



NEWS RELEASE
For Immediate Release

ISDA Publishes CDM 2.0 for Deployment and Opens Access to Entire Market

NEW YORK, March 20, 2019 – The International Swaps and Derivatives Association, Inc. (ISDA) has today published the full version of the ISDA Common Domain Model (CDM) for interest rate and credit derivatives and has opened access to all market participants, including non-ISDA members.

The ISDA CDM is the first industry solution to tackle the lack of standard conventions in how derivatives trade events and processes are represented. Developed in response to regulatory changes, high costs associated with current manual processes and a demand for greater automation across the industry, the ISDA CDM for the first time creates a common blueprint for events that occur throughout the derivatives lifecycle, paving the way for greater automation and efficiency at scale.

“The current derivatives infrastructure is hugely inefficient and costly, and there’s virtually no way to implement scalable automated solutions across the industry. That’s because each firm and platform uses its own unique set of representations for events and processes, which requires continual reconciliation of data to ensure the parties to a trade have the same information,” said Scott O’Malia, ISDA’s Chief Executive.

“The ISDA CDM will change all of that. By creating a standard representation for events and products, we will have a consistent, transparent and accurate blueprint of the market that can be used by all participants, infrastructures, platforms and regulators. This will enable firms to develop automated solutions that can be interoperable and scalable in a way that has never been done before,” added Mr. O’Malia.

The ISDA CDM has been two years in the making, and has involved extensive input and participation from buy- and sell-side firms, technology providers and infrastructures. With the launch of the full, open-access version for interest rate and credit derivatives, ISDA will continue to work with ISDA members and non-members to develop industry wide solutions that leverage new technologies like smart contracts, blockchain and cloud.

“There are always reasons to do nothing and maintain the status quo, but the challenges we face today will not get any easier, and we will never be able to fully harness the potential of new technologies across the industry. Regulatory requirements on trading, reporting and clearing have provided an important catalyst for change, coupled with a desire to reduce costs. This is a once-in-a-generation opportunity to restructure the foundations of the market, and we need to grasp this opportunity,” said Mr. O’Malia.

By opening access to the entire market, ISDA expects to develop a broader user community for the CDM and further develop opportunities for deployment. Current projects involving the ISDA CDM include rates clearing and collateral management solutions.

As well as providing a full set of representations for interest rate and credit derivatives, the ISDA CDM 2.0 includes an initial representation of equity swaps products and the ISDA Credit Support Annex for initial margin. This work is due to be completed in the second quarter of 2019, alongside an expansion in product scope to cover forwards and the foreign exchange asset class. In addition, to ensure consistent implementation by ISDA CDM users, the ISDA CDM 2.0 will incorporate changes being made as part of a project to update the 2006 ISDA Definitions, including a refreshed list of floating rate options and modifications responding to benchmark reform initiatives.

In order to oversee industry feedback and technical input and to set priorities, ISDA will establish a governance framework in mid-2019. This will comprise an executive committee and two forums of technical and product/domain experts, which will be open to ISDA's diverse membership. ISDA staff will continue to coordinate non-member feedback in the governance framework and through open calls and working groups for the ISDA CDM user community.

[Version 2.0 of the ISDA CDM is available here.](#)

[Read an FAQ on the ISDA CDM 2.0 here.](#)

[Find out more about the ISDA CDM here.](#)

[Watch a video about the ISDA CDM here.](#)

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About ISDA

Since 1985, ISDA has worked to make the global derivatives markets safer and more efficient. Today, ISDA has more than 900 member institutions from 70 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 @ISDA.

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