

## **ISDA Publishes Common Domain Model Concept Paper as First Step to Realize Potential of New Technologies**

**SYDNEY, October 17, 2017** – The International Swaps and Derivatives Association, Inc. (ISDA) has today published a conceptual version of its ISDA Common Domain Model (CDM), which sets out the required elements to achieve a single digital representation of trade events and actions – an important precursor to realize the full potential of new technologies, such as distributed ledger and smart contracts.

When fully developed, the ISDA CDM will provide an industry standard blueprint for how derivatives are traded and managed across the lifecycle, and how each step in the process should be represented. Establishing a common set of data and processing standards that all participants can access and deploy will facilitate interoperability between firms and technology platforms.

Eventual benefits of the ISDA CDM include:

- Provides a common foundation for new technologies like distributed ledger and smart contracts to facilitate consistency and interoperability.
- Reduces the current need for continual reconciliations to address mismatches caused by variations in how each firm records trade lifecycle events.
- Enables consistency in regulatory compliance and reporting.

“Current infrastructures are old, complex and duplicative, and are heavily reliant on manual intervention and reconciliation. At the same time, banks are facing increased capital requirements, high costs and pressure on profitability,” says Scott O’Malia, ISDA Chief Executive.

“New technologies offer significant opportunities to increase automation and create efficiencies, but automating a single business or function isn’t enough. Likewise, unilateral development of bespoke technologies will inevitably lead to the same disjointed and fragmented market infrastructure that we see today. In order to unlock the value presented by new technologies, we need a common set of representations that cover the full range of trade events, which can then be applied by these technologies,” added Mr. O’Malia.

ISDA CDM version 1.0 is a conceptual document, developed in conjunction with ISDA’s members. ISDA will also shortly issue a request for quote for firms to create a digital version of the CDM, which will be developed after industry feedback on the concept document.

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In parallel, the Association is working with legal and academic experts to analyze the legal and governance issues relating to smart contracts and distributed ledger. That includes exploring how the ISDA definitions booklets can be enhanced to support further trade automation.

A full version of the paper is available [here](#).

Further information is available in the following materials:

- [The Future of Derivatives Processing and Market Infrastructure](#) (Sept 2016)
- [Smart Contracts and Distributed Ledger – A Legal Perspective](#) (Aug 2017)
- ISDA Webinar: [The Foundations of an Efficient Market Infrastructure](#)

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**About ISDA**

Since 1985, ISDA has worked to make the global derivatives markets safer and more efficient. Today, ISDA has over 875 member institutions from 68 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](http://www.isda.org).

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