



NEWS RELEASE
For Immediate Release

Industry Associations Endorse ISDA Data Reporting Principles

NEW YORK, June 15, 2015 – A group of 11 industry Associations has published a letter supporting a set of principles developed by the International Swaps and Derivatives Association, Inc. (ISDA) aimed at improving consistency in regulatory reporting standards for derivatives.

The Associations signing the letter are: the Australian Financial Market Association (AFMA), the Alternative Investment Management Association (AIMA), the British Bankers' Association (BBA), the German Investment Funds Association (BVI), the European Fund and Asset Management Association (EFAMA), the Futures Industry Association (FIA Global), the Global Foreign Exchange Division (GFXD) of the Global Financial Markets Association (GFMA), ISDA, the Managed Funds Association (MFA), the Securities Industry and Financial Markets Association (SIFMA) and its Asset Management Group (SIFMA AMG), and The Investment Association.

The ISDA principles call for derivatives reporting requirements to be harmonized across borders, and for the further development and adoption of global data standards, among other things. The principles were developed to address challenges that have emerged in the cross-border implementation of derivatives reporting rules.

Significant progress has been made in meeting a G-20 requirement for all derivatives to be reported to trade repositories to increase regulatory transparency, an objective the Associations fully support. However, a lack of standardization and consistency in reporting requirements within and across jurisdictions has led to concerns about the quality of the data being reported. Poor data quality reduces the value of the data for regulators and limits their ability to fulfill supervisory responsibilities. Differences in reporting requirements also increase the cost and complexity for firms that have reporting obligations in multiple jurisdictions.

The Associations believe adherence to the [ISDA data reporting principles](#) will result in greater consistency in the content and format of the data being reported, further improving regulatory transparency. Market participants will also benefit from greater specificity and harmonization in their reporting across multiple regimes.

The Associations also believe similar principles will benefit global trade reporting requirements beyond derivatives, and lessons learned from derivatives reporting should be applied more broadly.

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The principles are:

Regulatory reporting requirements for derivatives transactions should be harmonized within and across borders. Toward this end, regulators around the world should identify and agree on the trade data they need to fulfill their supervisory responsibilities, and then issue consistent reporting requirements across jurisdictions.

Policy-makers should embrace and adopt the use of open standards – such as legal entity identifiers (LEIs), unique trade identifiers (UTIs), unique product identifiers (UPIs) and existing messaging standards (eg, FpML, ISO, FIX) – to drive improved quality and consistency in meeting reporting requirements. Unique global identifiers for legal entities conducting a trade (LEIs), for product types (UPIs) and for trades (UTIs/unique swap identifiers) have been developed. They should be expanded as necessary and their use should be adopted across reporting regimes. The governance of such standards should be transparent and allow for input and review by market participants, infrastructure providers and regulators. Access to the standards, licensing and cost factors should be carefully considered.

Where global standards do not yet exist, market participants and regulators can collaborate and secure agreement on common solutions to improve consistency and cross-border harmonization. Market participants can, in an open and transparent process, establish a central source (a data dictionary) that defines and clarifies derivatives trade and reference data and workflow requirements for each reporting field required by regulators globally. Direction and support from regulators is critical. Regulators need to be clear and consistent regarding their priorities and set timetables for reform, and we believe it is critical that regulators work in conjunction with the industry to pursue specific standards in the most effective and efficient manner. They should also regularly review this work and facilitate its adoption on a cross-border basis.

Laws or regulations that prevent policy-makers from appropriately accessing and sharing data across borders must be amended or repealed. Regulators need to continue to work collaboratively to develop a framework that enables appropriate sharing of derivatives trade data across geographic boundaries. Such a framework should contain robust confidentiality safeguards for the secure transmission and maintenance of trade data that prevent data leakage of sensitive trading information such as counterparty information. Roadblocks to the appropriate sharing of data should be removed either by regulatory or legislative action.

Reporting progress should be benchmarked. The quality, completeness and consistency of data provided to repositories should be tracked, measured and shared with market participants and regulators in order to benchmark, monitor and incentivize progress in reporting.

[The letter and the ISDA data principles are available on the Data & Reporting section of ISDA's website, under 'Reporting'.](#)

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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 800 member institutions from 67 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, 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 web site: www.isda.org.

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