



SWIFT Response to the CPMI-IOSCO consultative report

“Harmonisation of the
Unique Product Identifier”

24 February, 2016

SWIFT welcomes the CPMI-IOSCO consultative report seeking guidance on harmonisation of the unique product identifier (UPI), and thanks CPMI-IOSCO for the opportunity to provide comments. SWIFT is a member-owned, cooperative society headquartered in Belgium. SWIFT is organised under Belgian law and is owned and controlled by its shareholding Users, comprising over 3,000 financial institutions. We connect more than 10,800 connected firms, across 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.

The detailed classification of derivatives is not SWIFT's area of expertise, so we will not comment on the principles and high-level specifications. We would, however, caution that their proper implementation will necessitate detailed consideration of a number of elements if complex data management problems are to be avoided. For instance, processes will be required both to maintain the UPI data and to maintain the 'meta-model' (the formal description of the structure of the data). Both such processes should be open, agile enough to keep up with a rapidly evolving market, but formal enough that all interested parties have a meaningful opportunity to influence them. These processes should consider the following issues:

- who will maintain and distribute the data, and how;
- who will be allowed to add or update the data;
- how the integrity of the data will be guaranteed over the long-term;
- how the meta-model will be evolved;
- how the system will ensure that historic references maintain a stable meaning.

Similar problems have been addressed in other reference data standards initiatives, including ISO 17442 (LEI - Legal Entity Identifier), ISO 9362 (BIC - Business Information Code), ISO 20022 (Financial Messaging) all developed by [ISO TC68](#), the technical committee responsible for financial industry standards. The ISO TC68 sub-committee on securities and related financial instruments will shortly launch a study group looking at Instrument Classification and Product Identification. SWIFT will contribute domain and data management expertise to this group gained from acting as official registration authority for ISO 9362 and ISO 20022. SWIFT would be delighted to share its experience with CPMI-IOSCO.

We thank CPMI-IOSCO again for the opportunity to comment. We would very much welcome the opportunity to discuss our comments with you further, should that be of interest.



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