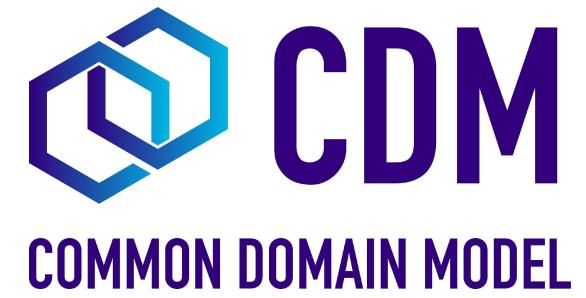


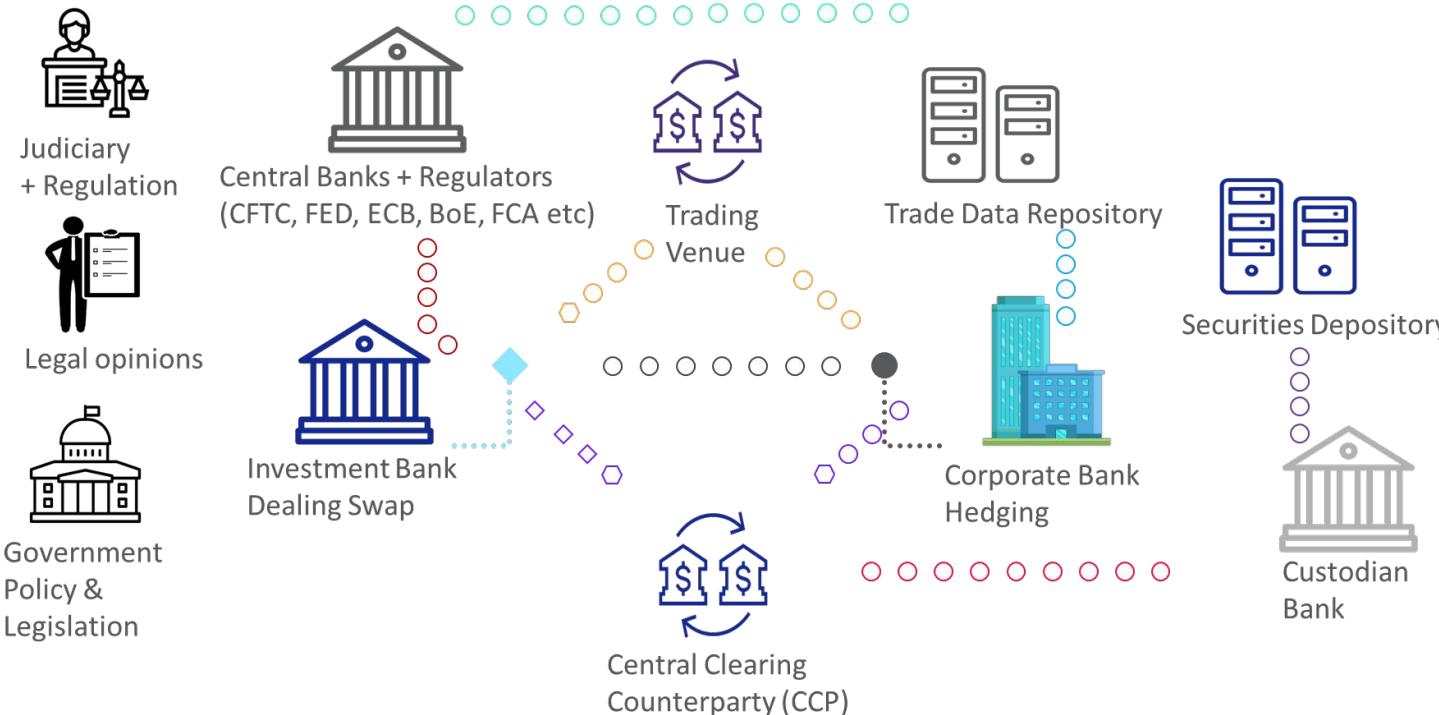
Common Domain Model- An Overview

October 2023



Catalyst for Change- Current Market Structure Challenges

All parties store trade data in different formats & make lifecycle changes to these records inconsistently



What is the true “truth” at any point in time?

Differences in booking models lead to real world events in those models producing different outcomes:

- Reconciliation breaks
- Valuation differences
- Collateral disputes
- Reporting mismatches
- Operational inefficiency
- Settlement failures
- Barriers to automation

What is the CDM?

The Common Domain Model (CDM) is a standardised, machine-readable and machine-executable blueprint for how financial products are traded and managed across the transaction lifecycle.

Dimensions of the CDM:

Product	Definitions of tradeable products qualified by their economic terms
Event	Data structures to represent the lifecycle events of financial transactions
Legal Agreement	Digital representation of the legal agreements that govern transactions
Process	Translates the technical standards that support those industry processes into a standardised machine-readable and machine-executable format
Reference Data	Reference data components that are specifically needed to model the other dimensions
Mapping	Mapped to a set of alternative data representations including FIX, FpML, ISO20022

