

January 24, 2025

BY ELECTRONIC MAIL

The Regulatory Oversight Committee (ROC) Secretariat
rocsecretariat@ofr.treasury.gov

Re: Harmonisation of critical OTC derivatives data elements (other than UTI and UPI) Revised CDE Technical Guidance – version 4 Consultative Document

Dear Regulatory Oversight Committee,

The International Swaps and Derivatives Association, Inc. (“ISDA”)¹ appreciates the opportunity to provide comments to the Regulatory Oversight Committee (“ROC”) regarding the **Harmonisation of critical OTC derivatives data elements (other than UTI and UPI) revised CDE Technical Guidance – version 4** (“CDE Consultation”).² We commend the ROC for seeking industry feedback on proposed revisions to the critical over-the-counter (“OTC”) derivatives data elements (“CDE”) in order to further improve the standardization and understanding of the data reported to trade repositories (“TR”) and utilized by regulatory authorities. ISDA and its members have provided the comments to the CDE Consultation on the following pages, and would welcome continued dialogue on our responses and the points raised.

The ROC has proposed the addition of 10 data elements for inclusion in CDE Technical Guidance. ISDA continues to support the G-20 objectives to improve transparency in derivatives markets and to ensure that the regulators have the necessary information to effectively monitor systemic risk and protect against market abuse³, however, we question the continued increase in the number of critical data elements for trade reporting. We understand that individual regulators determine which CDEs to adopt into jurisdictional rules, but the availability of a greater number of CDE in the ROC’s Technical Guidance will ultimately translate to a higher number of data elements required by individual trade reporting regulations. A key objective of the ROC should be to right-size the number of data elements that may be necessary to fulfill regulatory missions, and to, in ROC’s own words, “consider the benefits and costs of such changes, to minimize any impact on relevant stakeholders.”⁴

¹ Since 1985, ISDA has worked to make the global derivatives markets safer and more efficient. Today, ISDA has over 1000 member institutions from 76 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.

² Regulatory Oversight Committee (ROC), Harmonisation of critical OTC derivatives data elements (other than UTI and UPI) revised CDE Technical Guidance – version 3 (September 2023), https://www.leiroc.org/publications/gls/roc_20220829.pdf.

³ G20 Leaders Statement: The Pittsburgh Summit (September 24-25, 2009), <https://www.g20.utoronto.ca/2009/2009communique0925.html>.

⁴ Regulatory Oversight Committee (ROC), Harmonisation of critical OTC derivatives data elements (other than UTI and UPI) Revised CDE Technical Guidance – version 4 Consultative Document (24 October 2024), page 18, [https://www.leiroc.org/publications/gls/cde-technical-guidance-version-4-consultation-paper-\(october-2024\)-cdide202475.pdf](https://www.leiroc.org/publications/gls/cde-technical-guidance-version-4-consultation-paper-(october-2024)-cdide202475.pdf).

A. *Crypto asset underlying indicator* (2.15.5)

Question 1: Do you have any concerns regarding the potential removal of certain data elements? Do you have any other data elements you would suggest for us to review?

Yes. We respectfully request review of '*Crypto asset underlying indicator*' (2.15.5). The first line of the '*Crypto asset underlying indicator*' definition says "Indicator of whether the underlying of the derivative is crypto asset" however, industry participants have raised since the introduction of this data element that it is unclear what the CDE considers to be crypto asset, which will result the data being reported differently across the industry. We therefore would like to reiterate our request for ROC to clarify in the CDE whether or not an underlier is classified as a crypto asset for the below examples:

- Example 1: If a derivative is executed where the underlier is an exchange-traded fund ("ETF") based on crypto assets, do we understand correctly that CDE 2.106 would be populated as "Fals[e]"⁵ because the underlier itself is not crypto (i.e. the underlier of the underlier is the crypto element)?
- Example 2: A swaption where the underlying swap is based on crypto. The underlier of the swaption – the swap – is not a crypto asset, but regulators may want to know that, if exercised, the underlier of that swap is crypto. For this example, would we report the swaption as "True" for 2.106?
- Example 3: A basket consisting of crypto and non-crypto. If any underlier of a basket is a crypto asset, should these be reported as "True" for 2.106, or should only baskets for which 100% of underliers are crypto be reported as "True"?
- Any additional examples that the ROC can provide for an underlier is considered to be a crypto asset for data element 2.15.5 would improve clarity and reduce inconsistent reporting.

B. *Price* (2.9.1)

Question 1: Do you have any concerns regarding the potential removal of certain data elements? Do you have any other data elements you would suggest for us to review?

Yes. We respectfully request the ROC to review '*Price*' (2.9.1). In its current form, it is not clear whether the initial price or a dynamic value that would change due to lifecycle event should be reported, impacting regimes that adopt this CDE data element. For example, the CDE definition "For equity swaps, portfolios swaps, and similar products, this data element refers to the initial price of the underlying or reference asset" treats 'Price' the same for regulatory reporting and transparency reporting. For regimes that have regulatory reporting and transparency reporting, the definition results in an issue where public price discovery does not occur accurately as intended on any transactions other than new trades, because upsizes, novations, partial terminations, and terminations do not reflect the notional and price of the activity, but the notional and price of the position. Therefore, we ask the ROC to amend the definition to "For equity swaps, portfolios swaps, and similar products, this data element refers to the average price of the underlying or reference asset" to promote the most accurate reflection for public price transparency, and have provided examples for the reporting of Price accordingly in Table 1.

⁵ ISDA suggests that the proposed Char(4) format with allowable values True or Fals[e] be amended to Boolean format with allowable values True or False.

