yet exist, market participants and regulators can collaborate and secure agreement on common solutions to improve consistency and cross-border harmonization: Market participants can, in an open and transparent process, establish a central source (a data dictionary) that defines and clarifies derivatives trade and reference data and workflow requirements for each reporting field that is required by each regulator. Direction and support from regulators is critical. Regulators should be clear about their priorities and set timetables for reform. They should also regularly review this work and facilitate its adoption on a cross-border basis.

Laws or regulations that prevent policy-makers from appropriately accessing and sharing data across borders must be amended or repealed: Regulators need to continue to work collaboratively to develop a framework that enables appropriate sharing of derivatives trade data across geographic boundaries. Roadblocks to the appropriate sharing of data should be removed either by regulatory or legislative action.

Reporting progress should be benchmarked: The quality and completeness of data provided to repositories should be tracked, measured and shared with market participants and regulators in order to benchmark, monitor and incentivize progress in reporting.

A full version of the paper is available on the [ISDA website's Data & Reporting section under 'Reporting'](#).

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About ISDA

Since 1985, ISDA has worked to make the global over-the-counter (OTC) derivatives markets safer and more efficient. Today, ISDA has over 800 member institutions from 67 countries. These members include a broad range of OTC 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 including exchanges, clearinghouses 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 web site: www.isda.org.

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