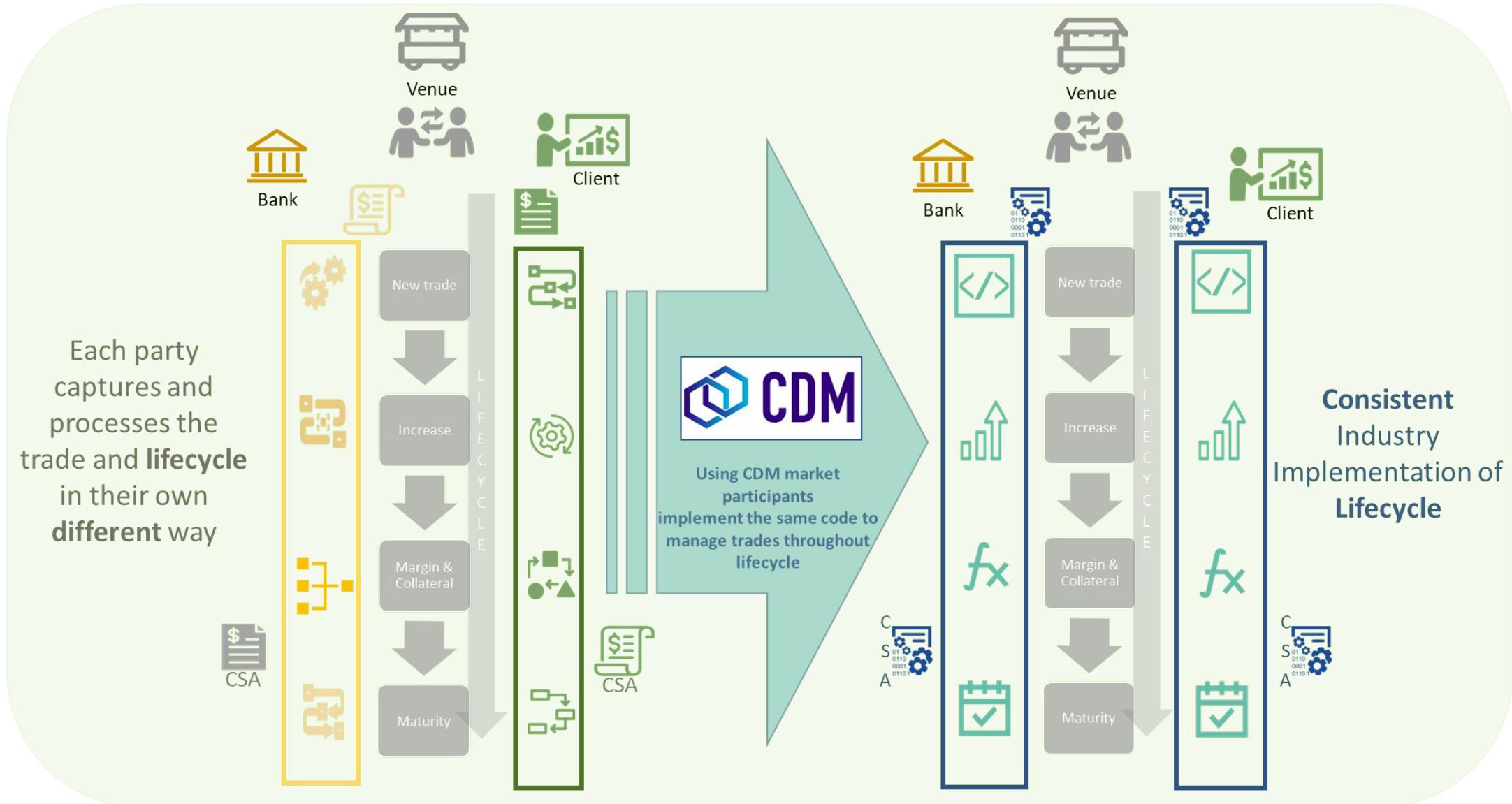
The CDM is **NOT** an application in and of itself, but can be implemented within one
Composability allows for re-use of components for efficiency

CDM vs. FpML

While both CDM & FpML are standards, they can and will co-exist

- CDM is not a data format for messaging or storage, it is a logical model describing relationships between pieces of data
- CDM can be expressed in various forms including XML, JSON and other standard formats such as FpML, FIX & ISO20022 for exchange and storage of information
- FpML does not define standards for event and workflow processing, CDM prescribes the validation logic to express these more specifically

Benefits- Consistency of representation



Core Benefits

Efficiency

Enhance interoperability, reduce reconciliations and promote straight-through processing

Transparency

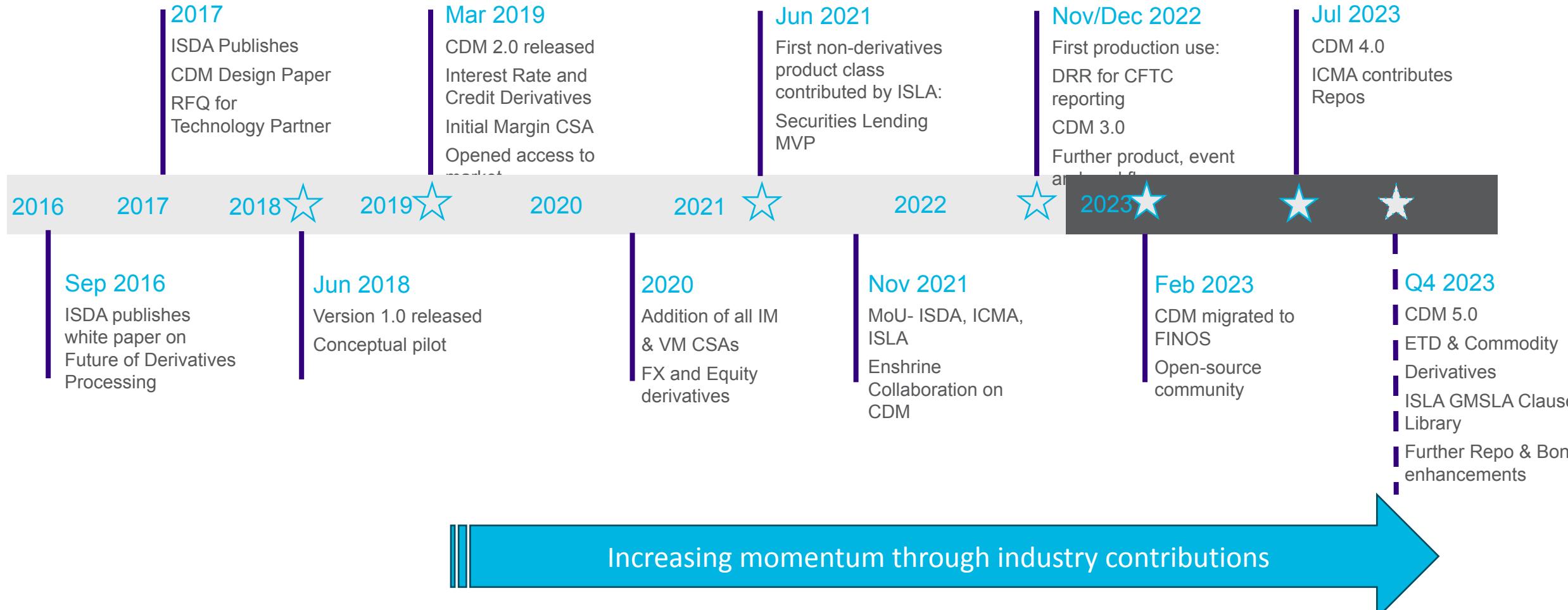
Promote transparency and alignment between regulators and market participants

