
Industry Perspectives on the ISDA DRR: Unlocking Efficiency, Accuracy and Strategic Value

In collaboration with:



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EXECUTIVE SUMMARY

This report examines how financial institutions are adopting the ISDA Digital Regulatory Reporting (DRR) solution, a standardized and open-access initiative built on the Fintech Open Source Foundation (FINOS) Common Domain Model (CDM). Drawing on insights from structured interviews with industry stakeholders, it highlights how firms are implementing the

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ISDA DRR to enhance regulatory reporting processes. The ISDA DRR is gaining traction as a transformative approach to regulatory compliance, offering automation, consistency and scalability. Institutions are adopting the ISDA DRR through varied strategies – either by embedding the CDM within upstream systems, integrating it at the post-trade layer or by converting data at the reporting stage. Each approach reflects different operational priorities and levels of investment.

Interviewees reported significant benefits from ISDA DRR adoption, including **improved data quality** and **high trade repository acknowledgement (ACK) rates**¹, with reported figures of 100%

under Monetary Authority of Singapore (MAS) rules and 98.2% for the European Securities and Markets Authority's (ESMA) European Market Infrastructure Regulation (EMIR) Refit.

Additionally, **streamlined operations and reduced ongoing costs of up to 50%** were highlighted. The collaborative, open-access nature of the ISDA DRR was frequently cited as a key enabler of **code reusability** and **faster adaptation** to regulatory changes. This agility has positioned ISDA DRR adopters to meet evolving compliance demands more efficiently and at scale. As regulatory obligations continue to evolve, the ISDA DRR, powered by the CDM, is emerging not just as a technical upgrade, but as a strategic foundation for resilient and future-proof regulatory reporting.

¹The percentage of regulatory submissions successfully acknowledged by the repository/regulator

INTRODUCTION TO THE ISDA DRR

Since regulatory reporting was first introduced, firms have met the requirements through bespoke and largely manual processes. Each institution interprets regulations independently and develops custom reporting logic, frequently within siloed systems. This fragmented approach often results in duplicated efforts, high maintenance costs and expensive change-management programs whenever new regulations or rewrites arise.

The ISDA DRR addresses these challenges by embedding regulatory reporting rules, logic and data validations directly into standardized, free, open-access code. This enables firms to automate the generation of regulatory-compliant reports. The CDM – the foundation of the ISDA DRR – is an open-source framework developed collaboratively by FINOS of the Linux Foundation, ISDA, the International Capital Market Association and the International Securities Lending Association to standardize the digital representation of financial instruments, transactions and lifecycle events. The ISDA DRR utilizes the CDM to convert the transaction data inputs into compliant reportable submission outputs.

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The reusability of the ISDA DRR code and its reporting logic offer users significant long-term efficiency gains by enabling consistent implementation of regulatory reporting requirements across multiple jurisdictions and systems, reducing duplication of effort and maintenance costs. ISDA's ongoing commitment to updating and expanding the DRR in line with new and evolving reporting regimes ensures sustained compliance and future proofing of firms' infrastructure. Furthermore, the alignment of the DRR with the CDM provides a foundation for broader operational efficiency, supporting automation and standardization across the full trade lifecycle beyond regulatory reporting.

More than 20 leading institutions, including global banks, asset managers and trade repositories, actively contribute to the DRR initiative under ISDA's governance. Through collaborative industry working groups, regulatory requirements are jointly interpreted for each regulation and translated into open-source, human-readable and machine-executable code. The ISDA DRR serves as a golden source for mutualized regulatory interpretations. Built-in reporting validations within the code promote consistent reporting best practices across the industry.

Firms have adopted the ISDA DRR to align their reporting with industry peers and benchmark their own interpretations to ensure optimal compliance. Four firms are currently using the solution: JP Morgan, BNP Paribas, Japan Securities Clearing Corporation and Banque Pictet. Additionally, 15 firms are running proof-of-concept (POC) initiatives for DRR adoption, including DBS, Depository Trust & Clearing Corporation (DTCC), Goldman Sachs and Strate Ltd. Technology companies and service providers, such as Fragmos Chain, Tokenovate and Novatus Global, are also developing post-trade infrastructure using the CDM and ISDA DRR.

The initial version of the ISDA DRR was introduced in November 2022, ahead of the first phase of reporting rule amendments implemented by the Commodity Futures Trading Commission (CFTC). Since then, its scope has expanded to cover additional regulatory rewrites by the Australian Securities and Investments Commission (ASIC), the Canadian Securities Administrators (CSA), ESMA for EU EMIR, the Financial Conduct Authority (FCA) for UK EMIR, the Hong Kong Monetary Authority (HKMA), the Japanese Financial Services Agency (JFSA) and MAS, as well as a further update to the CFTC rules (version 3.2).