Table 1. Examples for reporting of Price

Rationale: approach to improve price discovery process (e.g. Part 43)						CFTC P43 / SEC PPD Reporting				CFTC P45 / SEC TS and EMIR TR				Additional Comment
Scenario 1 : stand-alone trade synthetic equity activity whereby cash executions are setup as synthetics swap Accounting Methodology: FIFO (as requested by client)	Event Quantity	Event Price	Total Outstanding Quantity	Total Outstanding Notional	Average Cost Price	Price	Quantity	Notional	Change in Notional (Not disseminated)	Price	Quantity	Notional	Change in Notional	
Day 1: New trade for 100 shares at \$35 (long)	100	35	100	35*100 = 3500	35	35	100	3500	-	35	100	3500	-	It is to be highlighted that for Part 45, SEC & EMIR, this solution allows to have price*quantity = outstanding notional)
Day 2: Upsize by 20 shares at \$40 (long)	20	40	100 + 20 = 120	3500 + 40*20 = 4300	35.833333	40	120	4300	800	35.833333	120	4300	800	It is to be highlighted that for Part 45, SEC & EMIR, this solution allows to have price*quantity = outstanding notional)
Day 3: Downsize by 40 shares at \$25 (long)	40	25	120 - 40 = 80	4300 - 40*35 = 2900	36.25	25	80	2900	1400	36.25	80	2900	1400	It is to be highlighted that for Part 45, SEC & EMIR, this solution allows to have price*quantity = outstanding notional)
Day 4: Equity Fixing / Reset at \$40 (long)	80	40	80	80*40 = 3200	40	-	-	-	-	40	80	3200	300	It is to be highlighted that for Part 45, SEC & EMIR, this solution allows to have price*quantity = outstanding notional)
Day 5: Upsize by 40 shares at \$50 (long)	40	50	80 + 40 = 120	3200 + 50*40 = 5200	43.333333	50	120	5200	2000	43.333333	120	5200	2000	It is to be highlighted that for Part 45, SEC & EMIR, this solution allows to have price*quantity = outstanding notional)
Day 6: Downsize by 100 shares at \$55 (long)	100	55	120 - 100 = 20	5200 - 80*40 - 20*50 = 1000	50	55	20	1000	4200	50	20	1000	4200	It is to be highlighted that for Part 45, SEC & EMIR, this solution allows to have price*quantity = outstanding notional)
Day 7: Downsize 20 shares at \$60 (long) and Upsize 30 shares at \$60 (short)	50	60	20 - 20 - 30 = -30	1000 - 20*50 - 30*60 = -1800	60	60	30	1800	2800	60	30	1800	2800	It is to be highlighted that for Part 45, SEC & EMIR, this solution allows to have price*quantity = outstanding notional)

Day 8: Downsize 30 shares at \$50 (short)	30	50	-30 + 30 = 0	-1800 + 30*60 = 0	0	30	0	0	1800	0	0	0	1800	It is to be highlighted that for Part 45, SEC & EMIR, this solution allows to have price*quantity = outstanding notional)
Day 9: Early Termination	0	0	0	0	0	0	0	0	0	0	0	0	0	It is to be highlighted that for Part 45, SEC & EMIR, this solution allows to have price*quantity = outstanding notional)

Rationale: approach to improve price discovery process (e.g. Part 43)						CFTC P43 / SEC PPD Reporting				CFTC P45 / SEC TS and EMIR TR				Additional Comment
Scenario 1 : stand-alone trade synthetic equity activity whereby cash executions are setup as synthetics swap Accounting Methodology: LIFO (as requested by client)	Event Quantity	Event Price	Total Outstanding Quantity	Total Outstanding Notional	Average Cost Price	Price	Quantity	Notional	Change in Notional (Not disseminated)	Price	Quantity	Notional	Change in Notional	
Day 1: New trade for 100 shares at \$35 (long)	100	35	100	35*100 = 3500	35	35	100	3500	-	35	100	3500	-	It is to be highlighted that for Part 45, SEC & EMIR, this solution allows to have price*quantity = outstanding notional)
Day 2: Upsize by 20 shares at \$40 (long)	20	40	100 + 20 = 120	3500 + 40*20 = 4300	35.833333	40	120	4300	800	35.833333	120	4300	800	It is to be highlighted that for Part 45, SEC & EMIR, this solution allows to have price*quantity = outstanding notional)
Day 3: Downsize by 40 shares at \$25 (long)	40	25	120 - 40 = 80	4300 - 20*40 - 20*35 = 2800	35	25	80	2800	1500	35	80	2800	1500	It is to be highlighted that for Part 45, SEC & EMIR, this solution allows to have price*quantity = outstanding notional)
Day 4: Equity Fixing / Reset at \$40 (long)	80	40	80	80*40 = 3200	40	-	-	-	-	40	80	3200	400	It is to be highlighted that for Part 45, SEC & EMIR, this solution allows to have price*quantity = outstanding notional)
Day 5: Upsize by 40 shares at \$50 (long)	40	50	80 + 40 = 120	3200 + 50*40 = 5200	43.333333	50	120	5200	2000	43.333333	120	5200	2000	It is to be highlighted that for Part 45, SEC & EMIR, this solution allows to have price*quantity = outstanding notional)

Day 6: Downsize by 100 shares at \$55 (long)	100	55	120 - 100 = 20	5200 - 40*50 - 60*40 = 800	40	55	20	800	4400	40	20	800	4400	It is to be highlighted that for Part 45, SEC & EMIR, this solution allows to have price*quantity = outstanding notional)
Day 7: Downsize 20 shares at \$60 (long) and Upsize 30 shares at \$60 (short)	50	60	20 - 20 - 30 = -30	800 - 20*40 - 30*60 = -1800	60	60	30	1800	2600	60	30	1800	2600	It is to be highlighted that for Part 45, SEC & EMIR, this solution allows to have price*quantity = outstanding notional)
Day 8: Downsize 30 shares at \$50 (short)	30	50	-30 + 30 = 0	-1800 + 30*60 = 0	0	30	0	0	1800	0	0	0	1800	It is to be highlighted that for Part 45, SEC & EMIR, this solution allows to have price*quantity = outstanding notional)
Day 9: Early Termination	0	0	0	0	0	0	0	0	0	0	0	0	0	It is to be highlighted that for Part 45, SEC & EMIR, this solution allows to have price*quantity = outstanding notional)

C. *Basket Constituent Unit of Measure (2.14.3); Basket Constituent number of units (2.14.4)*

Question 1: Do you have any concerns regarding the potential removal of certain data elements? Do you have any other data elements you would suggest for us to review?