Accelerated Innovation

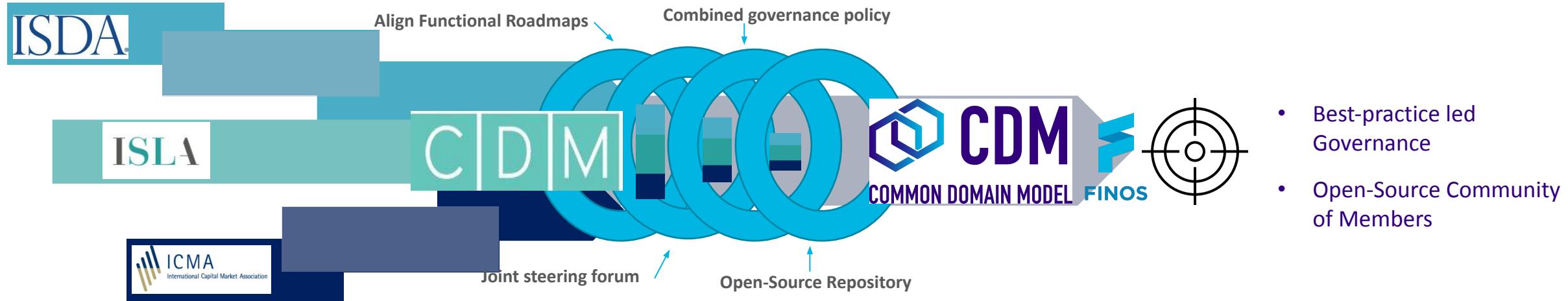
Create an environment for innovation in financial markets

- A mutualised free open-source standardised digital blueprint** on how to represent financial transactions, performance and business events.
- Extensible** to compose financial instruments by assembling reusable components. Already covers robustly derivative and securities financial transactions.
- Scalable** as event-driven model that encapsulates primitive components that will de facto make the fabric of complex business and operational processes.
- Operational and functional** to codify the contract mechanics and business logic of legal agreements.
- Unambiguous** in digitising functionally complex business and regulatory logic into code.
- Directly approachable** as published in both **human readable and machine executable languages**.
- Implementable across several strategic uses cases** in capital markets for better automation and greater consistency e.g. Trade management systems, clearing, digital documentation, collateral managements, regulatory reporting.

History of the CDM



Trade Association Collaboration



Associations are collaborating towards the same future goal, to benefit the whole industry

- An open-source model mutualises cost of development between TAs and contributing firms while retaining best practice governance
- MoU in 2021 enshrined collaboration publicly
- Working groups were opened to each others' members
- TAs appointed FINOS to provide a repository with a view to fostering the growth of an open-source community for the CDM, with migration completed early 2023

Product Coverage

The scope of contractual products in the current model are summarized below:

- **Interest rate derivatives:**

- Interest Rate Swaps (incl. cross-currency swaps, non-deliverable swaps, basis swaps, swaps with non-regular periods, ...)
- Swaptions
- Caps/floors
- FRAs
- OTC Options on Bonds

- **Credit derivatives:**

- Credit Default Swaps (incl. baskets, tranche, swaps with mortgage and loans underliers, ...)
- Options on Credit Default Swaps

- **Equity derivatives:**

- Equity Swaps (TRS, PRS, single name/index/basket, VarSwap, VolSwap, Dispersion, Correlation, Dividend Swap)
- Options & Forwards

- **Foreign Exchange derivatives:**

- FX Swap, Forward, NDF, Options

- **Commodity derivatives:**

- Swaps, options, swaptions

The use of common elements allow for representation of multiple types of products and events in the trade workflow with minimal incremental work. Thus, this coverage list does not represent an exhaustive list of all possible combinations of elements or events

Product & Event Coverage

The scope of contractual products and events in the current model are summarized below:

- **Securities Lending:**
 - Single underlier, cash collateralised, open/term security loan
- **Repurchase Agreements:**
 - Open Term, Fixed Term, Fixed Rate, Floating Rate
- **Events:**
 - Allocation, Re-allocation
 - Cash, Security transfers, DVP settlement
 - Clearing events
 - Compression
 - Increase and decreases/returns
 - Novations- full, partial
 - Terminations- full, partial
 - Renegotiation
 - Reset
 - Execution
 - Stock Split
 - Index Transition
 - Determination of corporate action and credit events

The use of common elements allow for representation of multiple types of products and events in the trade workflow with minimal incremental work. Thus, this coverage list does not represent an exhaustive list of all possible combinations of elements or events

