

June 26, 2026

BY ELECTRONIC SUBMISSION: regulatorytransformation@osc.ca

Ontario Securities Commission
20 Queen Street West
Toronto ON, M5H 3S8

RE: OSC Consultation - Creating a Machine-readable Regulatory Framework

Dear Sir/Madam,

The International Swaps and Derivatives Association, Inc. ([ISDA](https://www.isda.org))¹ appreciates the opportunity to provide input to the **Ontario Securities Commission's (OSC) request for feedback on creating a machine-readable dataset of its Securities Rules and Regulatory Documents**² (hereafter, "OSC Consultation"). We applaud the OSC's initiative to translate rules into clear, consistent data by publishing a machine-readable dataset of its documents that firms can build into their systems. Broadly speaking, we support the OSC's modernization objective, which enhances the use of Artificial Intelligence (AI) and is generally aligned with current trends in the industry. We believe that the OSC's efforts will ultimately reduce compliance burdens and costs for market participants. To further minimize compliance burdens, we encourage the OSC to also work more widely to harmonize machine-readable standards by coordinating with the Canadian Securities Administrators (CSA) and global authorities such as the International Organization of Securities Commissions (IOSCO)³.

ISDA proposes that the OSC consider using the open-source [Common Domain Model](#) (CDM) in its initiative to develop machine-readable datasets of its documents. The CDM is an existing standardized, machine-readable data model that represents financial products, trades in those

¹ Since 1985, ISDA has worked to make the global derivatives markets safer and more efficient. Today, ISDA has over 1,000 member institutions from 78 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 [LinkedIn](#) and [YouTube](#).

² OSC seeks feedback on efforts to create a machine-readable regulatory framework (March 30, 2026), <https://www.osc.ca/en/news-events/news/osc-seeks-feedback-efforts-create-machine-readable-regulatory-framework>

³ Including the IOSCO Committee on Derivatives (Committee 7), which focuses on issues related to derivatives products and markets, and whose work has included over-the-counter derivatives reporting fragmentation across member jurisdictions, https://www.iosco.org/v2/about/?subsection=display_committee&cmtid=18.

products, and the lifecycle events of those trades. The CDM is an open-source model hosted by the [Fintech Open Source Foundation \(FINOS\)](#), an organization under the [Linux Foundation](#), whose purpose is to accelerate collaboration and innovation in financial services through the adoption of open-source standards and best practices.

The CDM is developed through a non-proprietary, open governance process, and underlying code assets are released under the [Community Specification License 1.0](#) guided through a cross-industry collaboration⁴ between FINOS, ISDA, International Capital Market Association (ICMA), and International Securities Lending Association (ISLA), thereby ensuring that standard taxonomies, definitions, and best practices are adhered to by contributors. Underlying code assets are open to consume and/or to contribute to via the standard Apache 2.0 Open Source license. The CDM is available in multiple distribution languages but is most commonly distributed and consumed as JSON⁵, which is specified as one of the preferred structured document formats noted under the heading “Accessibility and delivery” in the OSC Consultation.

The CDM enables interoperability and straight-through processing across stakeholders, including industry and regulators, reducing variations in how each entity records data. The CDM will deliver better regulatory oversight by promoting transparency and alignment between regulators and market participants, enabling consistency by providing a standard representation of data and processes, and supporting machine-readable requirements.

A machine-readable dataset using the CDM could be used for a wide range of use cases including, but not limited to, the below list and Diagram 1:

- *Derivatives trade reporting*: The use of digital regulatory reporting, such as ISDA DRR⁶, transforms trade reporting data requirements into machine-readable as well as machine-executable code. Regulators and/or trade repositories (TR) can elect to publish/distribute derivatives reporting requirements as code in ISDA DRR as an option for participants who choose to use it⁷.

⁴ <https://www.isda.org/a/osMgE/ISDA-ICMA-and-ISLA-Sign-MoU-on-the-Common-Domain-Model.pdf>.