Table 1: Regulations and Go-live Dates

Regulation	Implementation Date	ISDA DRR Status
CFTC	December 5, 2022	✓ Delivered
	CFTC 3.2: March 2023	
JFSA	Phase 1: April 1, 2024	✓ Delivered
	Phase 2: April 7, 2025	
ESMA EMIR	April 29, 2024	✓ Delivered
FCA EMIR	September 30, 2024	✓ Delivered
ASIC	October 21, 2024	✓ Delivered
MAS	October 21, 2024	✓ Delivered
CSA	July 25, 2025	✓ Delivered
HKMA	September 29, 2025	✓ Delivered

ISDA DRR IMPLEMENTATION JOURNEY

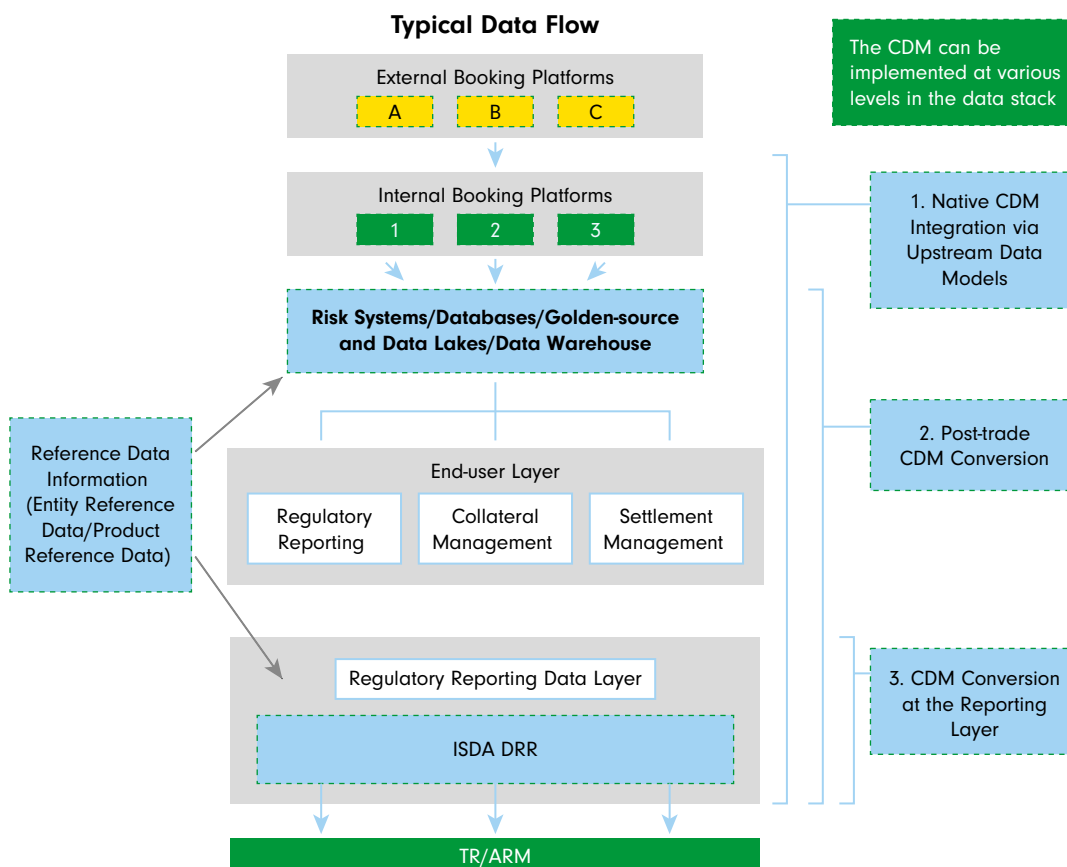
ISDA DRR Implementation Strategies

Interview feedback identified that determining the optimal point for CDM integration was a key challenge in implementing the ISDA DRR. Firms had to decide to integrate the CDM either natively upstream within their booking systems or embedded within a data lake at the post-trade processing layer, or to apply it just ahead of the reporting layer, where the CDM functions as the reporting engine input data.

When considering how to incorporate the CDM into their infrastructure, interviewed firms have adopted one of three primary integration strategies. Firms selected their architecture based on cost considerations and assessments of complexity.

- Native CDM Integration via Upstream Data Models: Build the CDM directly into upstream systems for seamless data generation.
- Post-trade CDM Conversion: Integrate the CDM within a post-trade data lake or data warehouse, or by translating an internal model to the CDM.
- CDM Conversion at the Reporting Layer: Transform existing Financial Products Markup Language (FpML) or an internal data model into CDM format just before reporting.

