



**SWIFT's comments on the CPMI-IOSCO  
Consultative Report on Governance  
arrangements for critical OTC derivatives data  
elements (other than UTI and UPI)**

**SWIFT**

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**Confidentiality: Public**

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SWIFT thanks the Committee on Payments and Markets Infrastructures (CPMI) and the Board of the International Organization of Securities Commissions (IOSCO) for the opportunity to provide comments on the Consultative Report on Governance arrangements for critical OTC derivatives data elements (other than Unique Transaction Identifier (UTI) and Unique Product Identifier (UPI)) (CDE).

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.



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SWIFT welcomes CPMI-IOSCO's initiative to run a consultation on governance arrangements for critical OTC derivatives data elements (other than UTI and UPI).

SWIFT strongly supports the work carried out by CPMI-IOSCO to harmonise critical OTC derivatives data elements and to develop an efficient governance model. This harmonisation is in the best interest of the financial industry and is essential to ensure the globally consistent aggregation of data on OTC derivatives transactions.

The CDE governance model proposed in the consultation paper – consisting of a single maintenance body closely liaising and coordinating with the international governance body – is the most appropriate one. However, we strongly recommend that the differences between the UTI, UPI and LEI on one side and the CDE on the other side are taken into consideration.

The LEI is an ISO standard (ISO 17442) that is governed by its dedicated committee. The standard defines an identification code with a set of reference data attributes. The LEI Regulatory Oversight Committee (LEIROC) is the international governance body that set the principles and rules for the issuers of the codes, along with their publication processes.

In contrast, the CDE is proposed to be included in the ISO 20022 Business Model (interoperable data dictionary) for which a robust maintenance process is already in place. The International Governance Body proposed in the Consultation paper can greatly contribute to this process.

For the ISO 20022 standard, the governance process is described in detail on the ISO 20022 website at <https://www.iso20022.org/maintenance.page> and the maintenance process of the ISO 20022 Business Model at [https://www.iso20022.org/business\\_model.page](https://www.iso20022.org/business_model.page).

We would like to highlight that the data model which lies at ISO 20022's core 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.

ISO 20022 is particularly suitable 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.

Reporting requirements that reference ISO 20022 Business Concept and Business Process definitions allow reporting firms to easily understand the context in which they have to apply the rules and their detailed data specifications.

The clear definitions found in the ISO 20022 Business Model make it a particularly suitable resource to ensure that the critical OTC derivatives data elements specified in a regulatory reporting context will be consistently interpreted.

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 and those 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.

The co-ordination between the international governance body and the maintenance body of the CDE with the on-going maintenance of the ISO 20022 Business Model has still to be established. We remain available to CPMI and IOSCO to discuss further.

**Q1: With reference to the key criteria of the CDE governance arrangements (Section 2):**

**a) Do you consider any further criteria should be included in the above list? If so, which ones should be added and why?**

We consider the list of key criteria identified in the consultation complete and are confident they will help achieve the governance objective.

**b) Are there any criteria in the above list that you do not consider relevant to the CDE governance arrangements? If so, which ones should be removed and why?**

We consider the key criteria listed in the consultation relevant.

**d) Are there considerations which the CPMI and IOSCO should take into account in the event they might need to balance one or more of these criteria against others (i.e. if a trade-off between criteria becomes evident)?**

The CDE is a dynamic list of elements with harmonised definitions and allowable values for which the different criteria proposed in the consultation effectively apply. In contrast, LEI, UTI and UPI are unique standard identifiers with defined reference data attributes. We would therefore suggest that criterion 9 from the proposed list in Section 2 be considered as the least important one.

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