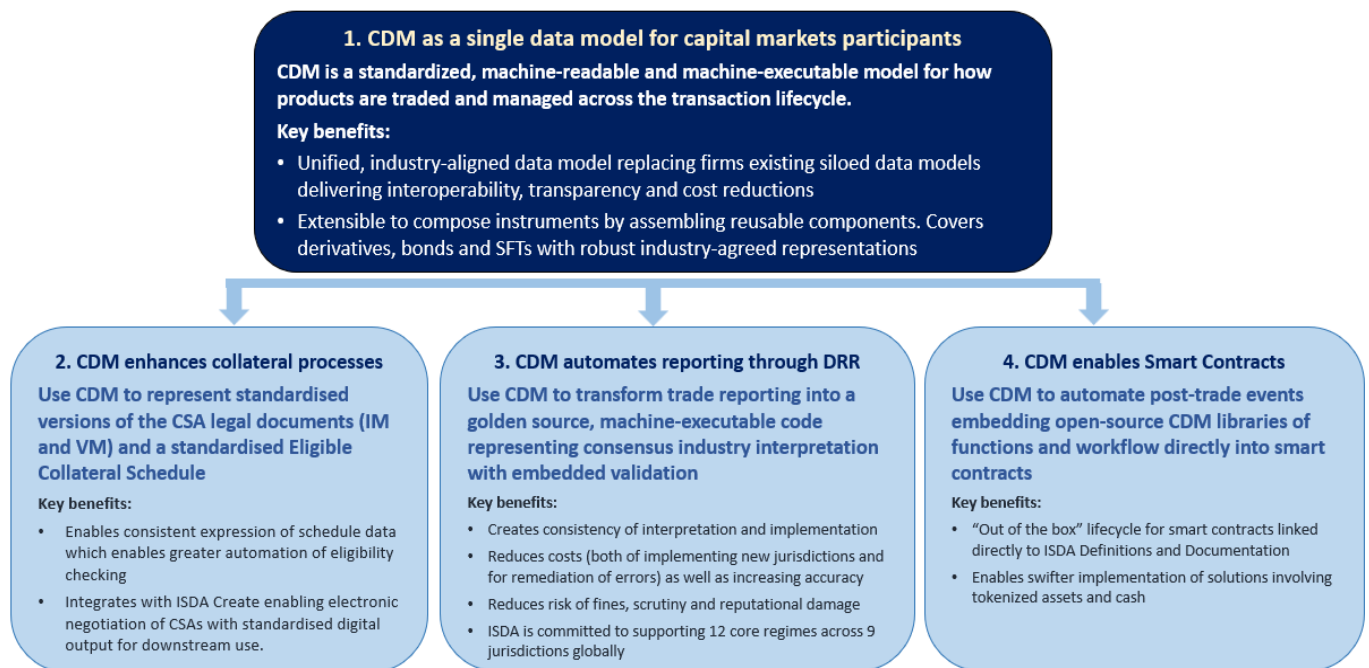
⁵ The CDM is also commonly distributed and consumed in Python.

⁶ <https://www.isda.org/isda-solutions-infohub/isda-digital-regulatory-reporting/>.

⁷ For example, “The South African TR will implement ISDA’s Digital Regulatory Reporting (DRR) solution and the FINOS-managed Common Domain Model (CDM) to standardize and automate regulatory reporting processes. Once finalized, the South African OTC derivatives reporting requirements will be distributed as executable code through the DRR framework, as an option for participants who choose to adopt it”, §4.5 Strate Trade Repository Business Requirements and Technical Interface Specifications (29 August 2025), <https://www.strate.co.za/wp-content/uploads/2025/09/TR-BRS-Technical-Interface-Specifications-V3.0-Sep-2025-final-distribution-Signed.pdf>.

- *Collateral Management*: CDM standardizes legal documentation by codifying clauses like eligible collateral criteria, concentration limits, and treatment rules. This automates margin calls and can help reduce liquidity risks.
- *Securities*: the CDM is not limited to over-the-counter (OTC) derivatives, but can be modelled and applied to repos, listed products, loans, securities lending, and other financial products.

Diagram 1: Some examples of CDM use cases



The OSC Consultation notes that "the categories applied to one section of an instrument may differ from those applied to another, depending on its intended purpose. These categories, collectively known as the ontology, contain the vocabulary needed to describe a given document's contents. An instrument with a proper format based on a shared taxonomy with others can facilitate faster information retrieval and lead to more efficient processing and analysis of information." The CDM is built according to a set of design principles that include the following concepts:

- **Normalization** through abstraction of common components;
- **Composability** where objects are composed and qualified from the bottom up;
- **Mapping** to existing industry messaging formats;
- **Embedded logic** to represent industry processes;
- **Modularization** into logical layers.