Figure 1: CDM Integration Points



Option 1: Native CDM Integration via Upstream Data Model

This option involves adopting the CDM as the native data model across the full trade lifecycle, from trade capture through to post-trade processing and regulatory reporting. Implementing the CDM at this level typically requires rearchitecting upstream systems to ingest, store and process CDM JSON objects.

Integration through the upstream data model allows firms to unlock broader CDM use cases beyond regulatory reporting. The CDM's standardized structure supports a wide range of post-trade processes, including settlements, collateral management and legal documentation.

The CDM can be used for a wide range of financial processes, serving as a unified standard to streamline operations. It standardizes settlement logic for faster, automated and interoperable clearing and settlement, enhances collateral management by improving asset mobility, liquidity and risk controls, and embeds legal terms into trade data, enabling automated, enforceable contracts. This versatility makes the CDM a powerful foundation for modernizing and harmonizing key workflows. Additional insights into the CDM's broader capabilities are detailed in the Beyond Reporting: CDM in Post-trade Processes section.

Advantages:

- Full lifecycle standardization and straight-through processing (STP);
- Enhanced data quality from upstream, thanks to integrated data validation mechanisms;
- Enables machine-executable regulatory reporting via the ISDA DRR;
- Enables harmonization across legacy booking systems to reduce run-the-bank engineering costs, cutting the number of separate systems that require maintaining;
- Facilitates automation, analytics and smart contract execution (eg, via distributed ledger technology); and
- Enables wider CDM adoption in other post-trade processes.

Limitations:

- Higher upfront investment in system redesign and training;
- Requires robust governance and architectural decision frameworks; and
- Longer implementation timelines (typically six to eight months after POC).

Best Suited For:

- Firms aiming for long-term scalability, cross-jurisdictional compliance and operational efficiency;
- Firms seeking to standardize legacy booking systems' data models; and
- Firms looking to replace their booking systems.

Option 2: CDM Consumptions at the Post-trade Processing Layer

Firms selecting this method commonly implement the CDM within their data lake or data warehouse. In this model, data is transformed into CDM objects, enabling a centralized repository that supports multiple post-trade processes.

This approach has proven effective for integrating the CDM. Prior to implementation, one firm operated complex legacy systems characterized by intricate reporting flows involving extensive data translation and transformation. By integrating the CDM into the data lake associated with one of its primary asset classes, the firm is now able to generate CDM-compliant output with minimal data translation. The CDM output then feeds into its regulatory reporting layer, enabling

ISDA DRR enrichment and timely submissions to the regulator. The firm also identified wider operational benefits. The CDM's role as a unified data model across banking processes allows multiple teams to access and scrutinize trade data, creating consistent feedback that improves data integrity and governance.

Like the upstream ingestion approach, firms can leverage a broader CDM adoption to enhance post-trade operations processes. One ISDA DRR adopter found that integrating the CDM within a cloud-based data lake enabled other post-trade operations – such as the settlements team – to easily access CDM objects. This centralized architecture positions the data lake as the CDM producer for downstream stakeholders, fostering utilization across additional functions, such as settlements and collateral management.

Advantages:

- Integrated data validation mechanisms in a data lake enhance data quality;
- Facilitates automation of post-trade processes; and
- Minimal changes to existing trade capture systems.

Limitations:

- Higher upfront investment in system architecture design compared to conversion at the reporting layer; and
- Requires robust governance and architectural decision frameworks.

Best Suited For:

- Firms seeking to utilize the CDM across the post-trade process with minimal upstream changes and efficient implementation; and
- Firms interested in adopting standardized data representation.

Option 3: CDM Conversion at the Reporting Layer

This approach involves converting existing internal data formats (often proprietary or legacy) into CDM-compliant structures at the point of regulatory reporting. It is particularly suited for firms that want to minimize disruption to upstream and data lake systems.

One participant utilized a customized data model and implemented the CDM at the reporting layer during the development of a new regulatory reporting platform aligned with the ISDA DRR. The primary objective was to optimize regulatory reporting data flows, addressing the challenges posed by the previous framework, which was characterized by complexity and fragmented logic. To facilitate this transition, the organization developed tools to convert its internal data model into the CDM. This undertaking involved thorough mapping of regulatory reporting data elements and the establishment of CDM workflow steps necessary for generating ISDA DRR reports for submission to the regulator.

Firms using this method have a shorter time to deployment and can integrate quickly with limited disruption to upstream data applications. Vendor solutions can speed up this process, with various mapping tools available on the market. When integrating at the reporting layer, the use of the CDM is restricted to the ISDA DRR. Integrating the CDM into other operational processes would require an additional build further up the data stack.

Advantages:

- Minimal changes to existing trade capture and processing systems;
- Faster time-to-market for ISDA DRR compliance; and
- Easier to pilot via POCs with limited scope (eg, interest rate products).

