



SWIFT Response to the Commodity Futures Trading Commission, Division of Market Oversight, on the Roadmap to Achieve High Quality Swaps Data

21 August 2017

SWIFT thanks the Division of Market Oversight (DMO) of the Commodity Futures Trading Commission for the opportunity to provide comments on the review of swaps reporting requirements and its Roadmap to Achieve High Quality Swaps Data.

SWIFT is a member-owned cooperative headquartered in Belgium. SWIFT is organised under Belgian law and is owned and controlled by its shareholders, comprising over 3,000 financial institutions. We connect more than 11,000 connected firms, 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 applauds the Division of Market Oversight's (DMO)'s work in undertaking this review and preparing the roadmap to achieve high quality swaps data, and fully supports the Division's efforts to streamline reporting, ensure high quality data reporting, harmonise data elements and pursue international harmonisation in swaps reporting.

One important element that we believe the roadmap might usefully incorporate is a review of how the ISO 20022 standard can help to achieve quality swaps data. We believe that use of ISO 20022 would enable swap data repositories and the Commission to collect high quality data, while limiting the impact on market participants and implementation costs.

In this context, we would like to emphasise that if the DMO's reporting requirements were to reference ISO 20022's business concept and business process definitions, implementers would be able 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 for ensuring that data elements specified in a regulatory reporting context are interpreted consistently by implementers. 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 only 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 – for instance with EU data.

The ISO 20022 standard is being embraced by supervisors across the world as a preferred format for data swap (and related) reporting purposes because 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.

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. Derivatives reporting in Europe is based on ISO 20022 and standard messages are already available and in production for these requirements.

We look forward to seeing the outcome of the DMO's work in this regard and appreciate the opportunity to share our views on this important subject. Please do not hesitate to contact us, should you wish to discuss these issues in any further detail.