Legal Document Coverage



ISDA Documentation	CDM	ISDACreate	ISDACreate/ CDM Compatible	ISDA Documentation	CDM	ISDACreate	ISDACreate/ CDM Compatible
INITIAL MARGIN				VARIATION MARGIN			
2016 ISDA IM CSD (English Law)			x	2016 ISDA CSA (VM) (Loan - Japanese Law)		x	x
2016 ISDA IM CSA (NY Law)				2016 ISDA CSA (VM) (Security Interest - New York Law)			x
2016 ISDA IM CSA (Japanese Law)			x	2016 ISDA CSA (VM) (Title Transfer - English Law)			x
2018 ISDA IM CSA (NY Law)				2016 ISDA CSA (VM) (Title Transfer - French law)			x
2018 ISDA IM CSD (Eng Law)				2016 ISDA CSA (VM) (Title Transfer - Irish law)			x
2019 ISDA Bank Custodian CTA				1994 ISDA Credit Support Annex VM (Security Interest - New York Law)	x	Due Q4 2023?	x
2019 ISDA Bank Custodian SA (NY Law)				1995 ISDA Credit Support Annex VM (Title Transfer - English Law)	x	Due Q4 2023?	x
2019 ISDA Bank Custodian SA (Eng Law)				1995 ISDA Credit Support Annex (Security Interest - Japanese Law)	x	Due Q4 2023?	x
2019 ISDA Bank Custodian SA Luxembourg Law			x	1995 ISDA Credit Support Deed (Security Interest - English Law)	x	Due Q4 2023?	x
2020 ISDA Bank Custodian SA Belgium Law			x				
				ISDA MASTER AGREEMENT			
2016 Euroclear SA (Bel Law)			x	1992 ISDA Master Agreement	See below	?	x
2017 Euroclear CTA (NY Law)			x	2002 ISDA Master Agreement	See below		CP details only
2017 Euroclear CTA (Eng Law)			x	Automatic Early Termination ("AET")		TBC	x
2018 Euroclear CTA (Eng Law)			x	Address for Notices		TBC	x
2018 Euroclear CTA (NY Law)			x	Dated as of Date		TBC	x
2018 Euroclear SA (Bel Law)			x	Credit Support Provider		TBC	x
2019 Euroclear CTA				Credit Support Document		TBC	x
2019 Euroclear SA (Bel Law)			x	Governing Law		TBC	x
				Specified Entity		TBC	x
2016 Clearstream CTA (Eng Law)			x	Termination Currency		TBC	x
2016 Clearstream CTA (NY Law)			x				
2017 Clearstream SA (Lux Law)			x				
2016 Clearstream SA (Lux Law)			x				
2019 Clearstream CTA							
2019 Clearstream SA (Security-provider) (Lux Law)							
2019 Clearstream SA (Security-taker) (Lux Law)			x				

ISLA have also contributed their Clause Library and Taxonomy for the GMSLA 2010/2018

Roadmap & Ongoing Initiatives

Derivatives:

DRR driven items- Q4 2023:

- ETD & Commodity derivatives including position reporting
- Trade Valuation report
- Margin reporting

Collateral driven items- Q1 2024

- Enhancements to collateral models
- Additions of earlier CSAs to Legal document model

Securities Finance:

Enhancements for partial and failed settlements- 2024

Locate process for securities lending- Q4 2023

Clearing workflows for Repo

SFTR and US OFR Repo reporting

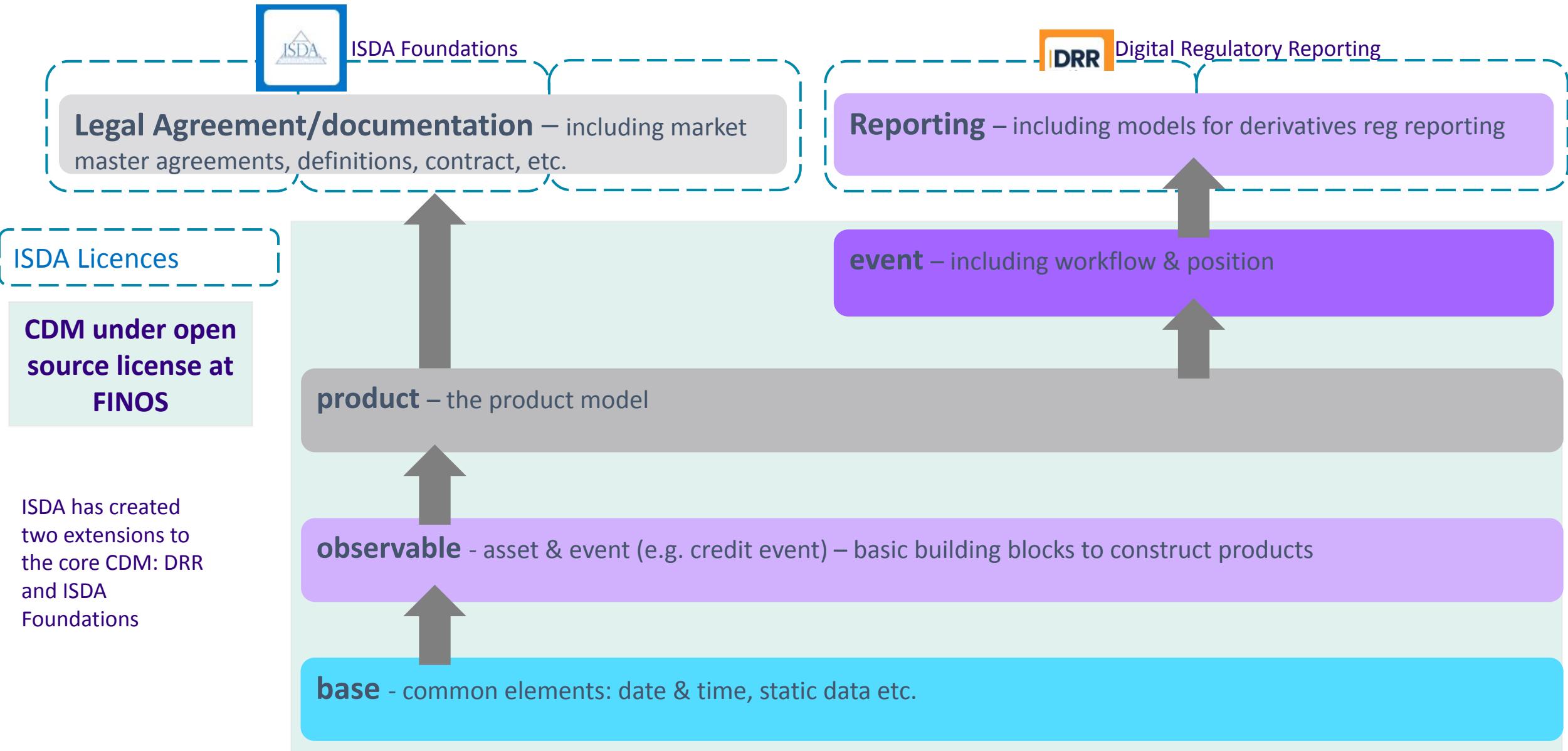
Incorporation of ICMA Bond Data Taxonomy