ISDA submits that the CDM constitutes the type of "proper format"⁸ appropriate for OSC's initiative. The composable nature of the CDM makes it ideally-suited to support the ontology highlighted in the OSC Consultation across OSC's regulatory instruments.

Responses:

In light of the context provided above, we are pleased to provide responses to the OSC's questions:

I. Where do you see the greatest potential impact of this initiative? What internal capacity, governance, or risk considerations could limit that impact? Are there any unintended consequences we should anticipate?

We see the greatest potential impact of this initiative, particularly initially, will be documents that are data driven and have a heavy system impact, such as derivatives reporting. We therefore recommend prioritizing producing a machine-readable version of publications such as OSC Staff Notice 91-705 CSA Derivatives Data Technical Manual ("Technical Manual"), which market participants use in connection with derivatives data reporting systems.

What is ISDA DRRTM:

Regulators around the world have been amending trade reporting rules to incorporate globally agreed data standards arising from the G20 post-crisis OTC derivatives commitment⁹ (G20 Commitment) to improve transparency in the derivatives markets, mitigate systemic risk, and protect against market abuse. While jurisdictional requirements are becoming more aligned, each institution still needs to individually interpret, build and implement for each set of requirements. ISDA DRR addresses this through converting regulatory trade reporting requirements into machine-accessible, machine-executable code representations using the CDM as a blueprint. ISDA DRR can be centrally developed and published/distributed. The ISDA DRR code is reusable and scalable for global jurisdictions or rule changes. It therefore reduces time, resources, and budgets for institutions to build to report for the many reporting jurisdictions.

In the ISDA DRR, reporting rules are defined as a set of logical instructions applied to CDM data objects in a human-readable and machine-readable form. Each instruction is associated to a specific regulatory rule, reference, guidance, or best practice, as illustrated in Diagram 2.

⁸ "An instrument with a proper format based on a shared taxonomy with others can facilitate faster information retrieval and lead to more efficient processing and analysis of information", Ontario Securities Commission, Transforming how we share Ontario's securities regulation (March 30, 2026), https://www.osc.ca/sites/default/files/2026-03/transforming-how-we-share-ontario-securities-regulation_20260330_0.pdf.

⁹ G20 Leaders Statement: The Pittsburgh Summit (September 24-25, 2009), <https://www.g20.utoronto.ca/2009/2009communique0925.html>.