Limitations:

- Limited scalability across asset classes and jurisdictions;
- Potential duplication of logic and mappings across systems; and
- Less opportunity to benefit from the CDM's full lifecycle standardization.

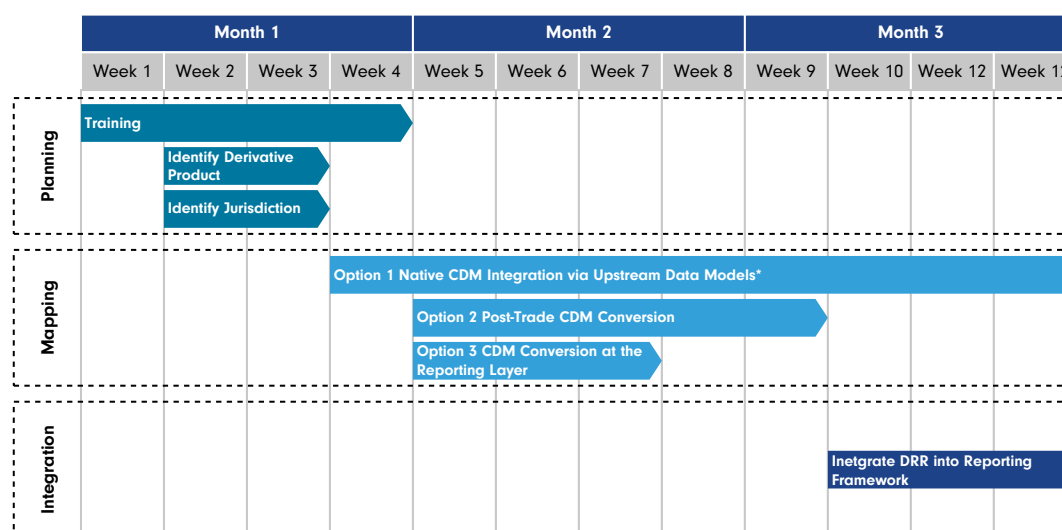
Best Suited For:

- Firms with a mature reporting infrastructure but fragmented upstream data models that are seeking faster implementation.

Proof of Concept

Most interviewees initiated their ISDA DRR implementation process with a POC. This preliminary stage proved valuable in assessing the effectiveness and applicability of the ISDA DRR within their reporting practices. During this period, they evaluated the optimal placement of the CDM within their data stack. The POC phase typically ran for three months and involved mapping internal data to the CDM and integrating the ISDA DRR into the reporting framework to generate outbound reporting messages. Firms also used this phase to conduct a parallel run, to identify and resolve data anomalies and validate data integrity.

The interviewees concentrated on a single product or asset class and jurisdiction, using the output to assess broader implementation strategies. Firms often prioritized jurisdictions and asset classes by volume and complexity, beginning with vanilla products and progressing towards more complex instruments. The products most often selected for POCs were FX forwards, equity derivatives, credit default swaps or interest rate swaps, primarily due to their straightforward reporting requirements.

Figure 2: ISDA DRR POC Implementation Timelines

Note: Option 1 (integrating the CDM via an upstream data model) may require more time than the eight-week period outlined in Figure 3. Actual timelines will vary depending on a firm's product scope, system architecture and connectivity. The use of vendors and additional experienced resources can significantly reduce implementation time.

To support their POCs, firms performed activities set out in Table 2.

Table 2: POC Activities

Phase	Activities and Outcomes
Planning	• Training technology teams • Review CDM implementation options - upstream CDM integration vs CDM integration at post trade vs CDM at regulatory reporting layer • Identify the optimal CDM implementation location within the technology data flow • Scoping exercise to determine product/asset class and jurisdiction • Define the POC implementation roadmap
Mapping	• Map internal trade data to the CDM specification using selected implemented methodology
Integration	• Integrate the ISDA DRR Java library into the regulatory reporting platform • Integrate ISDA DRR code with reference data, both internal and external • Review regulatory reporting output in required format - eg, ISO 20022 format • Submit test trades to the regulator and review accuracy

What Internal Teams are Needed to Implement the ISDA DRR?

During the interviews, certain roles were identified as crucial to a successful DRR implementation and CDM integration, outlined in Table 3.