Technical Implementation:

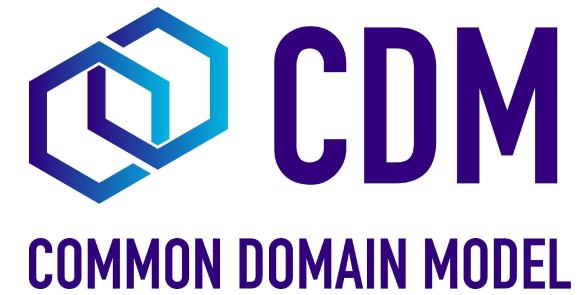
Working groups are looking at:

- Standardising Serialisation
- Improving interaction with Reference Data lists
- Formalising Release process and governance

ISDA Extensions to CDM



Use Cases



Collateral - Today's Challenge

Guidelines outlined under BCBS/IOSCO and Basel III were translated by each regulatory regime spearheading collateral management as a key function in capital markets for both bilateral and cleared OTC. Compliance has increased processing volumes significantly and will continue to do so, the need for automation in collateral management processing. The industry is faced with many challenges which has led to fragmented implementations and operational inefficiencies.

Calculation
Dependencies Margin
Monitoring Margin
Allocation
Documentation
Collateral Segregation
Establishing Custody
Accounts Eligibility
Schedules
Risk Control
Optimisation
Regulatory
Compliance
Reconciliation
Dispute
Management
Efficient Settlement

INDUSTRY PARTICIPANTS



- Lack of industry standards - Every industry participant left to implement their own version
- Loss of inter-operability between solutions
- Pervasive reconciliation issues and other operational inefficiencies

Collateral- Documentation Model Representation 2020/2021



ISDA COMMON DOMAIN MODEL (CDM) COLLATERAL DOCUMENTATION SUPPORTED

Q1/Q2 2020 Modelling of all IM including New Generation documents and elections found to negotiate in [ISDA Create](#).

[Request an ISDA Create Demo](#)

Q3 2020 Additional Variation Margin(VM) Documentation

Now CDM offers digital representation of 30 Collateral documents covering over 100 unique election structures

[Access to the ISDA CDM portal](#)



INITIAL MARGIN DOCUMENTS Published 2016 – 2019

ISDA X 10
ISDA Clearstream X 7
ISDA Euroclear X 8

2016 ISDA IM CSD (English Law)
2016 ISDA IM ISDA CSA (NY Law)
2016 ISDA IM CSA (Japanese Law)
2018 ISDA IM CSA (NY Law)
2018 ISDA IM CSD (Eng Law)
2019 Euroclear CTA
2019 Euroclear SA (Bel Law)
2019 Clearstream CTA
2019 Clearstream SA (Security-provider) (Lux Law)
2019 Clearstream SA (Security-taker) (Lux Law)
2019 ISDA Bank Custodian CTA
2019 ISDA Bank Custodian SA (NY Law)
2019 ISDA Bank Custodian SA (Eng Law)
2019 ISDA Bank Custodian SA Luxembourg Law
2020 ISDA Bank Custodian SA Belgium Law
2018 Euroclear CTA (Eng Law)
2018 Euroclear CTA (NY Law)
2018 Euroclear SA (Bel Law)
2016 Clearstream CTA (Eng Law)
2016 Clearstream CTA (NY Law)
2017 Clearstream SA (Lux Law)
2016 Clearstream SA (Lux Law)
2017 Euroclear CTA (NY Law)
2017 Euroclear CTA (Eng Law)
2016 Euroclear SA (Bel Law)

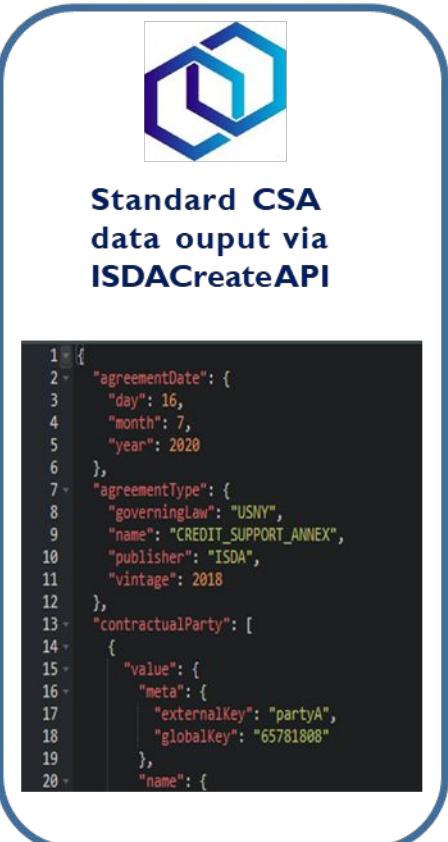
VARIATION MARGIN DOCUMENTS Published 2016 ISDA Publications X 5

2016 ISDA CSA for (VM) (Loan - Japanese Law)
2016 ISDA CSA for VM) (Security Interest - New York Law)
2016 ISDA CSA for (VM) (Title Transfer - English Law)
2016 ISDA CSA for (VM) (Title Transfer - French law)
2016 ISDA CSA for (VM) (Title Transfer - Irish law)

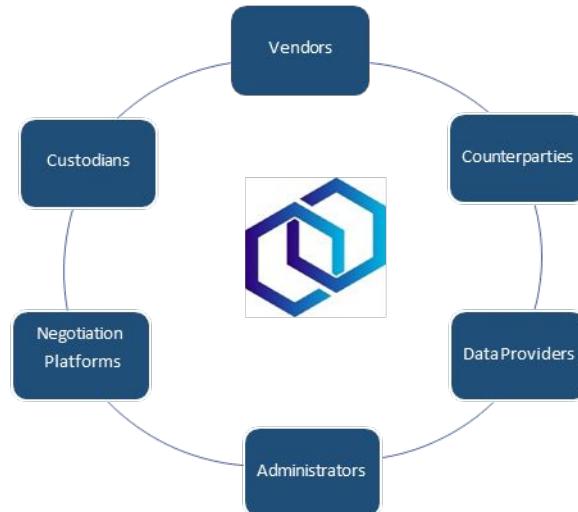
Collateral- Benefits of CDM Standard Documentation

