What is the CDM?

The Common Domain Model (CDM) is a standardized, machine-readable, and machine-executable model that represents financial products, trades in those products, and the lifecycle events of those trades.

How does it work?

The CDM provides a common data representation and standardized modeling framework for transaction events, and covers Derivatives, Securities Lending, and Bond and Repo transactions. Lifecycle events are available as code in multiple languages for easy implementation across technologies.

For Derivatives: When a derivatives trade is captured using the CDM, the relevant data is automatically standardized according to the CDM data model;

An example of how it can be used - a Smart contract: this data is then used to trigger smart contracts that automatically generate and validate collateral movements based on predefined rules and conditions, such as margin calls and collateral substitutions. These smart contracts can be executed on a distributed ledger, providing a transparent and immutable record of all collateral management activities.

For Securities Lending: CDM standardizes each step of the securities lending lifecycle, such as onboarding, contractual negotiations, collateral management, and corporate actions, allowing for quick construction of product and event models, by utilizing components from the CDM for derivatives transactions and augmenting them as needed for securities lending purposes.

For Bonds & Repos: ICMA's CDM project for repo and bonds provides a clear and digital representation of repo and bond transactions in the form of code. This representation is built upon legal definitions from widely accepted industry documents such as the Global Master Repurchase Agreement (GMRA) and the ERCC Guide to Best Practice in the European Repo Market, ensuring consistency and accuracy in the representation of repo and bond transactions across different participants and platforms and serving as a standardized industry model for firms seeking to enter the repo market.

What are the benefits?

Development of the Common Domain Model in the financial industry promotes transparency, efficiency, and innovation, and can bring significant benefits to market participants and regulators.

For Derivatives: The CDM streamlines onboarding and enhances interoperability, decreases post-trade operational risks, settlement fails and Treasury Market Practices Group (TMPG) fees optimizing collateral and decreasing ECS negotiation time and resources. CDM helps to meet regulatory goals through hierarchical representation across trades, portfolios, and events, thus also enabling enhanced risk management and trade processing capabilities.

For Securities Lending: CDM adoption enables the easier construction of smart contracts, faster connection to and support of a distributed ledger, and ultimately the ability for firms to innovate and compete on products rather than infrastructure or data storage.

For Bonds & Repos: The implementation of the CDM, as a 'common language' creates greater internal efficiencies for firms' various processes by enabling IT applications to 'speak to each other', facilitate onboarding and improve interoperability between market infrastructures, including trading venues, order/execution management systems, CSDs, CCPs, and trade repositories, enhance consistency of regulatory reporting, and lay a common foundation for developing new technologies such as distributed ledger and cloud services.

Legend

FINOS staged a pilot program for submitting changes to the CDM model using its open data modeling collaboration platform. Goldman Sachs as part of the Legend Studio Pilot developed a number of extensions to the CDM which resulted in a model for future collaboration.

[Read more about the Legend Case Study](#)

Digital Regulatory Reporting

ISDA and Regnosys released the Digital Regulatory Reporting (DRR) with BNP Paribas, an initiative that translates the amended rules into machine-executable open-source code that will allow firms to report their activity more efficiently, while also providing regulators with data that is more consistent and accurate.

[Watch this video to learn more about DRR](#)

Resources

Library of content where you can watch, browse, and read all things CDM-related
- [CDM Homepage](#)
- [Github Repository](#)
- [Common Domain Model Resource Center](#)

Further Reading

Using CDM
- [CDM Documentation](#)
- [CDM Design Principles](#)
  - [Composability and Modularization](#)

Frequently Asked Questions:

- **Q: Where do I get help with EasyCLA onboarding?**

  - **A:** Contact help@finos.org for assistance.

- **Q: How do I sign up for CDM updates?**

  - **A:** Subscribe to the cdm@lists.finos.org mailing list: https://lists.finos.org/g/cdm

  - **A:** For any issues, reach out to help@finos.org.

- **Q: Do I need to be a FINOS member to contribute?**

  - **A:** No! Individual participation and contribution are welcome. FINOS projects are open to all.

- **Q: How do I add working group meeting invites to my calendar?**

  - **A:** Each working group has its mailing list where we share agendas and meeting invitations.

    - **Main CDM Mailing List:** https://lists.finos.org/g/cdm
      - **CDM Contribution Review WG:** https://lists.finos.org/g/cdm-contribution-review
      - **CDM Collateral WG:** https://lists.finos.org/g/cdm-collateral-wg
      - **CDM Steering WG:** https://lists.finos.org/g/cdm-steering-wg

- **CDM Technology Architecture WG:** https://lists.finos.org/g/cdm-technology-architecture
- **CDM Structured Products WG:** https://lists.finos.org/g/structured-products
- **CDM Derivatives Product and Business Event WG:** https://lists.finos.org/g/cdm-dpbe-wg

- **Q: What other FINOS projects might interest me?**

  - **A:** Explore other projects like Financial Objects, Legend, Morphir:

    https://landscape.finos.org/

- **Q: Where can I find more information on CDM?**

  - **A:** For more detailed documentation, you can find resources such as:

    - The CDM GitHub repository (It is also one of the best places to engage with the CDM team and community)

    - The CDM Homepage

    - CDM Design principles (specifically, Composability and Modularization)

    - CDM Documentation

    - For questions about the CDM platform, features and roadmap, you can raise a GitHub issue at https://github.com/finos/common-domain-model/issues or attend the weekly working groups.

Additional Tips:

- If you work for a bank, consult your Open Source Program Office (OSPO) for guidance on contributing through your organization.
- Leverage the provided links and resources to deepen your understanding and exploration of CDM.

We encourage you to actively participate and contribute to the CDM community!