Table 3: ISDA DRR Implementation Roles and Responsibilities

Role	Roles and Responsibilities
Regtech Developers	Involved in coding, server set-up and tool development for the CDM and ISDA DRR. Facilitate discussions on optimal implementation location and support integration of the ISDA DRR into internal regulatory frameworks.
Regulatory Operations	Work alongside technical staff to understand ISDA DRR field interpretations and support implementation of the regulatory framework. Validate if there is sufficient coverage of rules and whether regulatory output is compliant and ACK rates are in line with the expected outcome.
Business Analysts	Responsible for data model review and data model mapping to the CDM. Support testing for trade repository (TR) submissions and ensure compliance with various reporting regimes. Firms benefit from business analysts with strong product and front-office system knowledge.
Legal	Implicitly involved via the open-source program office, which handles license issues related to open-source tools. Provide sign-off on ISDA DRR interpretations.
Compliance	Addressed through internal risk mitigation processes and ensuring regulatory compliance, especially when using open-source code. Conduct a review of industry interpretations and identify any divergence with the firm's perspective.
IT Specialists	Work through technical challenges like server set-up, system connectivity and infrastructure development. Firms need specialists with expertise in Java, data modelling and an understanding of firm's data strategy.
Product Specialists	Product experts can provide in-depth knowledge of the products being implemented. Their insights are vital for accurate data mapping and reporting.

Full ISDA DRR Implementation

Interview feedback indicates that the average implementation period ranges from 12 months to 21 months, depending on the chosen implementation strategy. Adding a new jurisdiction after production implementation has typically taken less than three months, with most of the focus on testing. The project phases and activities are like those outlined in the POC section. These timelines are typical of the pioneering firms interviewed. New joiners will benefit from established processes, further guidance and additional resources, such as the ISDA DRR Starter Kit² and FpML to CDM translation materials³. These tools can accelerate implementation timelines, particularly when the program is adequately resourced.

² The ISDA DRR starter kit refers to the resources that market participants can use to begin implementing the ISDA DRR framework. The starter kit primarily consists of open-source components built on the Common Domain Model. It can be requested by emailing CDMDRR@isda.org

³ <https://github.com/finos/common-domain-model/issues/3364>

Table 4: Full ISDA DRR Implementation

Phase	Key Actions	Responsible Teams	Typical Timeline
1. Initial Assessment and Planning	- Engage stakeholders - Map current processes and data flows - Define objectives and scope	Project lead, operations, IT and compliance	Four to six weeks
2. CDM Integration Strategy Selection	- Evaluate integration options (native, post-trade or reporting layer) - Conduct cost-benefit analysis - Decide on vendor support	Project team, IT and business analysts	Two to four weeks
3. POC	- Select product/jurisdiction for POC - Map data to the CDM - Integrate the ISDA DRR library - Parallel run of TR submissions with the ISDA DRR and legacy system - Address eligibility, cybersecurity and open-source concerns	IT, regtech developers, operations, analysts and vendors (if applicable)	Three months
4. Full Implementation	- Develop project plan - Provide training to the delivery team on the CDM/ ISDA DRR - Attend relevant working groups - Map the CDM to internal data and integrate the ISDA DRR libraries - Address eligibility, cybersecurity and open-source concerns	IT, operations, compliance and vendors (if applicable)	Eight to 13 months (varies by strategy)
5. Testing and Go-live	- System integration testing - End-to-end regression testing - User acceptance testing (UAT) with operations - Deployment	IT, operations, regulatory reporting and vendors (if applicable)	Two to three months
6. Optimisation & Expansion	- Develop key performance indicator metrics for the ISDA DRR - Collect feedback on ACK rates and business as usual - Assess if there is a desire to expand to more products/jurisdictions	Project team, operations and IT	Ongoing

Vendors were often engaged due to the availability of tools for CDM data mapping and ISDA DRR integration. One vendor platform helps firms to model ISDA DRR reporting logic, test outputs and integrate ISDA DRR libraries.

Implementation Cost Considerations

All participants implemented the ISDA DRR and CDM within their existing regulatory change budgets. No additional investment was assigned to the ISDA DRR change program. The primary expenses were related to training and upskilling staff to understand the CDM objects, mapping internal models to the CDM, integrating the ISDA DRR code base and developing new reporting architecture. Firms invested significant time participating in ISDA DRR and FINOS CDM working groups to deepen their understanding. These calls played an important role during the development phase, particularly in addressing issues with the code base. All interviewed firms that encountered code base issues used these calls to successfully resolve them.

One firm quoted an initial estimated cost equivalent to 30% of its change budget for EMIR Refit. This investment was allocated for infrastructure enhancements, including the implementation of a new reporting platform and adoption of the ISDA DRR. The firm had two resources engaged in ISDA sessions once or twice a week. This upfront expenditure proved valuable in the long term, as future implementations were quicker due to code reusability.

Another firm noted that a significant cost factor was the learning curve associated with the ISDA DRR and CDM. The team dedicated substantial time and effort to understanding new systems and processes and were heavily involved with the ISDA DRR calls, which contributed to the initial expenses. Implementing new architecture, such as Amazon Web Services (AWS) and an

open-source database system for the CDM, represented another notable cost. Nonetheless, the team efficiently allocated resources within the existing budget to cover these implementation costs.