Diagram 2: Anatomy of a reporting rule modelled in ISDA DRR using the CDM

1. Regulatory references can include Technical Specifications/data messages
2. Functional rule logic

NAMESPACES

- regulation
 - asic
 - cftc
 - common
 - csa
 - rule
 - rewrite
 - func
 - dtcc
 - margin
 - trade
 - func
 - rule
 - type
 - valuation

```

15 type CSATransactionReport extends common.CommonTransactionReport:
16 [rootType]
17 override leg1 CSAleg (0..1)
18
19 [label for periodicPayment -> fixedRateDayCountConvention "69 Fixed Rate Day Count Convention-Leg 1"]
20 [regulatoryReference for periodicPayment -> fixedRateDayCountConvention CSA Trade dataElement "69" field "Fixed Rate Day Count
21 Convention-Leg 1"
22 provision "For each leg of the transaction, where applicable: day count convention (often also referred to as day count fraction
23 or day count basis or day count method) that determines how interest payments are calculated. It is used to compute the year
24 fraction of the calculation period, and indicates the number of days in the calculation period divided by the number of days
25 in the year. See Appendix 3.2 for definitions of values."]
26 [ruleReference for periodicPayment -> fixedRateDayCountConvention FixedRateDayCountConventionLeg1]
27
28 [label for periodicPayment -> floatingRateDayCountConvention "69 Floating Rate Day Count Convention-Leg 1"]
29 [regulatoryReference for periodicPayment -> floatingRateDayCountConvention CSA Trade dataElement "69" field "Floating Rate Day Count
30 Convention-Leg 1"
31 provision "For each leg of the transaction, where applicable: day count convention (often also referred to as day count fraction
32 or day count basis or day count method) that determines how interest payments are calculated. It is used to compute the year
33 fraction of the calculation period, and indicates the number of days in the calculation period divided by the number of days
34 in the year. See Appendix 3.2 for definitions of values."]
35 [ruleReference for periodicPayment -> floatingRateDayCountConvention FloatingRateDayCountConventionLeg1]
36
37 [label for periodicPayment -> fixedRatePaymentFrequencyPeriod "142 Fixed Rate Payment Frequency Period-Leg 1"]
38 [regulatoryReference for periodicPayment -> fixedRatePaymentFrequencyPeriod CSA Trade dataElement "142" field "Fixed Rate Payment
39 Frequency Period-Leg 1"]
40
517 reporting rule CountryAndProvinceOrTerritoryOfIndividual from TransactionReportInstruction: <"Country and Province or Territory of individual
518 (non-reporting counterparty)">
519 [regulatoryReference CSA Trade dataElement "9" field "Country and Province or Territory of individual (non-reporting counterparty)"
520 provision "If the non-reporting counterparty is an individual, the individual's country of residence and, if the individual's residence
521 is in Canada, the province or territory."]
522 [regulatoryReference ISDA EUKNAPeerReviewGroup date "20250320" field "Country and Province or Territory of individual (non-reporting
523 counterparty)"
524 provision "Requirement to filter the person's role by Buyer or Seller, as it is done for Counterparty 2."]
525 filter IsAllowableActionForCSA
526 then extract reportingSide -> reportingCounterparty
527 then extract
528 (if NaturalPersonBuyerOrSeller exists
529 then NaturalPersonBuyerOrSeller -> contactInformation -> address only-element
530 then extract
531 if country = staticdata.asset.common.ISOCountryCodeEnum -> CA to-string
532 then state
533 else country)

```

CSA

CSA_2024
EUKNAPeerReviewGroup
Margin
Margin / DTCC_Specs
PPD
Trade
Trade / DTCC_Specs
Valuation
Valuation / DTCC_Specs
DTCC
Trade

Segments

ATTRIBUTES

dataElement 4
field Buyer Identifier
dataElement 5
field Seller Identifier
dataElement 6
field Payer Identifier
footnote 6
dataElement 7
field Receiver Identifier
footnote 7
dataElement 18
field Subsequent Position UTI
dataElement 19

field Buyer Identifier

PROVISION

Identifier of the counterparty that is the buyer, as determined at the time of the transaction. A non-exhaustive list of examples of instruments for which this data element could apply are:

- most forwards and forward-like contracts (except for foreign exchange forwards and foreign exchange non-deliverable forwards)
- most options and option-like contracts including swaptions, caps and floors - credit default swaps (buyer/seller of protection) - variance, volatility and correlation swaps - contracts for difference and spreadbets. This data element is not applicable to instrument types covered by data elements Payer Identifier and Receiver Identifier.

