

Digital Regulatory Reporting

Digital Regulatory Reporting (DRR) will enable all firms to implement regulatory reporting rules consistently using the open-source Common Domain Model (CDM)

What is DRR?

DRR using the CDM¹ allows a scalable implementation of regulations by using one standardized representation of required reportable data and turning trade reporting regulations into unambiguous, human-readable, machine-executable, open-access code for any trade reporting jurisdiction. DRR can be used as core internal reporting logic or can be used to validate an internal (or external) implementation.

Benefits of DRR

DRR can provide numerous benefits to institutions and the regulatory community, including:

- A mutualized industry effort to create digital representations² of reporting requirements;
- Eliminates the need for firms to dedicate significant resources and budget to changing their systems for each new or amended reporting rule, allowing more time to be spent on implementation;
- Requires only incremental effort to extend the DRR model to other jurisdictions and future changes once the core regulatory reporting ruleset is established;
- Decreases inconsistencies in the way individual institutions prepare for a trade reporting rule or implement industry best practice;
- Increases interoperability between firms' reporting processes;
- Reduces reconciliation breaks in dual-sided reporting regimes;
- Results in efficient and consistent implementation of global recommendations, including critical data elements, unique product identifiers, unique transaction identifiers and legal entity identifiers;
- Improves the quality of reported data for regulators to evaluate systemic risk effectively;
- Will ultimately enable regulators to publish reporting rules as executable code that can be automatically read and interpreted by the technology systems of reporting entities.

The ISDA DRR Initiative

What: A global, collaborative industry program using technology to standardize and accelerate efficient implementation of transaction reporting rules and rule amendments (e.g., by the Commodity Futures Trading Commission (CFTC)³, the European Market Infrastructure Regulation (EMIR) and the Australian Securities and Investments Commission (ASIC)).

Who: Open to all, including counterparties, trade repositories, market infrastructure providers, third parties and others.

When: Following implementation of the DRR for the CFTC's amended swap data reporting rules on December 5, 2022, work is underway on other trade reporting frameworks, including EMIR Refit (April 29, 2024), changes by the Japan Financial Services Agency (April 1, 2024) and other forthcoming rules and amendments.

How Do I Find Out More or Get Involved With DRR?

Contact ISDA: ISDADataReporting@isda.org | www.isda.org

¹ bit.ly/3TknXBj ² Using Rosetta technology (bit.ly/3vAvCU4) ³ The CFTC swap data reporting amendments (<https://www.cftc.gov/PressRoom/PressReleases/8247-20>)