

SYMBOLGY FAQ

The following FAQ addresses questions related to the ISDA Symbology initiative

The FAQ will be updated while the project progresses.

Last update: October 21, 2015

Q: What are the preferred standards for product IDs?

A: The ISDA consortium is investigating all relevant standards that may meet the industry and regulatory requirements. This includes, but is not restricted to, existing IDs such as RED codes and FIGI. Recent final draft regulatory technical standards (RTS) on MIFID II/MIFIR from ESMA mandate the use of ISINs for reporting purposes. As a result, the group is analyzing the ISO ISIN standard, as well as the ANNA framework within which ISINs are issued, to define the requirements for ISIN to be a workable solution for derivatives.

Q: How does the Symbology Initiative tie in with regulatory efforts to harmonize data?

A: Regulatory initiatives, such as CPMI-IOSCO's current work on data harmonization, and the ISIN requirement within ESMA's final draft RTS on MIFID II/MIFIR, will act as key inputs to the Symbology project, and the industry's efforts will be aligned with regulatory requirements. There are also business and operational drivers, such as a need to simplify the aggregation of liquidity across multiple trading platforms. This has prompted the industry to begin to consider these issues now.

Q: What's the scope of the initial phase?

A: The Symbology Governance Committee (SGC) will focus initially on the credit, equity and rates asset classes, and plans to develop a proposal for broader review by the end of 2015. In addition, the group will consider infrastructure questions, including whether there should be one or more central utilities issuing the product symbols, or whether a decentralized approach is ultimately favored. Work is expected to continue on FX and commodities in 2016.

Q: How can I get involved in the initiative?

A: The SGC members will jointly fund the project management support until December 31, 2015. The governance structure and SGC composition will be re-evaluated after the initial phase at the end of 2015.

Q: How can I stay informed about the initiative?

A: The consortium will provide ongoing updates through various ISDA committees, such as the FpML standards committee and working groups, and the ISDA data and reporting RIC. In addition, updates will be provided through the Cross Trade Association Data Harmonization Committee. Documents will also be made available through the ISDA website, and broader consultations are expected once the initial proposals are developed.

Q: How does product symbology differ from unique product identifiers (UPIs)?

A: The work on product symbology is closely aligned with the CPMI-IOSCO work on UPIs, and the product symbols should be consistent with the known UPI requirements. The primary focus for a UPI is the aggregation of data that is reported to trade repositories. In addition to reporting and other regulatory requirements, the Symbology group is looking to satisfy certain business requirements, and is considering the operational and infrastructure implications of the introduction of product symbols in various processes.