Interview feedback indicates that some firms have already achieved cost savings up to 50% since implementation

While initial ISDA DRR implementation efforts have been delivered within existing regulatory change budgets, firms aiming to implement the ISDA DRR outside of a non-discretionary change program must consider the cost implications of the architectural uplift. In this context, a clear and measurable return on investment (ROI) is essential to build a compelling business case and justify further funding.

Interview feedback indicates that some firms have already achieved cost savings up to 50% since implementation. This is a promising indicator that other firms could achieve comparable results with a well-defined strategy. These savings have largely been attributed to enhanced code reusability, lower maintenance overheads and more efficient change-management processes.

Other Implementation Considerations

Training and Development

Training and development emerged as a critical success factor in implementing the ISDA DRR and CDM across all interviewed firms. The transition to the ISDA DRR required significant upskilling of technology, operations and compliance teams to understand the CDM and ISDA DRR code base, as well as new architectural components. The interviewees had to dedicate substantial time and resources to structured training sessions and often leveraged vendor solutions and participated in industry working groups, such as those led by ISDA and FINOS. The main working groups that contributed towards implementation success are:

- ISDA DRR Peer Review Working Group
- ISDA DRR Steering Committee
- ISDA DRR Technical Execution Working Group⁴
- FINOS CDM Derivative Product and Business Events Working Group⁵

These working groups contributed to a deeper understanding of CDM products, business events, rule interpretation, validation, escalations and solutions for technical queries. They also provided members with information about upcoming changes in the CDM and the roadmap for future modifications. A buy-side firm that participated in the interviews noted that involvement in the working groups helped establish best practices tailored to the specific requirements of buy-side firms.

Regulatory Reporting Architecture

Firms adopting the ISDA DRR will still need regulatory reporting architecture to send submissions and receive responses from their TR. The ISDA DRR supports the process up to the generation and pre-validation of regulatory reporting messages. All interviewed firms still had

⁴ The three ISDA working groups – the ISDA DRR Peer Review Working Group, the ISDA DRR Steering Committee and the ISDA DRR Technical Execution Working Group – can be found at www.isda.org/committees/

⁵ <https://lists.finos.org/g/cdm-derivatives-wg>

a regulatory reporting engine that submitted their messages to the TR using an ISO 20022 or harmonized XML message generated by the ISDA DRR. One firm noted that its implementation uses a mix of message formats, depending on the jurisdiction and trade repository – ISO 20022 messages for one jurisdiction and .csv messages for others. The ability of the ISDA DRR to generate both .csv and ISO 20022 messages was seen as a significant advantage, as it allowed the firm to maintain its existing reporting pipelines across different TRs without requiring format-specific changes.

One of the significant challenges is managing eligibility when transitioning to the ISDA DRR. All participants had to implement logic within their reporting engines to manage eligibility rules, covering entity and product eligibility and jurisdictional scoping. Eligibility is usually addressed as a separate part of the DRR change project.

Open Source, Cloud Readiness and Cybersecurity

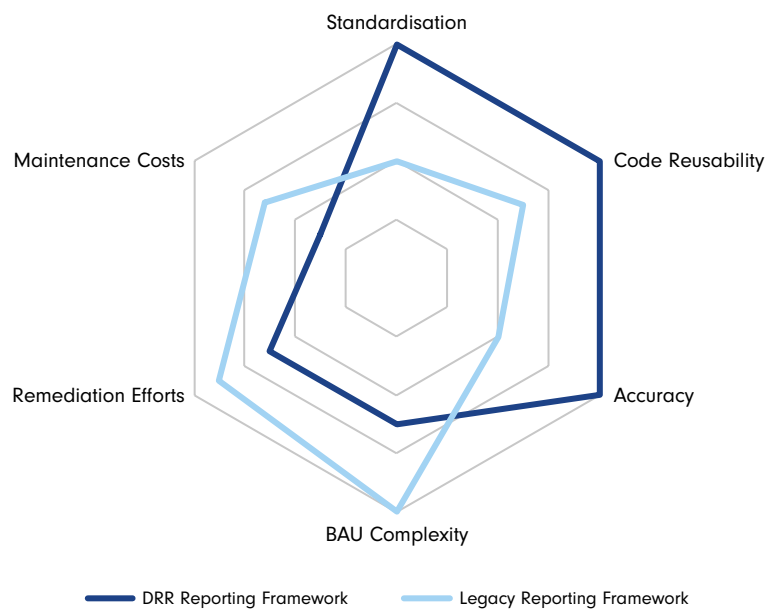
Firms implementing the ISDA DRR should ensure they have appropriate tools to address cybersecurity risks and evaluate the open-access ISDA DRR code and open-source CDM model effectively. Hosting solutions are required to integrate the open-source code, which can be done on cloud or on premises. Cloud-ready solutions like AWS are being used by adopters to host the CDM. One firm had a license to integrate open-source code via an on-premises solution. To address cybersecurity concerns, it implemented an internal tool to evaluate open-source components and established mitigation measures within its architecture. Another firm also used an on-premises solution and utilized code scanners to check the code prior to deployment. This is part of the firm's internal build process.