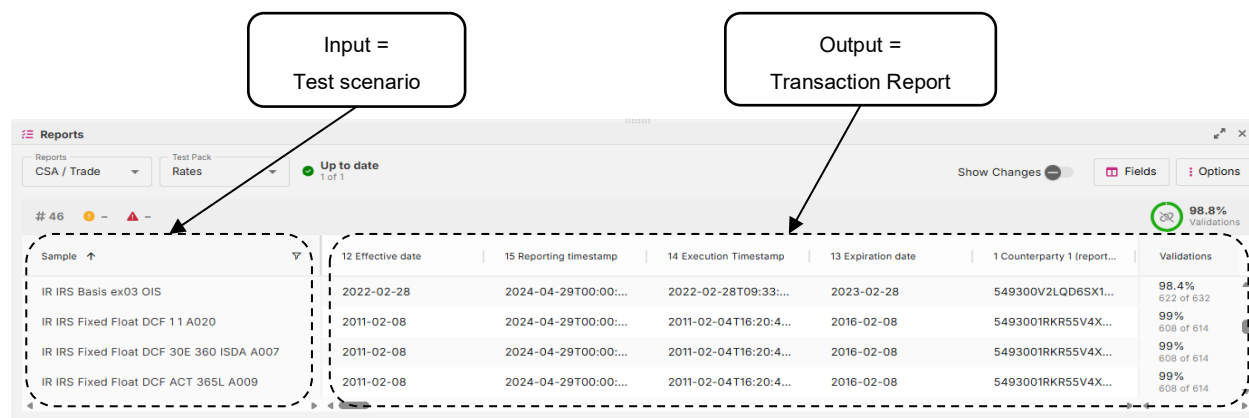
ATTRIBUTE

`dr.regulation.csa.rewrite.trade.CSATransactionReport.buyerIdentifier`

dataElement 5

field Seller Identifier

The CDM reporting logic formulated in machine-readable form can be used to generate machine-executable code for trade reporting, which can be tested using trade data:



ISDA DRR using the CDM supports standardized identifiers that resulted from the G20 Commitment as developed by the FSB, Committee on Payments and Market Infrastructures (CPMI), and IOSCO, and governed by the Regulatory Oversight Committee (ROC), including the Legal Entity Identifier (LEI) and Critical Data Elements (CDE) used in derivatives reporting.

Nine sets of jurisdictional requirements are currently developed in the ISDA DRR – CSA, U.S. Commodity Futures Trading Commission (CFTC), Financial Services Agency, Japan (JFSA), United Kingdom (UK) European Market Infrastructure Regulation (EMIR), European Union (EU) EMIR, Australian Securities & Investments Commission (ASIC), Monetary Authority of Singapore (MAS), Hong Kong Monetary Authority (HKMA), and U.S. Securities and Exchange Commission (SEC) – with commitments to develop ISDA DRR code for the UK and EU Markets in Financial Instruments Regulation (MiFIR)/ Markets in Financial Instruments Directive (MiFID), Swiss Financial Market Infrastructure Act (FinfraG), and Securities Financing Transaction Regulation (SFTR).

Benefits:

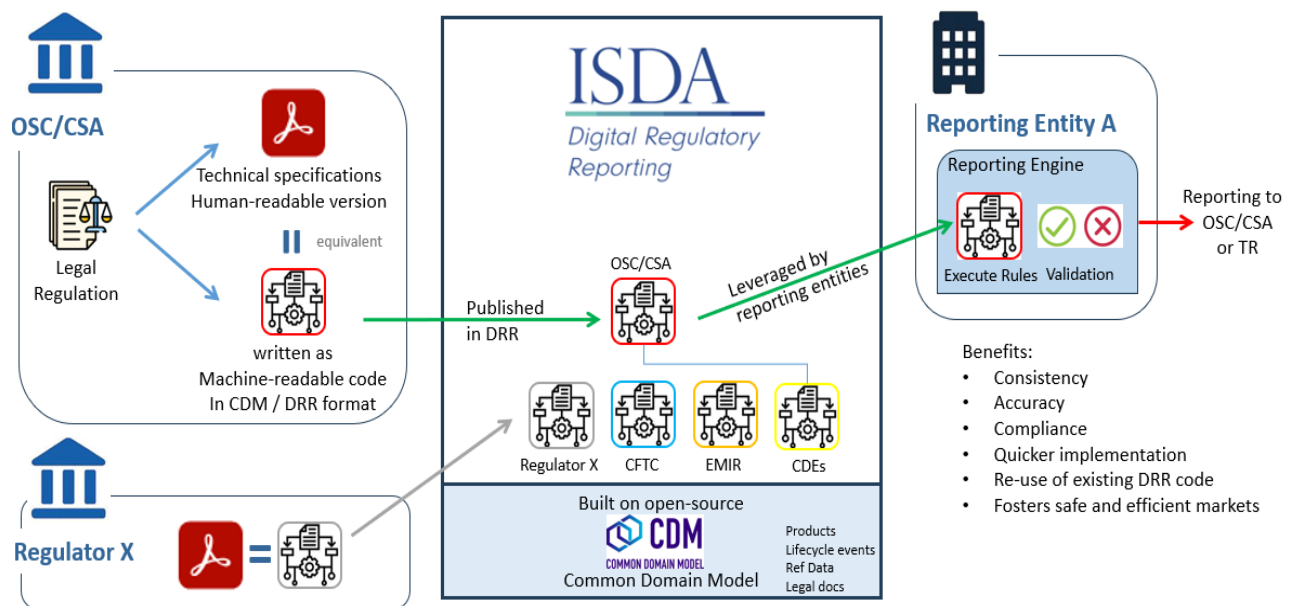
For market participants, ISDA DRR reduces costs associated with building to comply with new or amended trade reporting rules, since ISDA DRR can be centrally distributed, while at the same time ensuring consistency with industry-agreed interpretations of rules for compliance. There are several potential benefits of using ISDA DRR to report to trade repositories, versus traditional implementation and reporting, as depicted below:

