



S&P Global Response to Proposed Rule: Financial Data Transparency Act Joint Data Standards, Docket No. CFRB-2024-0034, RIN 3170-AB20

October 21, 2024

Submitted Electronically

Consumer Financial Protection Bureau
c/o Legal Division Docket Manager
1700 G Street NW
Washington, DC 20552

Dear Sir or Madam,

S&P Global appreciates the opportunity to comment on the joint proposed rule (the “proposed Rule”) by nine federal agencies (“Agencies”) to establish joint data standards for collections of information reported to each Agency by financial entities under the jurisdiction of the Agency pursuant to Section 124 of the Financial Stability Act which was added pursuant to Section 5811 of the Financial Data Transparency Act of 2022 (“FDTA”). S&P Global respectfully urges the Agencies to reconsider and amend the section of the proposed Rule that establishes the Financial Instrument Global Identifier (FIGI) as the standard identifier of financial instruments.

S&P Global is the world’s foremost provider of credit ratings, benchmarks, and analytics in the global capital and commodity markets, offering innovative solutions, with deep data insights on critical business factors. We have been providing essential intelligence that unlocks opportunity, fosters growth, and accelerates progress for more than 160 years. Our divisions include S&P Global Ratings, S&P Global Market Intelligence (“Market Intelligence”), S&P Dow Jones Indices, S&P Global Commodity Insights, and S&P Global Mobility.

Within S&P Global’s Market Intelligence division, we provide a variety of products and solutions for financial markets. These solutions include key instrument identifiers called LoanX IDs (LXIDs), which are the primary global identifiers for syndicated loan facilities, and entity-based identifiers to determine risk for credit default swaps, known as reference entity data (RED). Our processes to create these and other identifiers stem from decades of intimate research and market engagement to determine timely and accurate identifiers to facilitate observation and execution utilized by market participants.

Section II(C) of the proposed Rule establishes data standards to promote the interoperability of financial regulatory data across federal agencies. Specifically, the proposed Rule establishes Bloomberg's FIGI as the standard identifier for financial instruments. Market Intelligence opposes this section of the proposed Rule as it could (1) significantly and negatively impact competition between different financial identifiers, (2) unnecessarily create a market bias in favor of a government-chosen provider that will not best serve the market, and (3) undermine other providers of financial identifiers that are better positioned to serve customers in the industry.

There are already financial instrument identifiers that customers and markets use globally that have been in place for decades, have proven to be reliable, and are already infused within the scope of processes and procedures to serve customers from pre-trade to post trade. The identifiers used are established in, and proven to adequately serve, their markets and customers without issue. This proposed Rule would force unnecessary changes on market participants, requiring them to adopt identifiers not necessarily well-designed to serve certain markets. A government-driven financial market shift away from using established financial instrument identifiers does not solve an existing issue or create more efficiencies within processes, but rather causes an unnecessary disturbance at all levels of financial recognition and transactions for all parties involved.

Taking action that will effectively establish FIGI as the de facto standard identifier for financial instruments would give its operator, Bloomberg, an un-earned and undeserved competitive market advantage in its access to and management of the data associated with the FIGI identifier, and not be in the public interest. As discussed above, there are already several established entities that provide financial instrument identifiers. The existing competitive landscape prevents a single entity from dominating the business of offering financial instrument identifiers and gaining an unfair advantage with respect to access to the underlying data associated with the issuance and management of financial identifiers.

Market Intelligence believes that by having multiple entities that specialize in providing key asset class market identifiers, we can strengthen competition in these markets. These multiple entities have a deeper understanding of the critical intricacies and nuances when it comes to the confirmation of instrument issuance. The United States government has also previously taken steps to effectively prohibit such concentration in identifier control and those decisions have helped to maintain healthy competition in financial identifier markets. This proposed rule is in direct conflict with the government's earlier positions.

Solely depending on the FIGI identifier to determine financial identifier issuance would do a disservice to the financial markets as it, among other things, unnecessarily discards and fails to capitalize on the historical experiences and market interactions of the other existing providers and customers in the market. This action would also put undue strain on the largely untested single provider, Bloomberg in this instance, to become the singular source

for instrument identification. Bloomberg may not have the experience or knowledge to step into the role as a sole provider of financial instrument identifiers in all markets.

In conclusion, we believe the proposal to establish a FIGI as the standard issuer of financial instrument identifiers is a solution in search of a problem within the financial markets, would cause undue disturbance to market participants across all functions and processes, and unnecessarily increase market concentration in favor of an untested provider in a business where the government has explicitly sought to increase competition. Additionally, the government would be undermining and casting aside the valuable contributions driven by other existing identifier providers creating tailored solutions. This is especially true in respect to identifier timeliness and accuracies that are critical to market participants interaction and trade execution. For these reasons, Market Intelligence S&P Global opposes the proposed Rule and asks that it be amended.

We appreciate the opportunity to provide feedback on this proposed rule and stand willing to discuss our views further.

Sincerely,

A handwritten signature in red ink, appearing to read 'Darlene Bright', followed by a stylized flourish or second signature.

Darlene Bright
Head of Government Affairs and Public Policy
S&P Global