

ISDA Publishes Digital Iteration of the Common Domain Model

NEW YORK, June 5, 2018 – The International Swaps and Derivatives Association, Inc. (ISDA) has published an initial digital representation of the Common Domain Model (CDM), opening the way for all ISDA members to access and test the model on various new technologies.

The ISDA CDM 1.0 provides a standard digital representation of events and actions that occur during the life of a derivatives trade, expressed in a machine-readable format. Using this common standard will enhance consistency and facilitate interoperability across firms and platforms, irrespective of the programming language ultimately used for each technology.

“The launch of the first digital version of the ISDA CDM is a major step forward in efforts to reduce complexity and create greater efficiency in the derivatives market. Each firm has historically used its own unique representations of events and processes, which has severely curtailed the potential for technologies to interoperate. By applying the standard representations within the CDM, firms will essentially be following the same blueprint,” said Scott O’Malia, ISDA’s Chief Executive.

ISDA CDM 1.0 covers interest rate and credit derivatives products, along with an initial set of core business events, including ‘new transaction’, ‘rate reset’, ‘partial termination’, ‘allocation’, ‘novation’ and ‘compression’. The release includes a reference implementation of the model using the Java programming language, and illustrative representations in JavaScript Object Notation (JSON).

The CDM is available on the [ISDA member section](#) of the ISDA website. ISDA members can download the various CDM materials to test and validate, and ISDA will look to collect feedback during this testing process to refine and fine-tune the model. As a next step, ISDA will also work on proofs of concept that demonstrate various applications of the CDM.

Background

The ISDA CDM is intended to provide an industry standard blueprint for how derivatives are traded and managed across the lifecycle, and how each step in the process can be represented in an efficient, standardized fashion.

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Establishing a common set of data and processing standards 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, cloud 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.

Further information is available in the following materials:

- [ISDA Common Domain Model Version 1.0 Design Definition Document](#) (October 2017)
- ISDA Video: [What is the ISDA CDM?](#) (November 2017)
- ISDA Webinar: [Introducing the ISDA Common Domain Model](#) (October 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 900 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. Twitter: @ISDA

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