	Traditional Reporting Implementation	ISDA DRR Implementation
Rule Interpretation	Manual, firm-specific	Standardized, machine-readable code
Cost	High, repetitive	Lower, reusable across jurisdictions
Consistency	Will vary by firm	Uniform industry-wide implementation
Data Quality	Inconsistent	Improved accuracy and timeliness
Scalability	Resource-intensive	Easily extended to new rules

Currently, ISDA DRR develops code through a mutualized approach of industry-agreed interpretations of rules using a governance framework that leverages ISDA's industry working groups.

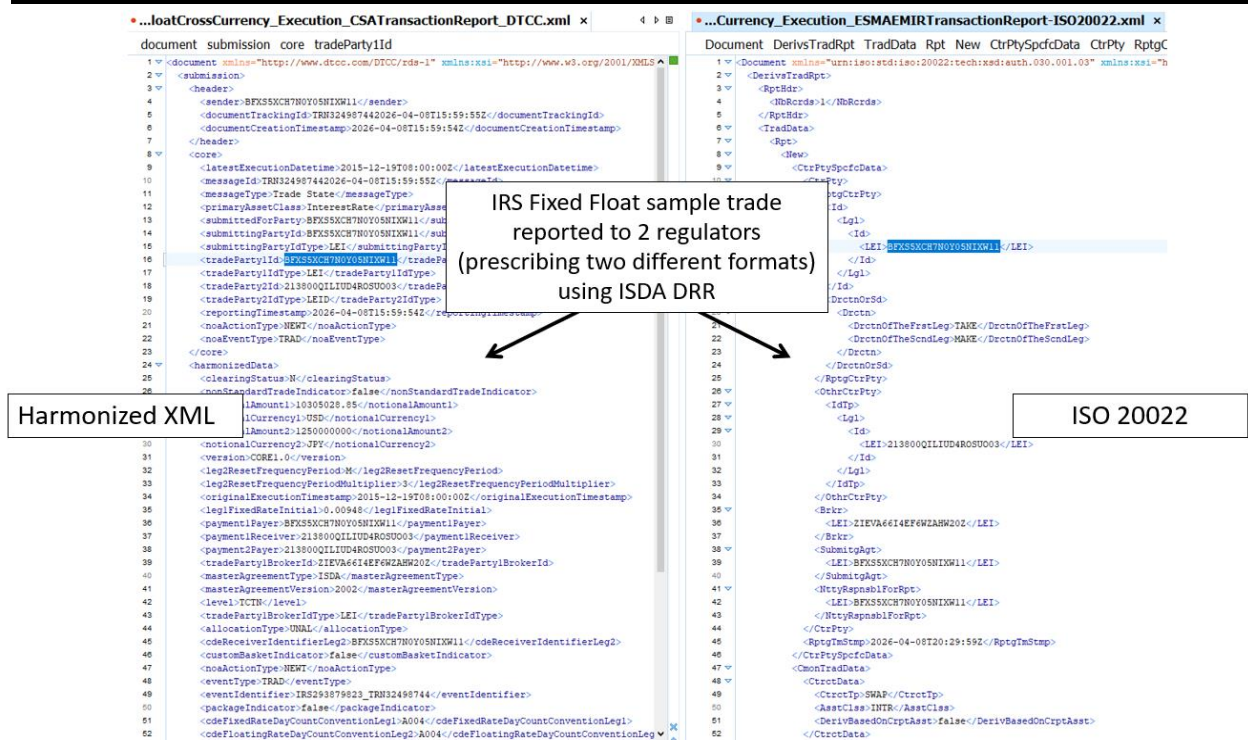
However, as regulators such as the OSC modernize rulesets, the ISDA DRR code could be developed in line with the OSC's precise expectations of what should be reported, thereby eliminating the need for industry interpretations or data transformations that may currently occur along the reporting flow. We encourage regulators such as the OSC to publish/distribute the machine-readable version of its derivatives reporting requirements using the ISDA DRR. As depicted in Diagram 3 directly below, those in scope for OSC/CSA requirements (e.g. Reporting Entity A of Diagram 3) could elect to access the machine-readable code from the central ISDA DRR framework to use for reporting to TRs. Therefore, for regulatory authorities, ISDA DRR reduces disparities between what the OSC/CSA expects to be reported versus what is actually reported, thereby improving data quality, making it easier to conduct market oversight and allowing timely assessment of systemic risk.

