

# Financial Data Transparency Act Joint Data Standards

To: Office of the Comptroller of the Currency (OCC), Treasury; Board of Governors of the Federal Reserve System (Board); Federal Deposit Insurance Corporation (FDIC); National Credit Union Administration (NCUA); Consumer Financial Protection Bureau (CFPB); Federal Housing Finance Agency (FHFA); Commodity Futures Trading Commission (CFTC); Securities and Exchange Commission (SEC); Department of the Treasury (Treasury).

Response from: ISITC Europe CIC to Notice of proposed rulemaking relating to joint data standards.

## October 2024

ISITC Europe CIC thanks the above-referenced US agencies for the opportunity to comment on the proposed joint agency rulemaking relating to joint data standards.

Starting with the **Legal Entity Identifier (LEI)**. We note the proposal to establish the LEI as the legal entity standard in the proposed joint rulemaking.

ISITC Europe supports this approach.

LEI has become established on a global basis as the default entity identifier, and indeed it was created primarily with regulatory reporting in mind. The standard is issued by a network of local operating units on a cost recovery basis, and the entire LEI scheme is overseen by the Regulatory Oversight Committee (ROC) and the Global Legal Entity Identifier Foundation (GLEIF). This all helps to ensure that governance is optimized, access to LEIs is maximized and costs kept firmly under control and open to scrutiny.

At the technical level the LEI code, and associated meta data, largely conform to data best practices. The LEI is now a crucial part of the data footprint of most financial firms and is increasingly leveraged beyond regulatory reporting for use in ecommerce.

Adoption by joint agencies will help to accelerate this positive trend.

In relation to the 'Other Common Identifiers' proposed by the agencies, ISITC Europe would comment as follows:

### **Unique Product Identifier (UPI)**

The UPI is another example (like the LEI) of a standard which has been created by ISO at the behest of global regulators. UPI is already being applied, where applicable, in US reporting, and ISITC Europe see UPI as the best solution for the identification of OTC derivatives. We would agree that the UPI is useful for 'aggregating data and increasing global transparency for OTC derivatives markets.

### **Classification of Financial Instruments (CFI)**

ISITC Europe does not think that the CFI and UPI work together in quite the way that the joint agency rulemaking suggests. As the name applies, CFI is a classifier of financial instruments, rather than an identifier. So, the CFI in the context of a swap features a separate category identifier 'S' for swaps, and then enables further classification into groups of swaps such as 'R' for rates. The UPI would however provide much more granularity on a rates swap including such information as the underlier, which is not a feature of the CFI. So indeed, CFI and UPI can be regarded as complementary, but CFI is the classifier whilst UPI is the more granular identifier which is augmented by associated metadata.

### **Financial Instrument Global Identifier (FIGI)**

FIGI is the logical choice for financial instrument identification. It is the only such identifier with across asset coverage which meets the criteria set by the joint agencies which include free and open access. We note that the FIGI codes can be obtained from an open site which also includes mapping facilities to other financial instrument identifiers. This will greatly assist with adoption and will help with interoperability with other identifiers required for post trade operations. FIGI is already embedded in some US regulatory reporting.

## **Other identifiers**

The proposed rulemaking also includes other identifiers, and we would certainly support the inclusion of the ISO standards for data (ISO 8601) and currency (ISO 4217). We note the special requirements for the US in relation to country codes under ISO 3166, and ISITC Europe has no further comments to offer on the approach outlined.

## **Data Transmission and Schema and Taxonomy Format Standards**

Our final area for comment is on section D concerning transmission and format standards. Again, we are supportive of the general approach but are surprised that there is no specific mention of ISO 20022 in this section. ISO 20022 provides a business repository, which acts as the foundation for the creation of standardized ISO 20022 messages in, for example, XML.

ISO 20022 is increasingly used for reporting in the UK, European and other markets and the wider US adoption would represent a welcome harmonized approach.

We trust that you have found the above comments useful, and ISITC Europe stands ready to assist further and answer any follow-up questions you might have.