ISDA®
create

IM CSA
Negotiated
between
parties



Standard Representation Promotes Interoperability, Transfer of Clean Data and STP



Institutions can exchange CDM Standard for Documents including Eligibility Data to drive Collateral Processes

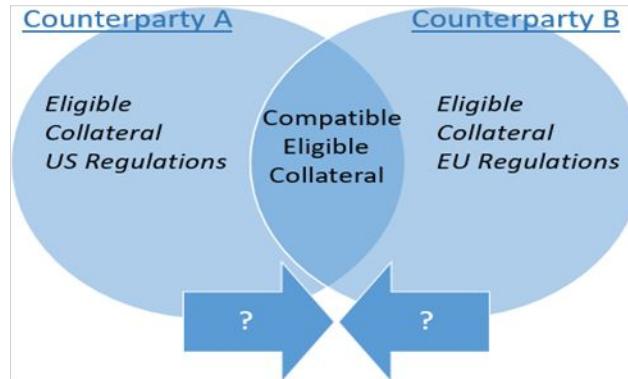
Use Cases and Benefits

- Fewer Reconciliations, Translations
- Shorter Processes
- Reduced Negotiation Timeframes
- Improved Onboarding
- Decreased Settlement Risks
- Cost Effective
- Secure transfer of information
- Mitigates Margin Disputes
- STP from Negotiation to Settlement
- Produces Clean Auditible data
- Facilitates Digitizing Legacy Data
- Matching counterparty
- Standards for Eligibility Data
- Advance Optimization Processing
- Improved Custodian Services and Interoperability
- Advanced processing of Contract Amendments

Collateral- ECS Challenges – No Standard Data Format

Challenges are observed today with constructing, negotiating and expressing ECS, many of these originate from lack of common data standards and the inability to connect process events.

- Observation of different regulations, agreeing on compatible eligible assets
- Challenges of collateral identity and categorization
- Understanding Asset economic identity to apply regulatory haircuts and confirm eligibility
- No common standards in place for representation of key features
- Currently no data standard used within documentation to describe the elements for eligible collateral – many versions observed:



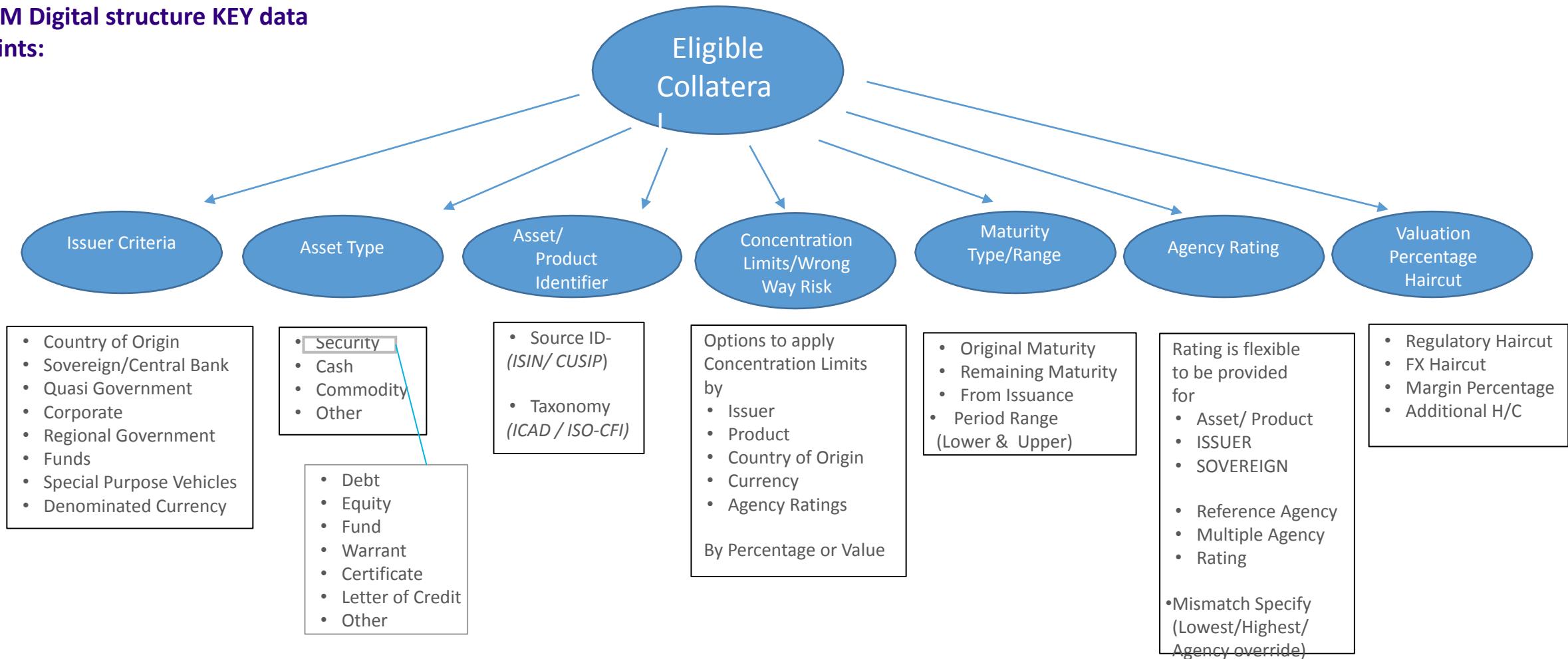
	Items of Eligible Collateral (IM) and Eligible Currencies	[In respect of Party A's posting obligation]	[In respect of Party B's posting obligation]	[Valuation Percentage]
(A)	[]	[]	[]	[]%
(B)	[]	[]	[]	[]%
(C)	[]	[]	[]	[]%
(D)	[]	[]	[]	[]%
[FX Haircut Percentage]		[In respect of Party A's posting obligation: [8]%, unless the Eligible Collateral (IM) is denominated in the Termination Currency specified with respect to Party B under the Agreement (including, without limitation, pursuant to this Annex), in which case, 0%).]		
[Termination Currency] ¹⁰		[In respect of Party B's posting obligation: [8]%, unless the Eligible Collateral (IM) is denominated in the Termination Currency specified with respect to Party A under the Agreement (including, without limitation, pursuant to this Annex), in which case, 0%).]		
With respect to Party A: [].				
With respect to Party B: [].				
In relation to a calculation pursuant to Section 6(e)(ii)(2) in respect of an Early Termination Date resulting from a Termination Event where there are two Affected Parties: [].				