Vendor Support

Vendor support is optional and can help streamline ISDA DRR and CDM adoption by providing specialized tools, integration accelerators and training resources. Interviewed firms that used vendor support found it particularly valuable for testing CDM objects and ISDA DRR code as vendors offered platforms and expertise to validate outputs and accelerate implementation. While these solutions can simplify technical integration and automate workflows, organizations should carefully consider costs, licensing and the need for ongoing technical expertise. Effective integration and maintenance are achievable with or without vendor involvement, depending on internal capabilities and project requirements.

BENEFITS OF ISDA DRR ADOPTION

Figure 3: Benefits of ISDA DRR Adoption Framework Comparison



Standardization Across Jurisdictions

Firms are leveraging the CDM and ISDA DRR to harmonize reporting across multiple jurisdictions. One firm described its implementation journey, noting that it is fully implemented for various regimes, including EMIR in the EU and UK, Singapore under MAS rules, Canada under CSA requirements and Hong Kong under HKMA regulations. Another firm stated that it has implemented the ISDA DRR for its equities business under ASIC, MAS and CSA reporting rules. Both highlighted a reduction in fragmentation and regulatory interpretation risk.

Streamlined Change Management Process

The ISDA DRR enables reusability of code and logic, which accelerates the change-management process. Faster turnaround times for regulatory changes have been achieved, improving responsiveness to evolving requirements. One participant noted an 85% reuse rate across jurisdictions during rewrites, attributed to the introduction of critical data elements and ISDA DRR code.

This helped achieve the firm's cross-market strategy for regulatory reporting, which aimed to standardize reporting processes and ensure consistency across different jurisdictions and lines of business. During its recent implementation of the CSA rules, the firm was able to utilize 92% of its existing ISDA DRR code. As a result, it could focus more on testing and enhancing operational processes. Another firm reported a 30% cost reduction by reusing code and minimizing time spent on interpretation. These efficiencies freed up budget for enhancing data controls and developing more advanced graphical user interfaces for the regulatory operations team.

The ISDA DRR enables reusability of code and logic, which accelerates the change-management process. Faster turnaround times for regulatory changes have been achieved, improving responsiveness to evolving requirements

Improved Accuracy and Reduced Complexity

The CDM and ISDA DRR have led to higher accuracy in regulatory reporting by digitizing rules and automating mapping. The built-in validations ensure output is generated in a regulatory-compliant format. Firms highlighted that ISDA DRR and CDM implementation has resulted in higher accuracy in regulatory reporting. One bank observed a 100% ACK rate for reporting under the MAS rules during the go-live period, while another achieved a 98.2% ACK rate following implementation of the EU's EMIR Refit reporting requirements. The ACK rates were notably higher than those observed during previous implementations and compare favorably with established business-as-usual (BAU) ACK rates. The organizations have been able to maintain high ACK rates after go-live, which they attribute to the standardization and automation of reporting processes through the ISDA DRR.

Enhanced BAU Operations

Issue management can be performed more efficiently with the ISDA DRR. The reduced complexity in workflows and fewer manual interventions enable teams to identify the sources of errors more quickly. According to one firm, BAU teams would previously have had to review multiple systems for root-cause analysis. The ISDA DRR has allowed for quicker and simpler investigation. Another firm noted that issue management has become externalized, with ISDA now overseeing the DRR industry working groups and BAU issue management, which has freed up the regulatory operations team's capacity.

Quicker Remediation Process

The implementation of the ISDA DRR has reduced the UAT window. Developers can perform comprehensive end-to-end validations independently, as there is minimal interference from other systems. Furthermore, the operations teams in certain firms have assumed the role of UAT testers. As the BAU workload reduces, operations teams can dedicate greater attention to testing and validation activities.

Cost Savings and Budget Optimization

Implementations have often been completed within existing change budgets, with future reductions in regulatory spending expected due to lower maintenance and shorter change windows. During interviews, one firm emphasized that **the cost of the ISDA DRR is significantly lower than its previous in-house solution**. All firms interviewed anticipate a reduction in ongoing regulatory maintenance costs for processes that are live with the ISDA DRR.

WHAT'S NEXT FOR THE ISDA DRR?