Diagram 3: Rules Published as Machine-Readable Code (CDM use case - Trade Reporting)



In addition, the ISDA DRR is machine-executable so that Reporting Entity A is able to use ISDA DRR to report to a TR using Harmonized XML or ISO 20022, as shown in Diagram 4, depending on what is mandated by a particular regulator.

Diagram 4: ISDA DRR supports Harmonized XML or ISO 20022 per regulatory mandates



ISDA would welcome working with the OSC on a pilot to facilitate an understanding of how to transform and make changes to the Technical Manual data requirements into machine-readable code using the ISDA DRR.

II. In addition to prioritizing legally binding regulatory material and rules most frequently referred to, are there additional factors we should consider when determining our approach in prioritizing the order of converting documents?

We recommend that OSC consider the following when determining its approach to prioritizing order:

- Confirm priorities and prioritize documents that have a higher concentration of operational output since these are more readily convertible to machine-readable versions;
- use phased implementations to allow incremental adoption and any necessary builds.

III. Do the presented use cases accurately and comprehensively reflect the ways in which market participants could realistically use this dataset? If not, what additional realistic use cases should be considered?

Consistent with the OSC's initiative to develop machine-readable regulatory datasets to make it easier to comply with regulations, Table 1 first-tier use cases relate to commercial users — primarily software engineers and data scientists — seeking to incorporate regulatory content into compliance solutions or analytical tools, and focuses on *building tools* (chatbots, prototypes, APIs, language model training) - ISDA supports these use cases.

We suggest that the realistic use case of Machine-Executable Regulatory Reporting Integration — the direct integration of machine-executable reporting rules into a firm's compliance or reporting pipeline — be added to Table 1:

High level category	First-tier use case	Primary Users	Purpose/function
Application development	Machine-executable reporting integration	Compliance engineers / Data engineers	Consume machine-executable regulatory code, such as DRR, directly into a firm's reporting pipeline without manual rule interpretation

We highlight that ISDA DRR using the CDM already exists and is viable for several use cases outlined in the OSC Consultation, including but not limited to:

High level category	Purpose/function
Regulatory content management and processing	Identify and route relevant regulatory updates using metadata
Regulatory content management and processing	Assess and revise internal policies based on new regulations
Lineage & Impact Tracking	Trace regulatory origins of obligations or controls and assess legal risk ¹⁰
Datapoint-Level Change Management	Identify changes to data collection and reporting due to new regulations
Datapoint-Level Change Management	Detect and manage changes to reporting frameworks
Datapoint-Level Change Management	Extract granular rule logic for implementation
Research and Information Retrieval	Compare domestic regulation with international standards
Research and Information Retrieval	Map citations and cross-references between texts

¹⁰ Traceability is in the process of being built in the ISDA DRR, <https://www.isda.org/2026/03/30/isda-selects-gentek-ai-to-develop-drr-traceability-tool/>.

In addition, the industry may utilize the additional use cases below:

- Industry participants may want to map and track any relevant enforcement decisions to specific regulatory obligations;
- Market participants may wish to map any exemption decisions to specific regulatory obligations;
- Under "Datapoint-Level Change Management" in Table 2 of the OSC Consultation, in addition to detecting, identifying, or managing changes, market participants may want to track versioning and date (compliance date) of changes, for example periodic changes or updates to the Technical Manual.