(ii) Eligible Collateral					
Remaining Maturity					
	One (1) year or under	More than one (1) year up to and including five (5) years	More than five (5) years up to and including ten (10) years	More than ten (10) years	
ICAD Code					
GA-CA-GOV					
CA-TBILL	98%	N/A	N/A	N/A	
CA-BOND	97%	97%	95%	93%	
CA-RRB	98%	96%	94%	92%	
GA-US-GOV					
US-TBILL	98%	N/A	N/A	N/A	
US-TNOTE	98%	97%	95%	93%	
US-TBOND	98%	97%	95%	93%	

Eligibility criteria				
Order	Field	Oper	Value	Outcome
1	Security Types	=	Bond, Equity	Accepted
2	Counterparty Own Issue	=	Yes	Not eligible
3	Asset Types	=	Cash	Not eligible
4	Bond Risk Profiles	=	Sovereign, Agency, Structured, Corporate, Convertible bond	Accepted
5	IM asset class, EU	=	C, D, E, F, G, H, I, J, K, L, N, Q-NF, Q-FI	Eligible
	IM asset class, US	=	2, 3, 4, 5, 6, 7, 8, 9, 10	Eligible
Final outcome			If none of the above criteria have been met:	Not eligible
Haircut criteria				
Group	Order	Field	Oper	Value
1	1	Security Currency	Not in	EUR
2	1	IM asset class, EU	=	C, D, E, H, I, J, K
2	1	Time To Maturity Security	=<	12 Months
2	1	Applied Rating	=	AAA LT, AA LT, AA LT, AA- LT
2	2	IM asset class, EU	=	C, D, E, H, I, J, K
2	2	Time To Maturity Security	=>	12 Months
2	2	Applied Rating	=	AAA LT, AA LT, AA LT, AA- LT
2	3	IM asset class, EU	=	C, D, E, H, I, J, K
2	3	Time To Maturity Security	=>	60 Months
2	3	Applied Rating	=	AAA LT, AA LT, AA LT, AA- LT
2	4	IM asset class, EU	=	C, D, E, H, I, J, K
2	4	Applied Rating	=	A+, A, A-, B+, B, B-, B--
2	4	Time To Maturity Security	=<	12 Months
Concentration limits				
Limit Type	Limit	Granularity	Field	Oper
Max	15.00 % 10,000,000.00 EUR	Per UPI	IM asset class, EU	=
				F, G, L, N, Q-NF
				Contract Collateral Basis

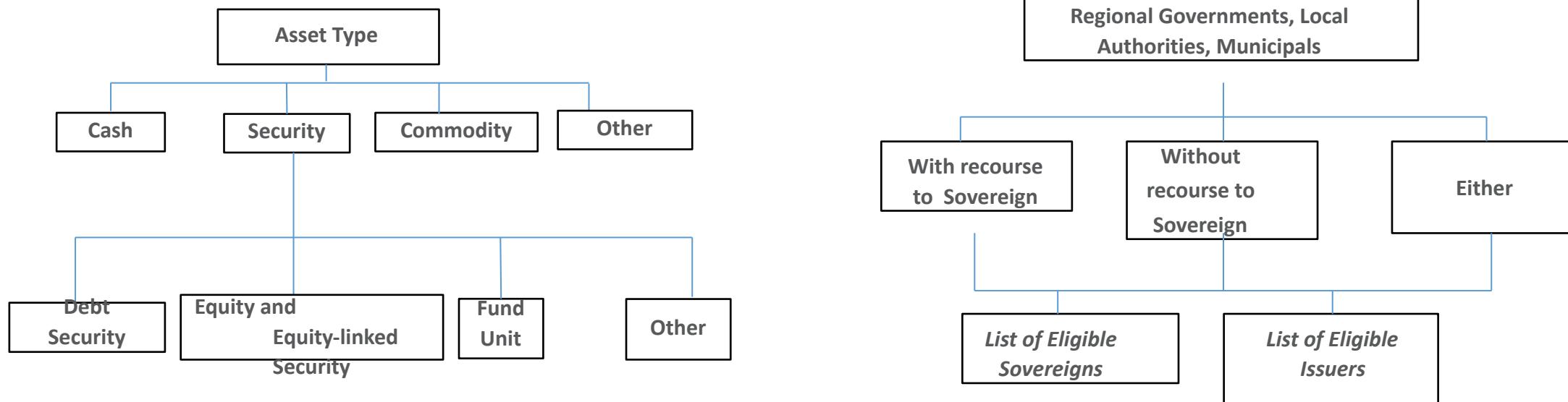
Collateral- Eligible Collateral Schedules

CDM Digital structure KEY data points:



Collateral- Structure to define Asset Types and Identify Issuers

ISDA CDM will offer the flexibility to identify collateral asset types, with particular focus on securities, as most common form found in collateral schedules. However, this can be extended to cover many other assets.



