



ISDA and BNP Paribas Successfully Test Digital Regulatory Reporting for CFTC Rules

NEW YORK, November 2, 2022 – The International Swaps and Derivatives Association, Inc. (ISDA) has today announced that BNP Paribas has successfully implemented and tested a new initiative to enable digital regulatory reporting under the US Commodity Futures Trading Commission’s (CFTC) amended swap data reporting rules. This marks the first time ISDA’s Digital Regulatory Reporting (DRR) initiative has been deployed in a real-world, production-level environment, with a successful submission of data to the Depository Trust & Clearing Corporation’s (DTCC) swap data repository (SDR).

The DRR initiative is intended to create efficiency as firms adapt their reporting systems to comply with changes to reporting rules, and to improve the accuracy and consistency of what is reported. The CFTC will be the first regulator to amend its swap data reporting framework to incorporate harmonized critical data elements developed by the Committee on Payments and Market Infrastructures and the International Organization of Securities Commissions, with the initial round of changes coming into effect on December 5.

The DRR avoids the inconsistencies that can emerge when each firm takes its own interpretation of a written set of rules by providing a collective, mutualized interpretation of the relevant CFTC rule amendments developed by an industry working group. The [Common Domain Model](#) (CDM) is then used to transform that interpretation into open-source, human-readable and machine-executable code that firms can either use as the basis for implementation or to check their own interpretation of the rules is consistent with the peer-reviewed industry version. The BNP Paribas test demonstrates the DRR can be successfully used for end-to-end implementation of the CFTC swap data reporting requirements.

“Since my days as a CFTC commissioner, I have worked to improve regulatory reporting. The DRR is a win-win for the industry and regulators – it will not only increase efficiency and reduce costs for firms, but will result in better quality and more accurate data for regulators, helping them to monitor potential sources of risk. I’d like to thank BNP Paribas for working with us to prove this solution works,” said Scott O’Malia, ISDA’s Chief Executive.

“We’re pleased to be the first to use the DRR in a production-level environment with real data, enabling us to automatically generate a report for submission to the DTCC’s CFTC SDR testing simulator. Working with our technical partners and having completed the necessary internal adaptations, including converting our internal trade and counterparty data to CDM format, we’re now in a position to implement the DRR for the CFTC rewrite on December 5, and subsequent changes to reporting rules expected in Europe and Asia-Pacific,” said Harry McAllister, Information Architect at BNP Paribas.

As well as the DRR for the CFTC rules, the ISDA working group is also working to digitize revised reporting requirements under the European Market Infrastructure Regulation (EMIR), expected to come into force in 2024. Additional reporting rule sets will be added over time as amendments are made in other jurisdictions, including those in Asia-Pacific. ISDA estimates that 70% of the coded CFTC rules are expected to directly transfer to the DRR for EMIR, while as much as 90% of the combined coded US and European rules may transfer to the DRRs for Asia-Pacific.

Read a [fact sheet on the DRR here](#).

Visit the [ISDA website](#) for more information.

About ISDA

Since 1985, ISDA has worked to make the global derivatives markets safer and more efficient. Today, ISDA has over 1,000 member institutions from 79 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. Follow us on [Twitter](#), [LinkedIn](#), [Facebook](#) and [YouTube](#).

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