IV. Do the proposed business requirements capture what market participants need to effectively access and use this dataset? What additional business requirements could be considered?

The introductory section of Business Requirements encourages participation in future consultations on taxonomy governance and implementation strategy. We would appreciate any clarification the OSC could provide regarding the planned consultation process for taxonomy governance.

ISDA supports the proposed business requirements and offers the following comments from a CDM/ISDA DRR perspective:

In the DRR using the CDM, each rule is linked to a regulatory reference, guidance, FAQ or best practice. Related to the ISDA DRR, the OSC dataset must expose field-level regulatory references to be effectively consumed by ISDA DRR users — not just document-level metadata — so that each obligation can be programmatically linked to a specific reporting rule or reportable data element. For the ISDA DRR use case of the CDM, we recommend the following additions for the sample metadata schema:

- Version and compliance dates per provision, which would be vital for managing periodic Technical Manual updates.
- Conditionality flags, indicating whether a field is mandatory, conditional, or optional.
- Cross-references to global standards e.g., LEI and CDE, which are already embedded in ISDA DRR using the CDM.

Aligning the OSC metadata schema with CDM conventions would reduce the mapping burden for firms already using CDM, by enabling interoperability and straight-through processing across stakeholders.

V. Are there specific licensing and/or distribution provisions for this dataset that would better support the needs of market participants?

In terms of licensing, we encourage the OSC to consider open-source approaches, which facilitate evolution of market developments, and broader accessibility.

In terms of distribution of machine-readable regulatory documents:

- Will the current ‘human-readable’ format of OSC regulatory instruments (on the OSC’s website and as published in the OSC Bulletin) co-exist in parallel with the machine-readable versions?
- In the event of any conflict between those versions, we would appreciate clarification with respect to which version should take precedence.
 - If there are cases where the OSC will not continue to publish in its current human format, we would appreciate the OSC to consider:
 - That there may be potential disruptions to existing data ingestion systems
 - Providing phased transitions to allow stakeholders appropriate timeframes to adapt.

VI. Are there elements in the draft sample framework that could be clarified or expanded to support practical use?

We would appreciate clarification regarding the following:

- scope and priorities – which types of publications that are expected to be included in the initiative;
- what will be the approach for (i) temporary OSC or CSA staff notices or blanket orders which may have expiration dates or may be withdrawn at different times, (ii) local differences within CSA national instruments, and (iii) multilateral instruments that become national instruments;
- how will the process for creating machine-readable versions be incorporated into OSC and/or CSA’s process for legislative approval and rule publication, and whether there is any anticipated impact to associated timelines;
- how will consultations be conducted? We recommend conducting formal consultations and providing impact analysis before schema changes to quantify implementation burdens;
- whether defined terms will link to the correct definition in (i) the applicable rule or Companion Policy (CP), (ii) National Instrument (NI) 14-101 or OSC Rule 14-501 as applicable, or (iii) the *Securities Act* or *Commodity Futures Act*.

VII. Based on your experience, do you see any other quantifiable benefits or anticipated savings (e.g. time, cost)?

Related to industry benefits, we invite the OSC to review a recent report "*Industry Perspectives on the ISDA DRR: Unlocking Efficiency, Accuracy and Strategic Value*"¹¹. The report assesses how capital markets participants have been implementing the ISDA DRR into regulatory reporting processes, and quantifies some benefits for reporting parties who are using a standard set of machine-readable rules via the ISDA DRR. Drawing on insights from interviews with industry stakeholders, interviewees conveyed high trade repository acknowledgement (ACK) rates, improved data quality, streamlined operations, and reduction of ongoing costs of up to 50%.

ISDA appreciates the opportunity to submit comments on the OSC's important initiative to create a machine-readable framework of securities rules and regulatory documents. Please feel free to contact us if you have any questions.

Sincerely,



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¹¹ Industry Perspectives on the ISDA DRR: Unlocking Efficiency, Accuracy and Strategic Value (November 2025), <https://www.isda.org/a/LhRgE/Industry-Perspectives-on-the-ISDA-DRR-Unlocking-Efficiency-Accuracy-and-Strategic-Value.pdf>.