Yes. For '*Basket Constituent Unit of Measure*' (2.14.3) and '*Basket Constituent number of units*' (2.14.4), there does not appear to be an appropriate unit in the ISO 20022 UnitofMeasure Code list for a Credit product at [External code sets | ISO20022](#).⁶

The Credit asset class normally uses weightings for custom baskets, using percentages. For example, if data element 2.14.3 and 2.14.4 are required for the Credit asset class, then we would anticipate that a credit basket with 100 underliers, where one underlier is IBM with a 5% weighing for the basket would be reported similar to the below:

- Basket constituent identifier: IBM
- Basket constituent unit of measure: %
- Basket constituent number of units: 5

If ROC intends for '*Basket Constituent Unit of Measure*' (2.14.3) and '*Basket Constituent number of units*' (2.14.4) to be applicable for the Credit asset class, we ask that the ROC add permitted Allowable Values other than the ISO 20022 UnitofMeasure Code, since there are no appropriate values in the ISO 20022 UnitofMeasure Code list.⁷

D. *Removals of data elements (post-CDE Consultation v4)*

ROC is requesting comments via this consultation even though the removal may not take place as part of version 4 of the CDE Technical Guidance. Some potential candidates for removal that are recommended by participants are:

- 1) Beneficiary 2
- 2) Beneficiary 2 type indicator
- 3) Counterparty rating trigger indicator
- 4) Counterparty rating threshold indicator
- 5) Alternative to provide the IDs for buyer/seller/payer/receiver for the Direction 1 and Direction 2 data elements

Question 1: Do you have any concerns regarding the potential removal of certain data elements? Do you have any other data elements you would suggest for us to review?

Broadly speaking, we support removal of data elements which have not been adopted by any reporting jurisdiction, however, we urge the ROC to consult on the specific data elements they propose to remove at the time it is proposing to remove them, so that industry participants can evaluate the specific proposals in the context of the CDE fields and jurisdictional data requirements existing at that time to provide public comment. At a more specific level, we do not believe that trade reporting is the appropriate vehicle for counterparty rating trigger information such as '*Counterparty rating trigger indicator*' (2.80) or '*Counterparty rating threshold indicator*' (2.81).

⁶ ISO 20022 External code sets, Download the External Code Sets, (January 2025 (v2)), <https://www.iso20022.org/catalogue-messages/additional-content-messages/external-code-sets>.

⁷ If the ROC concludes that the ISO 20022 UnitofMeasure Code list is the only set of recommended Allowable Values for 2.14.3, the industry requests clarity about which ISO 20022 UnitofMeasure values apply for '*Basket Constituent Unit of Measure*' (2.14.3) and '*Basket Constituent number of units*' (2.14.4) for Credit asset class products.

Data Elements related to dates and timestamps

E. Effective Date (2.1.1)

Question 2: Do you support the examples added as part the definition of this data element? Are there other products for which reporting of this data element should be clarified in the TG?

We welcome clarifications to ‘*Effective date*’ (2.1.1), as effective date is not the same across asset classes.

However, for the line item “For new contracts stemming from lifecycle events, the effective date should be the effective date of the new contract”, we ask that the definition specifies what the ROC considers to be a ‘new’ contract, in order to clarify whether or not a trade resulting from a clearing event is considered a ‘new’ trade. We are of the view that a trade resulting from a clearing event will persist the effective date of the trade prior to clearing and therefore not be considered ‘new’ per the ROC’s current proposed definition for this line item.

F. Maturity date of the underlying derivative (2.1.6)

Question 3: ROC is considering adding a data element ‘Maturity date of the underlying derivative’ which, in the case of swaptions, informs about the maturity date of the underlying swap, which would come to the existence if the option is exercised. Do you have any comments on this proposal?

We suggest that the definition for ‘*Maturity date of the underlying derivative*’ (2.1.6) add “This data element is applicable only for Swaptions” as the first sentence, to reduce existing uncertainties and clarify at the global level that this data element is only applicable for Swaptions, and not other derivatives (e.g. Total Return Swap on a bond). This approach would be consistent with clarifications made by several jurisdictions for this data element, including:

i. European Market Infrastructure Regulation (EMIR) #142⁸:

142	Section 2i - Options	Maturity date of the underlying	In case of swaptions, maturity date of the underlying swap.
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ii. Australian Securities and Investments Commission (ASIC)⁹:

“In relation to ‘maturity date of the underlying’, we said in CP 334 that it is important for the Australian regulators to understand the term of the underlying swap to a swaption, given that the risk characteristics of a one-year term underlier are notably different to those of a 30-year underlier.

As we foreshadowed in CP 334, now that the ‘maturity date of the underlying’ will not be a data element embedded in the UPI, we propose to require that the ‘Maturity date of the underlier’ be reported as a data element for the interest rate swap that underlies a swaption. This date will not be required to be reported for the debt instrument underlying an option on a debt instrument. This is

⁸ Office Journal of the European Union, COMMISSION DELEGATED REGULATION (EU) 2022/1855 (June 10, 2022), <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32022R1855&from=EN>.

⁹ Australian Securities and Investments Commission (ASIC), Consultation Paper 361, Proposed changes to simplify the ASIC Derivative Transaction Rules (Reporting): Second consultation, paragraph 241-243 (May 2022), <https://oia.pmc.gov.au/sites/default/files/posts/2023/01/Consultation%20Paper%20361.docx>.

because this information can be found from the ISIN of the debt instrument embedded in the UPI for this kind of product.”

iii. Commodity Futures Trading Commission (CFTC) Technical Specifications (draft v3.3)¹⁰:

<p>Maturity date of the underlier [NEW]</p> <p>[Maturity date of the underlier - Leg1] [Maturity date of the underlier - Leg 2]</p>	<p>For each leg of the swap transaction where applicable, in case of swaptions, maturity date of the underlying swap.</p>
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Question 4: Additionally, ROC is considering using this data element more broadly to obtain the information about the maturity date of the underlying derivative at the leg level such as when a leg references a futures contract. Do you have any comment on this proposal? Are there any other use cases that should be covered under this field?