The ISDA DRR was originally developed to address challenges in derivatives trade and transaction reporting. Over time, its applications have expanded beyond derivatives reporting. Some of these emerging use cases are detailed in this section.

Cross-check and Quality Assurance of Regulatory Logic

The ISDA DRR uses shared logic as a benchmark, enabling firms to run legacy reports in parallel and quickly spot discrepancies. Any divergence in output signals potential misinterpretations or errors in existing processes. Some early adopters have used the ISDA DRR in parallel to validate that their in-house systems are producing the right results or to debug reporting breaks by comparing against the industry standard code. This logic comparison use case helps firms gain confidence and catch errors before fully switching over to ISDA-DRR-based reporting. Some firms have **gone live with implementing the ISDA DRR for quality assurance purposes** and have found it to be advantageous.

Expansion to New Products and Jurisdictions

The ISDA DRR already covers all vanilla derivatives and common exotic products. Individual firms can also enhance the model to cover bespoke complex products. ISDA also plans to extend the DRR to Securities and Exchange Commission rules, requirements under the Markets in Financial Instruments Regulation (MIFIR) in the EU and UK and obligations under the Securities Financing Transaction Regulation (SFTR), showing an intent to cover post-trade transparency and transaction reporting in securities markets as well. In practice, this means a firm already using the ISDA DRR can utilize the DRR libraries to accelerate its SEC, MIFIR and/or SFTR implementation. This highlights the value of the ISDA DRR as a scalable platform. **Once onboard, adding a new regulation is much simpler.**

Shared Industry Utilities and Services

An increasingly collaborative use case is emerging in which market infrastructure providers and vendors are incorporating the ISDA DRR framework. For example, the DTCC intends to embed ISDA DRR logic within its Global Trade Repository services, allowing its client trade submissions to be validated via the ISDA DRR. While firms may not directly implement the code in this type of arrangement, they benefit from the consistency provided by utilities leveraging the ISDA DRR. This scenario reflects a significant industry shift towards widespread adoption, with both individual firms and market utilities aligning on a unified digital rulebook.

BEYOND REPORTING: CDM IN POST-TRADE PROCESSES

Accelerated Settlement and Clearing Systems

As financial markets move toward shorter settlement cycles, such as T+1, the **CDM is increasingly being adopted to support near real-time settlement**. The CDM provides a unified framework that standardizes settlement logic, enabling automation and interoperability across platforms and smart contracts. This makes it a foundational layer for clearing systems, especially when integrated with DLT. Firms leveraging the CDM in this space benefit from reduced latency, improved reconciliation and enhanced transparency across asset classes.

Collateral Management

Collateral management is a critical function in trading and post-trade operations, but its representation varies widely across firms. The CDM addresses this fragmentation by standardizing workflows, definitions and data formats. This enhances asset mobility, supports reuse and tokenization, and streamlines processes such as haircuts and margining. **Vendor tools have already been integrated into the CDM to support initial margin (IM) and credit support annex (CSA) consumption**, demonstrating its practical utility in improving liquidity and reducing operational risk.

Legal Documentation

The CDM is being used to digitize and automate legal documentation processes. **By embedding legal terms directly into trade data, the CDM enables machine-executable contracts that enhance enforceability and reduce ambiguity**. This supports efficient negotiation, maintenance and compliance of legal agreements. Mapping exercises between the CDM and standard agreements (eg, the ISDA Master Agreements, IM/variation margin CSAs) allow for dynamic data flows and integration with smart contracts, particularly in tokenized environments.

CONCLUSION

Interviews with industry stakeholders confirm that **adopting the ISDA DRR powered by the CDM is delivering real benefits for financial institutions** across multiple areas of the regulatory reporting process.

Key outcomes reported by participants include:

- Improved data quality and greater accuracy in reporting;
- Operational efficiencies through automation and streamlined processes;
- Code reusability, enabling faster development cycles;
- Accelerated adaptation to evolving regulatory requirements; and
- Cost efficiencies from lower maintenance and shorter change windows.

Integration strategies have differed among firms, reflecting the various options available for implementing the ISDA DRR. Most implementations were completed within existing budgets, highlighting the cost-effectiveness of the approach. Success was strongly linked to effective training and cross-functional collaboration, which helped teams navigate the transition smoothly.

Overall, stakeholders agreed that the ISDA DRR and CDM are helping firms to:

- Harmonize reporting across jurisdictions and systems;
- Reduce regulatory risk through standardization; and
- Future-proof compliance in an increasingly complex and dynamic environment.

As regulatory demands continue to evolve, the collective experience of these institutions demonstrates that embracing the ISDA DRR and CDM is not just a technical upgrade, but a strategic move towards more resilient, scalable and agile regulatory reporting.

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](#).

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