



ISDA Issues Request for Quotations for Development of Digital Common Domain Model

NEW YORK, October 31, 2017 – The International Swaps and Derivatives Association, Inc. (ISDA) has today issued a request for quotations (RFQ) for the development of a digital version of the ISDA Common Domain Model (CDM).

The ISDA CDM is intended to provide a standard representation of data, events and actions that occur during the life of a derivatives trade. Establishing a common set of data and processing standards that all participants can access and deploy will enhance consistency and interoperability across firms and platforms. This is necessary in order to realize the full potential of new technologies like distributed ledger and smart contracts.

The issuing of an RFQ follows the publication of a [conceptual version of the ISDA CDM](#) earlier this month. The next step is to develop the framework to build an executable digital version that can eventually be used for proofs of concept.

“Our concept paper set out some of the design elements needed for the ISDA CDM, but we now want to move onto the next step and start developing a digital version. We think new technologies like distributed ledger and smart contracts can revolutionize the derivatives business by automating manually intensive processes and reducing costs, but these technologies need to use the same data and process standards to really be effective. A digital version of the ISDA CDM is the next step to realizing that potential,” said Scott O’Malia, ISDA’s Chief Executive.

Under the terms of the RFQ, the chosen vendor will assist ISDA in conducting an analysis of the product data elements found in Financial products Markup Language, and producing the framework for an executable digital representation of the ISDA CDM version 2.0, as well as the first iteration. The initial focus will be on the interest rates and credit asset classes. The project is expected to last three months.

The closing date for vendor submissions is November 28, 2017. Interested parties should contact MarketInfrastructureandTechnology@isda.org for more information.

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Background

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

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

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

Further information is available in the following materials:

- [ISDA Common Domain Model Version 1.0 Design Definition Document](#) (October 2017)
- ISDA Webinar: [Introducing the ISDA Common Domain Model](#) (October 2017)
- ISDA Webinar: [The Foundations of an Efficient Market Infrastructure](#) (September 2017)
- [Smart Contracts and Distributed Ledger – A Legal Perspective](#) (August 2017)
- [The Future of Derivatives Processing and Market Infrastructure](#) (September 2016)

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About ISDA

Since 1985, ISDA has worked to make the global derivatives markets safer and more efficient. Today, ISDA has over 875 member institutions from 68 countries. These members comprise a broad range of derivatives market participants, including corporations, investment managers, government and supranational entities, insurance companies, energy and commodities firms, and international and regional banks. In addition to market participants, members also include key components of the derivatives market infrastructure, such as exchanges, intermediaries, clearing houses and repositories, as well as law firms, accounting firms and other service providers. Information about ISDA and its activities is available on the Association's website:

www.isda.org.

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