We recommend that the ROC specify at the global CDE level that ‘*Maturity date of the underlying derivative*’ (2.1.6) should be applicable for swaption-level information, not leg-level data, which may be more appropriate for implementation.

¹⁰ Maturity date of the underlier (133), CFTC Technical Specification, draft version 3.3 (December 13, 2023)
https://www.cftc.gov/media/9921/Part43_45TechnicalSpecification12132023CLEAN/download.

Data Elements related to counterparties and beneficiaries

G. Counterparty 1 (reporting counterparty) (2.2.1)

Question 5: ROC is revising the definition of this data element to allow for reporting of transactions executed on a platform where both counterparties are natural persons. Do you have any comments on the revision provided? Do you foresee any challenges with reporting this field with the proposed definition?

In the case where two private individuals (e.g. not eligible for Legal Entity Identifiers (LEI)) transact with each other, we ask the ROC to clarify reporting counterparty (e.g. Counterparty 1) determination.

H. Counterparty 1 identifier type indicator (2.2.2)

Question 6: The purpose of this data element is to identify whether an LEI is used for data element Counterparty 1 (Reporting Counterparty). Do you have any comments for this field

If ROC proceeds with its revisions for ‘Counterparty 1 (reporting counterparty)’ (2.2.1), we propose that the ROC consider using ‘Counterparty 1 identifier source’ instead of ‘Counterparty 1 identifier type indicator’ (2.2.2). CFTC ‘Counterparty 1 identifier source’¹¹ uses a list of Char(4) Enum allowable values (for example “LEID” for LEI and “NPID” for natural persons) instead of the Boolean values proposed for CDE 2.2.2. Use of the Char(4) Enum approach would future-proof CDE for this data element in the event that additional Counterparty 1 types are needed.

I. Counterparty 2 (2.2.3)

No comments at this time.

J. Submitter Identifier (2.2.5)

Question 7: This data element is common across many jurisdictions and is needed to identify the entity that submits the report to the trade repository. ROC proposes to add it as a CDE field. Do you have any comments on this data element?

We believe the proposed definition is not clear in the case where third-party service providers are used, therefore we propose the CDE definition be revised to that of the CFTC and Canadian Securities Administrators (CSA), specifically “Identifier of the entity submitting the OTC derivative transaction data to the Trade Repository. The Submitter identifier will be the same as the reporting counterparty or MTF¹²/OTF¹³/SEF¹⁴, unless they use a third-party service provider.”

¹¹ CFTC, Counterparty 1 identifier source (16), CFTC Technical Specifications, draft version 3.3, (December 13, 2023) https://www.cftc.gov/media/9921/Part43_45TechnicalSpecification12132023CLEAN/download.

¹² Multilateral trading facilities.

¹³ Organised trading facilities

¹⁴ Swaps Execution Facilities

Data Elements related to clearing, trading, confirmation and settlement

K. Clearing Member (2.4.3)

Question 8: ROC is revising the definition of this data element to allow for reporting identifiers of individuals that can only clear digital assets derivative transactions for themselves. Do you have any comments on the revision provided? Do you foresee any challenges with reporting this field with the proposed definition?

No comments at this time.

L. Clearing Member type indicator (2.4.4)

Question 9: The purpose of this data element is to identify whether an LEI is used for data element Clearing member. Do you have any comments for this field?

No comments at this time.

Data Elements related to valuation

M. Valuation Amount (2.6.1)

According to the previous feedback received from some market participants in the case of the CCP cleared trades, valuation data does not currently account for the specificities of Settle-to-Market (STM) / Collateralized-to-Market (CTM) accounting models. The economic cash flows in the two models are the same and, to monitor the flow of risk in the economy, the authorities require comprehensive information on valuation amounts regardless of the accounting convention. It is thus essential to understand these specificities and how to account for them without compromising the ability of regulators to carry out their tasks.

Question 10: Are there challenges with reporting valuation data under the STM model and if so, what are they? Please provide examples and evidence of any challenges with reporting of these data.

We note that the ROC's prefacing text for Questions 10 through 12 points to the case of cleared trades, therefore ISDA's responses to these questions are framed with this context in mind.

Valuation is affected by Settle-to-Market ("STM") versus Collateralized-to-Market ("CTM"). For example: A firm executes a derivative, assuming that the market-to-market at time of execution is zero. Since then, the derivative lost value and is now worth -10. Under STM, the valuation would be zero, as the trade resets daily. Under CTM, the valuation would be -10 and the firm will have posted 10 as collateral. However, the critical terms for the OTC derivative are the same under both the STM and CTM model. The valuations should also be the same.

The reported valuation amount should be aligned with the daily Mark-to-Market ("MTM") value as it applies to the business practice and product, and be consistent with the value provided to clients for portfolio reconciliation. This would be consistent with the EMIR Final Report¹⁵ where ESMA assessed reporting under CTM and STM models, and concluded that for the STM model, Central Counterparty ("CCP") and counterparties should report daily change in the valuation.

Question 11: Do you agree that the problem is limited to cleared transactions under STM model? If not, please provide details of other relevant scenarios.

Yes, the problem is limited to cleared transactions under STM model. Under STM, the valuation would be zero as the trade resets daily, as illustrated by the example provided in our response to Question 10. This does not occur for cleared transactions under CTM.

Question 12: If there are operational challenges with reporting valuation data, how these could be mitigated without limiting the information accessible to regulators? Please explain how the proposed alternatives alleviate the reporting challenges?

No comments.

¹⁵ ESMA, EMIR Final Report, Guidelines for reporting under EMIR, section 3.1.18, Reporting of valuations (December 14, 2022), <https://www.esma.europa.eu/document/final-report-guidelines-reporting-under-emir>.

