International Organization for Standardization
Organisation internationale de normalisation
Международная организация по стандартизации

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ISO/TC68/AG2 - Standards Advisory Group

26 September 2018

To: **CPMI & IOSCO Harmonisation Group**
Attention: **To Whom It May Concern**
Re: **Consultative report on the governance arrangements for critical OTC derivatives data elements (other than UTI and UPI)**

Dear Sir/ Madam,

We write to you in our capacity as co-chairs of the Standards Advisory Group (SAG) of Technical Committee 68 of the International Organization for Standardization (ISO) TC 68/AG2.

ISO is an independent, non-governmental international organization with a membership of 163 national standards bodies. Through its members, it brings together experts to share knowledge and develop voluntary, consensus-based, market relevant International Standards that support innovation and provide solutions to global challenges.

ISO/TC68 is the Technical Committee within ISO tasked with developing and maintaining international standards covering the areas of banking, securities, and other financial services.

The Standards Advisory Group (SAG) as an Advisory Group of ISO/TC 68 acts as an advisory sounding board to support and engage with regulators on financial services standards requirements, for the effective and efficient use and development of financial services standards, delivered using a cooperative relationship approach. The SAG enables a proactive dialogue with regulators on financial services standards matters.

The SAG's objectives are:

- Provide a forum for mutual assistance between the global regulatory community and ISO in carrying out their respective authorities and responsibilities with respect to financial services standards;
- Aid the adoption and promotion of consistent standards, where possible;
- Effectively deal with common issues collectively and consistently; and
- Encourage strong and open communication within the regulatory community and with the industry concerning financial services standards.

The present SAG's response represents a collective view of its membership and draws upon its knowledge as an expert standards setting body with practitioner-led experience in the development and use of standards.

With respect to the consultation you have launched on the governance arrangements for critical OTC derivatives data elements (other than UTI and UPI), we would like to thank the CPMI-IOSCO for acknowledging the role of ISO in the standardisation of data elements.

As you rightly consider in the consultation paper, most of the critical data elements (CDE) for OTC derivatives are already included in the ISO 20022 business model (data dictionary). This should greatly simplify the efforts of using those data elements in messages and transactions, especially if effort is made to ensure that definitions of certain data elements of CDE, where differences exist today, are aligned with definitions used in the ISO 20022 data dictionary.

A key question to be resolved is how the respective governance bodies will co-ordinate most effectively the ongoing maintenance of the ISO 20022 business model and CDE for OTC derivatives. We would like to highlight that there is not a unique and universal approach to the governance and maintenance of the standards, some of which have yet to be finalised (eg. UPI), and that the relationship between the ISO 20022 business model and CDE specifically may need to be maintained in a different way than those that have been (or are being) established for the standards such a LEI, UTI or UPI. For further reference, the maintenance process of the ISO 20022 business model is described in detail on the ISO 20022 website.

We stay at your disposal to further discuss these matters with you, to ensure a plain success of your endeavor.

Thank you and regards,

Allie Harris
Co-Chair of the ISO/TC68/AG2

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Co-Chair of the ISO/TC68/AG2