

## **A primer on Field 41 IR Term of Contract: Upcoming Changes**

ESMA published a Q&A on MiFIR Data Reporting on 26 September 2018<sup>12</sup>. Section 16 Q1 of the Q&A (page 28 and following) specifies the relationship between the term of a contract, as provided in Field 41, the Expiry date and the ISIN.

The Public Statement published by ESMA on 5th February 2019<sup>3</sup> indicated that the implementation deadline for Interest Rates Swaps related changes included in the MiFIR Q&A on Data Reporting would be shifted to Q3 2019.

The DSB, in consultation with industry participants at the [Product Committee](#) and [Technology Advisory Committee](#), subsequently revised the implementation date to 22<sup>nd</sup> of September 2019 to facilitate the necessary changes to comply with the ESMA Q&A.

### **Calculation Methodology**

Footnote 35 of the ESMA Q&A section 16 Q1 provides guidance on how the term of contract should be calculated. To maximize consistency across the market in determining the term of contract, the DSB Product Committee has adopted the following conventions:

- If the contract duration fits a standard term, this standard term should be provided as input and will be used to populate Field 41 directly.
  - The DSB Product committee has defined a list of standard terms (see DSB Q&A section 4.3). After an initial period only the values on this list will be accepted as standard term input by the DSB.
- In all other cases the requester provides the Effective and Expiry dates, and the DSB will calculate the term of contract following the method specified by ESMA
  - Note that the Effective date is used *only* as an input to the term-of-contract calculation – it is not an ISIN reference data field.

The DSB has provided both the calculator specifications (which are based on footnote 35) and an open source implementation of the calculator.

### **More Information:**

1. DSB's Field 41 [FAQ](#)
2. DSB notifications:
  - a. [release overview](#)
  - b. [integrated tenor calculator](#)
  - c. [open source tenor calculator](#)

---

<sup>1</sup> [https://www.esma.europa.eu/sites/default/files/library/esma70-1861941480-56\\_qas\\_mifir\\_data\\_reporting.pdf](https://www.esma.europa.eu/sites/default/files/library/esma70-1861941480-56_qas_mifir_data_reporting.pdf)

<sup>2</sup> Revised on 29 July 2019.

<sup>3</sup> [https://www.esma.europa.eu/sites/default/files/library/esma\\_70-155-7026\\_use\\_of\\_uk\\_data\\_in\\_esma\\_databases\\_in\\_case\\_of\\_a\\_no-deal\\_brexit.pdf](https://www.esma.europa.eu/sites/default/files/library/esma_70-155-7026_use_of_uk_data_in_esma_databases_in_case_of_a_no-deal_brexit.pdf)