N. Valuation timestamp (2.6.3)

Question 13: According to the feedback received from some market participants it is not clear whether valuation timestamp should be based on “calculation timestamp” or “input pricing timestamp”. Should ROC review the definition to specify that this data element refers to the calculation timestamp? Do you foresee any issues with this approach?

We support ‘*Valuation timestamp*’ (2.633) based the “calculation timestamp” approach, as there are multiple inputs into valuation timestamp. We urge the ROC to provide a definition of “calculation timestamp” within the definition of ‘*Valuation timestamp*’ (2.633) to facilitate consistency.

O. Collateral portfolio code (2.7.2)

Question 14: Should this data element be separated into two, one for initial margin, one for variation margin? If you think that two separate portfolio codes for Initial Margin and Variation Margin should be reported, could you provide business cases where it is needed?

We would support ROC's proposal to split '*Collateral portfolio code*' (2.72) into two fields – one for Initial Margin (IM) and one for Variation Margin (VM) – since Initial Margin and Variation Margin are booked separately, and the existing CDE with only one Collateral portfolio code requires reporting counterparties (RCP) to add both for purposes of trade reporting, but the amounts may actually be in different accounts or in different systems.

Separating Collateral portfolio code into two could also help RCPs uncover errors in reporting. As one example, for exchange-traded derivatives (ETD) futures, there is Initial Margin and Variation Margin (STM). One is real collateral, while the Variation Margin is cash-settled Profit and Loss. Existing CDE (e.g. a single data element of '*Collateral portfolio code*' (2.72)) requires RCPs to add Initial Margin + Variation Margin for purposes of trade reporting in order to report a net amount (e.g. Initial Margin + Variation Margin) when reporting Collateral portfolio code, however, each amount could be in different accounts or different systems. Therefore, it will not be apparent at time of reporting if the Initial Margin is missing in that calculated net amount, since an amount has been reported for the single data element of *Collateral portfolio code* (2.72). Splitting CDE2.72 into 2 data elements – one for Initial Margin (IM) and one for Variation Margin (VM) – will eliminate this issue.

We note the ROC's proposal is consistent with what has already been implemented in certain reporting jurisdictions, including CFTC #116 '*Initial margin Collateral portfolio code*' and #124 '*Variation margin Collateral portfolio code*'.¹⁶

Question 15: Currently, the CDE Technical Guidance does not require collateral portfolio codes to be reported consistently between counterparty pairs. Consistent collateral portfolio codes reported by both sides of the transaction would facilitate reconciliation of margin data in the jurisdictions with double-sided reporting. Do you agree with the approach to require the same collateral portfolio codes to be reported by both sides? In what manner can consistent collateral portfolio codes be adopted between counterparties? Should an international standard, such as the UTI or LEI be developed in this context?

We strongly disagree with a potential requirement that '*Collateral portfolio code*' (2.72) be reported consistently between counterparty pairs¹⁷ for several reasons, including but not limited to:

- We believe the CDE Technical Guidance already includes the data elements needed to demonstrate whether positions are adequately collateralized
- Agreeing a matching '*collateral portfolio code*' between counterparties would be a complex and not practicable undertaking for the industry. As mentioned in our response to Question 14, the Initial Margin amounts and Variation Margin amounts may be in different accounts, or in different systems. There are cases of multiple Initial Margin and Variation Margin codes.

¹⁶ CFTC Technical Specifications v3.2 (March 1, 2023), https://www.cftc.gov/media/8261/Part43_45TechnicalSpecification03012023CLEAN/download.

¹⁷ Our understanding is that the ROC proposal to require the same collateral portfolio codes reported by both sides would be limited to dual-sided reporting regimes.

We urge the ROC to “consider the benefits and costs of such changes, to minimize any impact on relevant stakeholders” in line with the preamble to the CDE Technical Guidance, before requiring counterparty pairs in dual-sided regimes to match and report the same ‘*Collateral portfolio code*.’

P. Variation Margin posted by the reporting counterparty (pre-haircut) (2.7.9)

According to the previous feedback received from some market participants, in the case of the CCP cleared trades, variation margin data does not currently account for the specificities of Settle-to-Market (STM) / Collateralized-to-Market (CTM) accounting models. The economic cash flows in the two models are the same and, to monitor the flow of risk in the economy, the authorities require comprehensive information on variation margin regardless of the accounting convention. It is thus essential to understand these specificities and how to account for them without compromising the ability of regulators to carry out their tasks.

We agree with the ROC’s assessment that the economic cash flows exchanged between parties in the STM and CTM models are the same. For accounting purposes, under the STM model there is no ‘set-off’ and therefore the principle of ‘offsetting’ does not apply. STM payments cannot be clawed back. The trade is settled.

We ask the ROC to add clarification within the definition of ‘*Variation Margin posted by the RCP (pre-haircut)*’ (2.7.9) that the data element can be reported multiple times.

Although critical data element 2.7.9 does not specify cleared or uncleared margin, our understanding based on the ROC’s prefacing text for Questions 16 through 19 and references to STM and CTM that these questions relate to cleared margin, so ISDA’s responses to these questions are framed with this context in mind.

Question 16: Are there challenges with reporting variation margin data under the STM model and if so, what are they?

We note that the definition for ‘*Variation Margin posted by the RCP (pre-haircut)*’ (2.7.9) says “[t]his data element refers to the total current value of the variation margin, cumulated since the first reporting of variation margins posted for the portfolio/transaction.” However, for STM, variation margin looked at as accumulated amounts is not relevant because the trade starts off anew each day as the previous amounts (paid or received) are settled.

Question 17: Do you agree that the problem is limited to cleared transactions under STM model? If not, please provide details of other relevant scenarios.

The point noted in our response to Q16 is limited to cleared transactions under the STM model - accumulated VM information is not relevant because the trade starts off anew each day as the previous amounts (paid or received) are settled.

Question 18: If there are operational challenges with reporting valuation data, how these could be mitigated without limiting the information accessible to regulators? Please explain how the proposed alternatives alleviate the reporting challenges.

