



SWIFT's response to the US  
Commodity Futures Trading  
Commission Consultation on all  
reporting requirements, including  
swap data and recordkeeping

SWIFT

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Confidentiality: Public

SWIFT thanks the US Commodity Futures Trading Commission for the opportunity to provide comments on Project KISS.

SWIFT is a member-owned cooperative headquartered in Belgium. SWIFT is organised under Belgian law and is owned and controlled by its shareholders, comprising more than 2,000 financial institutions. We connect more than 11,000 institutions in more than 200 countries and territories. A fundamental tenet of SWIFT's governance is to continually reduce costs and eliminate risks and frictions from industry processes.

SWIFT provides banking, securities, and other regulated financial organisations, as well as corporates, with a comprehensive suite of messaging products and services. We support a range of financial functions, including payments, securities settlement, reporting, and treasury operations. SWIFT also has a proven track record of bringing the financial community together to work collaboratively, to shape market practice, define formal standards and debate issues of mutual interest.

If you wish to discuss any aspect of our response please do not hesitate to let us know.



**Natasha de Terán**

SWIFT | Head of Corporate Affairs

Tel: + 44 20 7762 2151

Mob: + 44 7780 483 467

[www.swift.com](http://www.swift.com)

SWIFT welcomes the Commission's request for public comments on Project KISS, which seeks to make compliance with existing regulation simpler and less costly. Our response relates to the swap data and recordkeeping sections of the Commodity Exchange Act ("CEA") that were added to the CEA by the Dodd-Frank Wall Street Reform and Consumer Protection Act.

The recordkeeping and reporting requirements of this rule further the goals of the Dodd-Frank Act to reduce systemic risk, increase transparency and promote market integrity within the financial system, goals that SWIFT fully supports.

We believe that the adoption of a single uniform reporting standard, more specifically, the ISO 20022 standard would contribute significantly to these goals by simplifying the reporting rules, reducing implementation costs and enhancing both transparency and comparability of data

ISO 20022 is the open methodology for developing new financial messaging standards and for harmonising existing financial messaging standards. As an initiative of the International Organization for Standardization (ISO), ISO 20022 was conceived to harmonise the fragmented financial standards landscape, and can best be described as a 'recipe' for developing financial messaging standards. The main ingredients of this recipe are a development methodology, a registration process, and a centralised, machine-processable "e-Repository".

ISO 20022 is particularly appropriate for use in regulatory initiatives because it is an open and transparently-governed standard that is platform-neutral, and free to access, implement and extend. It provides a universally agreed language that can be shared by business, legal, and technical experts, greatly simplifying the interpretation and implementation of any regulation defined in that language.

The ISO 20022 standard methodology has been adopted by market authorities in Europe for reporting requirements and is being embraced by supervisors and market infrastructures across the world. The data model which lies at the heart of the standard is the ideal reference point to help regulators, market overseers and reporting firms to harvest, aggregate and interpret data which is unambiguous, clear and equivalent, irrespective of its source.

Reporting requirements that reference ISO 20022's business concept and business process definitions allow implementers to easily understand the context in which the regulation is

applicable, as well as its detailed data specifications. The rigour and precision of the definitions found in the ISO 20022 business model make it a particularly suitable resource to ensure that data elements specified in a regulatory reporting context are interpreted consistently by implementers. In addition, once the data elements for a business process have been identified, it is straightforward to create a message definition that can be used to transport the data. Furthermore, it is possible to distinguish between common definitions that are relevant to all markets, or that are only relevant in regional or specific national contexts. This facilitates tailored reporting at regional or national level, whilst also allowing data to be aggregated internationally where ISO 20022 is in use.

We encourage the Commission to consider the use of ISO 20022 as it will further standardise the data elements that must be reported under the swap data reporting rules. Use of ISO 20022 would also facilitate harmonisation at international level, which is essential to ensure globally consistent and meaningful aggregation of data on swaps and derivatives transactions. Harmonisation will be welcomed by the industry as it will reduce the implementation work and interpretation risk for reporting entities, and allow information technology resources to be reused across different regulations.

SWIFT thanks the Commission again for the opportunity to provide comment on this topic, and we would be delighted to make our standards experts available to discuss ISO 20022 further with the Commission, should that be of interest.

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