For cleared transactions under the STM, as stated earlier, information about accumulated amounts are not relevant because the trade starts off anew each day as the previous amounts (paid or received) are settled. Having said so, some CCPs may have recorded accumulated amounts daily. Operational challenges with reporting valuation data could be mitigated by regulators obtaining the information directly from CCPs who have.

Question 19: In the case of VMs reported at portfolio level, do you see additional challenges, if the portfolio includes both STM and CTM derivatives? If yes, how to ensure that the portfolio level VMs are reported consistently?

ISDA does not see any reasons why a portfolio of trades under the two models could not be reported together if they are of the same asset class.

Q. Collateral timestamp (2.7.20)

Question 20: The purpose of this data element is to inform authorities the date and time of the last margin update. If a reporting party missed reporting collateral for any day they need to be able to indicate what date the reported collateral applied to. Some authorities may decide to require only the date, without a time portion. Do you have any comments on this data element? Do you foresee any challenges with reporting this element (if so, please specify)?

Reporting timestamp (2.1.4) and *Event Timestamp (2.16.3)* are existing CDE data elements. Regulators are already able to see when collateral is reported and the date for which it was reported via reporting of '*Reporting timestamp*' and '*Event Timestamp*', so we believe that '*Collateral timestamp*'(2.7.20) is redundant, so do not support adding proposed CDE 2.7.20 to the CDE Technical Guidance.

If the ROC determines that '*Collateral timestamp*'(2.7.20) is required, then:

- For consistency, ROC should specify at the global CDE level that '*Collateral timestamp*' only include Allowable values and Format of date, but not time, rather than what occurs currently with some regulators requiring only date, while others requiring time and date. Our view is that regulators will be able to determine whether collateral is sent daily by a RCP without requiring a time. Question 20 appears to further support our view that a time is not needed "[i]f a reporting party missed reporting collateral for any day the RCP would need to be able to indicate what date the reported collateral applied to."
- please clarify whether "[t]he purpose of this data element is to inform authorities the date and time of the last margin update" means when the margin is posted or when it is received.

Data Elements related to prices

- R. Price schedule – Effective date (2.9.5); Price schedule – End date (2.9.6); Price schedule – Price (2.9.7)***

Question 21: We have separated the scheduled fields into their own elements and shortened the field name. Are there any other fields that should be added in CDE in a schedule form?

No comments at this time.

- S. Barrier fields: Single barrier level (2.9.14), Lower barrier level (2.9.15), Upper barrier level (2.9.16)***

Question 22: ROC proposes to add data elements 2.9.14., 2.9.15., 2.9.16. to allow for a more accurate reporting of barrier options. Do you have any comments with regards to the proposed definitions? Are there any other elements that would be helpful in capturing the characteristics of barrier options?

We strongly oppose the addition of the 3 barrier data elements (*e.g. 'Single barrier level' 2.9.14, 'Lower barrier level' 2.9.15, and 'Upper barrier level' 2.9.16*) at the global CDE level. We are aware of and appreciate the work in process by the regulators in the Asia-Pacific related to Target Redemption Forwards (TARFs), however adding data elements to the CDE specific for certain transactions, such as barrier options, is not appropriate. The ROC's proposal to add barrier fields deviates from the original objectives of the global harmonization work for OTC trade reporting. As part of a commitment to reform OTC derivatives markets, improve their transparency, mitigate systemic risk and prevent market abuse, the G20 Leaders agreed that all over-the-counter (OTC) derivatives contracts should be reported to trade repositories, which led to the global harmonization work undertaken by FSB, CPMI, IOSCO and subsequently, the ROC. The objective of the global harmonization work was not pricing, matching or exchanging information about transactions, but to develop recommendations to individual regulators on definitions, format, allowable values, etc. for key data elements important in OTC trade reporting for the globally consistent and meaningful aggregation of the data reported to TRs.

If aggregation of barrier options data is determined by the ROC to be necessary in trade reporting, the 3 data elements (*i.e. 2.9.14, 2.9.15, 2.9.16*) proposed would not be sufficiently suitable, since barrier options are complex instruments, with numerous variants for barriers, so the number of data elements that would be needed to capture an adequate picture of a barrier option would be multiple times higher. However, as stated earlier, CDE is not the appropriate place to add data requirements specific to certain transactions, including for barrier options. We propose that existing CDE '*Strike Price*' (2.9.13) could be used for information about barrier options instead.

We note that a scarce number of jurisdictional rule amendments have determined the need for barrier data fields for trade reporting, as evidenced by those proposed or published to date. To our understanding, the Financial Services Agency (JFSA), European Union (EU) EMIR, United Kingdom (UK) EMIR, CSA, Monetary Authority of Singapore (MAS) and CFTC (draft v3.3) have not required the proposed CDE barrier fields.

Further, the two jurisdictions who have mandated barrier-related fields – ASIC¹⁸ and Hong Kong Monetary Authority (HKMA)¹⁹ – have mandated different data elements. We therefore question the need for barrier data elements at the ROC level and recommend that instead of adding proposed CDE 2.9.14, 2.9.15, 2.9.16 into the global CDE Technical Guidance, individual regulators who determine that barrier options information is appropriate for their regime are able to add such fields at the jurisdictional level.

T. Strike price schedule – Effective date (2.9.19); Strike price schedule – End date (2.9.20); Strike price schedule – Strike price (2.9.21)

No comments at this time.

U. Option premium schedule - option premium amount (2.9.25) and Option premium schedule – payment date (2.9.26)

Question 23: The purpose of data elements 2.9.25. and 2.9.26. is to allow authorities to better understand the premium of options and swaptions with option premium schedules. Do you have any comments or concerns on these proposed data elements?

No comments at this time.

¹⁸ Lower or only barrier price notation; Upper barrier price notation; Lower or only barrier price; Upper barrier price, ASIC Derivative Transaction Rules (Reporting) 2024, <https://www.legislation.gov.au/F2022L01706/latest/text>.

¹⁹ Single barrier level; lower barrier level; upper barrier level, HKMA/SFC Joint further consultation conclusions on enhancements to the OTC derivatives reporting regime for Hong Kong to mandate (1) the use of Unique Transaction Identifier, (2) the use of Unique Product Identifier and (3) the reporting of Critical Data Elements (September 2024), <https://apps.sfc.hk/edistributionWeb/api/consultation/conclusion?lang=EN&refNo=24CP1>.

Data Elements related to notional amounts and quantities

V. Notional amount (2.10.1)

Question 24: In response to industry feedback, it is proposed to update the definition of data element 2.10.1. for Equity variance swaps and similar products from ‘Variance amount’ to ‘Vega notional amount’. Do you have any comments or concerns on the proposed amendment?

ISDA and its members support the revision.

W. Delta (2.10.2)

Question 25: Should ROC add clarification that reporting of delta is applicable only to options, swaptions, and other option-life instruments?

ISDA supports and strongly encourages the CDE clarification that reporting of delta is applicable only to options and swaptions as it provides clarity to the questions raised and will promote consistency. However, we do not believe there is rationale for including ‘option-life instruments’, since there would be differences in what each firm interprets as ‘option-like’, so would not facilitate consistency.

ISDA would like to raise that the current definition of Delta does not sufficiently cover all the calculations for delta, which could differ depending on product and asset class. Examples include, but are not limited to the below:

- For commodity calendar option strip, where there could be delta to 12 contracts;
- For rates, delta calculation is based on interest rate curve;
- Delta is calculated as a dollar amount for Caps/Floors (a delta cash amount value is needed);
- For an equity basket trade or an interest rate cap where there could be delta to each forward rate;
- How should delta be determined and reported for transactions where there are multiple underliers?

We urge the ROC to revise the current Delta definition accordingly, and to clarify that reporting of delta is applicable only to options and swaptions.

X. Call amount (2.10.3)

Question 26: Originally, this field was included in the CDE to enable unambiguous reporting of notional amounts for foreign exchange options. In response to industry feedback, ROC is considering expanding the scope of this data element to cover options for all asset classes. Could you provide examples where this field would be useful for options that’s not foreign exchange?

Since not all FX options have Call or Put amounts (e.g. digital options), we ask the ROC to be more precise within this CDE definition about when Call amounts are expected to be applicable for FX Options.

Y. Put amount (2.10.4)

Question 27: Originally, this field was included in the CDE to enable unambiguous reporting of notional amounts for foreign exchange options. In response to industry feedback, ROC is considering expanding the scope of this data element to cover options for all asset classes. Could you provide examples where this field would be useful for options that's not foreign exchange?

Since not all FX options have Call or Put amounts (e.g. digital options), we ask the ROC to be more precise within this CDE definition about when Put amounts are expected to be applicable for FX Options.

Z. Call currency (2.10.6)

Question 28: Originally, this field was included in the CDE to enable unambiguous reporting of notional amounts for foreign exchange options. In response to industry feedback, ROC is considering expanding the scope of this data element to cover options for all asset classes. Could you provide examples where this field would be useful for options that's not foreign exchange?

See comments for 'Call amount' (2.10.3).

AA. Put currency (2.10.7)

Question 29: Originally, this field was included in the CDE to enable unambiguous reporting of notional amounts for foreign exchange options. In response to industry feedback, ROC is considering expanding the scope of this data element to cover options for all asset classes. Could you provide examples where this field would be useful for options that's not foreign exchange?

See comments for 'Put amount' (2.10.4).

BB. Notional amount schedule – Effective date (2.10.9); Notional amount schedule – End date (2.10.10); Notional amount schedule – Notional amount (2.10.11)

No comments at this time.

Data Elements related to custom baskets

This set of data elements captures information related to custom baskets which are not covered by the Unique Product Identifier (UPI). Custom Baskets should be understood as a collection of assets and/or indices where the weightings, constituents, roll schedules, and/or other key attributes related to the characteristics of the basket, are customized by the basket structurer.

- This set of data elements will help the regulators with impact analysis and cross-basket analysis and may be subject to jurisdictional restrictions on use to protect party confidentiality.
- This set of data elements except 'Custom basket code' (2.14) could be reported multiple times in the case of multiple basket constituents.

CC. Basket constituent identifier (2.14.2)

Question 30: This data element is updated to ensure consistency with the format defined in the corresponding data field of ISO 20022. Do you have any comments or concerns on the proposed amendment?

Since custom basket data elements (except Custom basket code (2.14)) are permitted to be reported multiple times in the case of multiple basket constituents, we support the revision of Format and Allowable values to align be consistent with the format of the corresponding field in ISO 20022.

For data elements related to custom baskets, also refer to our comments for *Basket Constituent Unit of Measure* (2.14.3) and *Basket Constituent number of units* (2.14.4) under Question 1.

DD. Basket constituent identifier source (2.14.5)

Question 31: This data element is updated to ensure consistency with the format defined in the corresponding data field of ISO 20022. Do you have any comments or concerns on the proposed amendment?

Similar to Question 30 response, since custom basket data elements (except 'Custom basket code' (2.14)) are permitted to be reported multiple times in the case of multiple basket constituents, we support the revision of Format and Allowable values to align be consistent with the format of the corresponding field in ISO 20022.

Data Elements related to underlying assets

This set of data elements captures information related to underliers when the information cannot be derived from the UPI. These data elements apply to all asset classes and should support any underliers.

- Data elements 2.15.1. and 2.15.2. should be used when the UPI Service Provider does not receive the identifier and its source for a particular underlier. In these cases, values for both 'Underlier ID' and 'Underlier ID source' are submitted as 'OTHER' to the UPI service provider.
- Data elements 2.15.3. and 2.15.4. are necessary to determine the price of an underlier asset or index that cannot be derived from the given UPI.
- Data element 2.15.5. is necessary to easily identify the derivative transactions based on crypto assets that cannot be identified from the given UPI.

EE. Underlier ID (Other) (2.15.1)

Question 32: This data element is updated to further specify the allowable values. This is not an exhaustive list and other reference underliers may be used. Do you have any comments or concerns on the proposed amendment?

We believe that proposing changes to allowable values for 'Underlier ID (Other)' (2.15.1) and 'Underlier ID (Other) source' (2.15.2) in the CDE is premature. To prevent overlapping or duplicative work, these data elements should not be revised by CDE until such time as the Derivatives Services Bureau's (DSB) Derivative Referential Underlying Instrument Identifier (DRUID) Sub-committee²⁰, established for the purpose of resolving issues, including coverage of indices, in the UPI Service, is complete. It is possible that several of the allowable values proposed for the CDE will not be needed.

FF. Underlier ID (Other) source (2.15.2)

Question 33: This data element is updated to further specify the allowable values. Do you have any comments or concerns on the proposed amendment?

Please refer to response to 'Underlier ID (Other)' (2.15.1).

²⁰ Derivatives Services Bureau (DSB) Derivative Referential Underlying Instrument Identifier (DRUID) Sub-committee, <https://www.anna-dsb.com/downloads/druid/>.

Data Elements related to lifecycle events

GG. Action Type (2.16.1) / Event Type (2.16.2)

Question 34: While different approaches exist for reporting partial termination events, MODI/ETRM should be reported for partial early termination with notional amount adjustments and early termination with pre-agreed maturity date adjustments. Do you have any comments or concerns about the proposed approach?

ISDA would appreciate more context on what information the ROC is trying to capture with this proposal. For the two cases the ROC presents in Question 34, ISDA and its members do not believe the cases to be clear enough to be able to respond appropriately. For example, for the first case did the ROC mean the partial exercise of an early termination? If not, we ask for clarity. For the latter, what is the exact 'pre-agreed maturity date' scenario - does the ROC mean contractually-agreed previously? If not, we ask for more context.

Question 35: In light of the different approaches for reporting valuation and margin corrections, with either using 'CORR' for both types of data or limiting to 'VALU' for valuations and 'MARU' for margins, do you have any comments or concerns about either of the approaches?

We believe this to be more of an implementation-level issue, not a global ROC CDE-level issue, however with CORR, when firms need to correct 100,000 valuations for example, all transaction data fields need to be included, so our recommendation would be 'VALU' for valuations and 'MARU' for margin.

HH. Event timestamp (2.16.3)

No comments at this time.

II. Table 6: Definitions for Event Type Allowable Values

For Event type 'TRAD', ESMA's definition is "Conclusion of a derivative or renegotiation of its terms that does not result in change of a counterparty" while CFTC has adopted the CDE definition of "Creation or modification of a transaction." Our understanding is that CFTC's definition of 'TRAD' would include a change of a counterparty, while ESMA's specifies that it would not. As a result of the different approaches, it is possible that a trade will not have a UTI used in both ESMA and CFTC, if a counterparty changes on a trade.

To promote global consistency, we ask that the ROC clarify for Event type 'TRAD' whether it does or does not include a change of a counterparty.

ISDA supports the ROC's global harmonization efforts. We believe that use of the Common Domain Model (CDM)²¹ is a vital step to facilitating aggregation of OTC derivatives trade data, consistent with the ROC's objective to help authorities obtain a comprehensive view of market activity in fulfillment of the G20 Leaders' commitment to improve transparency, mitigate systemic risk and prevent market abuse.

The CDM is an existing standardized, machine-readable, machine-executable data model that represents financial products, trades in those products, and the lifecycle events of those trades. It is an open-source model hosted by the [Fintech Open Source Foundation \(FINOS\)](#), a directed fund under the Linux Foundation. The model is developed through the [community specification](#) open governance process, and underlying code assets are released under the [Community Specification License 1.0](#), guided through a cross-industry collaboration between FINOS, ISDA, ICMA and ISLA, thereby ensuring that standard definitions, taxonomies, and best practices are adhered to by contributors. The CDM already makes use of existing data standards, such as the LEI for identification of parties.

The CDM is built according to a set of design principles that include the following concepts:

- **Normalization** through abstraction of common components;
- **Composability** where objects are composed and qualified from the bottom up;
- **Mapping** to existing industry messaging formats;
- **Embedded logic** to represent industry processes;
- **Modularization** into logical layers.

The CDM:

- enables interoperability and straight-through processing across firms, regulators, solutions and platforms;
- reduces the need for reconciliation caused by variations in how firms record trade lifecycle events;
- fosters financial technology innovation by providing a common, operational foundation for how technologies such as distributed ledger, smart contracts, cloud computing, and artificial intelligence can be applied to financial markets;
- can deliver better regulatory oversight by promoting transparency and alignment between regulators and market participants, enabling consistency by providing a standard representation of data and processes, and supporting machine-executable reporting requirements.

The CDM model can be applied to a range of use cases across listed products, OTC derivatives transactions, repos, loans, securities lending, etc. For OTC derivatives trade reporting, Digital Regulatory Reporting (DRR)²² is an industry-mutualized initiative with a governance framework which leverages ISDA's industry working groups to agree rule interpretations and industry practices. Specifically, the DRR uses the CDM as a blueprint to convert industry-agreed interpretations of new or amended regulatory reporting rules into freely available, machine-readable, machine-executable code. For market participants, the DRR will reduce the costs associated with building new or amended rules, while ensuring regulatory compliance and consistency with industry-agreed interpretations. For regulatory authorities, the DRR will improve the quality of the aggregated data, make it easier to conduct market oversight and allow timely assessment of systemic risk issues.

For these reasons, we encourage the ROC to assess the CDM as part of its work to champion harmonized standards and improve data consistency for the efficient and effective aggregation of data reported to TRs.

²¹ ISDA Solutions Infohub – CDM at <https://www.isda.org/isda-solutions-infohub/cdm/>

²² ISDA Digital Regulatory Reporting at <https://www.isda.org/isda-solutions-infohub/isda-digital-regulatory-reporting/>.

ISDA and its members appreciate the opportunity to provide the enclosed feedback. Please feel free to reach out to Eleanor Hsu at Ehsu@isda.org with any questions.

Sincerely,



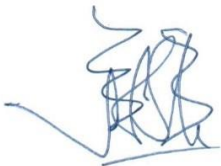
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