With the functional flexibility to capture detail of its identity including specific issuer name and use of common identifiers

Other issuer types include:

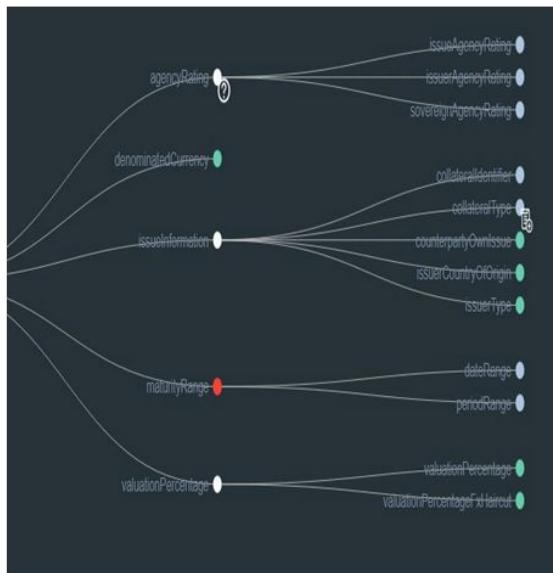
- Sovereign Central Banks
- Corporate
- Supranational Debt
- SPV and Funds

Collateral- CDM Eligibility Schedules Representation

CDM offers standard data references points required for many industry forms of ECS. The structure enables consistent expression of data with the ability to apply various include/exclude rules and complex concentration limits. ISDA has demonstrated translation of several ECS provided by members into digital output

CDM Digital Data Representation:

- Collateral Issue Information
- Collateral Asset Type
- Collateral Maturity Range
- Agency Rating
- Valuation Percentage
- Include/ Exclude Rules
- Concentration Limits



CSA Free Format Eligible Collateral Schedule

	Items of Eligible Collateral (IM) and Eligible Currencies	[In respect of Party A's posting obligation]	[In respect of Party B's posting obligation]	[Valuation Percentage]			
(A)	[]	[]	[]	[]%			
(B)	[]	[]	[]	[]%			
(C)	[]	[]	[]	[]%			
(D)	[]	[]	[]	[]%			
		[In respect of Party A's posting obligation: [8]%, unless the Eligible Collateral (IM) is denominated in the Termination Currency specified with respect to Party B under the Agreement (including, without limitation, pursuant to this Annex), in which case, 0%.]					
		[In respect of Party B's posting obligation: [8]%, unless the Eligible Collateral (IM) is denominated in the Termination Currency specified with respect to Party A under the Agreement (including, without limitation, pursuant to this Annex), in which case, 0%.]					
		With respect to Party A: [].					
		With respect to Party B: [].					
	[Termination Currency] ¹⁰						
	In relation to a calculation pursuant to Section 6(e)(ii)(2) in respect of an Early Termination Date resulting from a Termination Event where there are two Affected Parties: [].						



CDM Digital Data Representation

```

"product" : [ {
  "collateralProductType" : [ {
    "productType" : "CASH"
  } ],
  "denominatedCurrency" : [ {
    "value" : "USD"
  } ]
},
"valuationPercentage" : {
  "valuationPercentage" : 1
},
{
  "product" : [ {
    "maturityRange" : {
      "lowerBound" : {
        "inclusive" : true,
        "period" : {
          "period" : "Y",
          "periodMultiplier" : 1
        }
      }
    },
    "maturityType" : "REMAINING_MATURITY",
    "productIdentifier" : [ {
      "productTaxonomy" : [ {
        "taxonomySource" : "ICAD",
        "taxonomyValue" : "US-TBILL"
      } ]
    } ],
    "valuationPercentage" : {
      "valuationPercentage" : 0.995
    }
  } ]
}
  
```

Collateral- Eligible Collateral Schedules

An Eligible Collateral Schedule is represented in the CDM through the specification of criteria that can be used to “filter” whether a piece of collateral is eligible or not.

Asset Type – is used to specify criteria related to the nature of the asset, such as its type (cash, equity, debt, etc), country of origin or denominated currency

Issuer Type – is used to specify criteria related to the issuer of the asset, such the type of issuer (government, corporate, etc), specific issuer name, or agency rating

Treatment – is used to specify the valuation percentage, any concentration limits and whether the criteria specify inclusion or exclusion conditions

The combination of these terms allows a wide variety of eligible collateral types to be represented and can be applied across industry use cases for OTC, Securities Lending, Repo, Cleared and ETD. Solving problems for Global Banks, Custodians, Data Providers, Vendors and connecting solutions.

Standard data for Eligible Collateral information facilitates DLT, Smart Contract and technology to be built to add further efficiencies to processes

Collateral- CDM Object Builder

REGnosys on behalf of ISDA have developed a user interface (UI) this allows you to create CDM Eligible Collateral schedule information using drop down functions. The user can create, import, share or inspect in CDM JSON and view in a tabular format. The Object Builder will be contributed to FINOS in 2023

CDM Object Builder

CDM 4.0.0-dev.25

Builder Viewer

Select root type

+ EligibleCollateralSchedule Represents a set of criteria used to specify an eligible collateral schedule.

EligibleCollateralSchedule

+ criteria EligibleCollateralCriteria (1..*)

+ asset AssetCriteria (0..*)

assetCountryOfOrigin string (0..*) US +

+ collateralAssetType AssetType (0..*)

assetType AssetTypeEnum (1..1) Security ▾

securityType SecurityTypeEnum (0..1) Debt ▾

+ maturityRange PeriodRange (0..1)

+ lowerBound PeriodBound (0..1)

> + period Period (1..1)

> + upperBound PeriodBound (0..1)

> + issuer IssuerCriteria (0..*)

criteria	asset	assetCountryOfOrigin				US
		collateralAssetType			assetType	
maturityRange	lowerBound	period	period		SECURITY	SECURITY
			periodMultiplier			DEBT
	upperBound	period	period		DEBT	Y
issuer	issuerType		periodMultiplier			Y
			period		CORPORATE	1
	valuationTreatment		periodMultiplier			5
treatment			isIncluded		CORPORATE	true
valuationTreatment		haircutPercentage				0.004

```
[{"criteria": [ { "asset": [ { "assetCountryOfOrigin": [ { "value": "US" } ] }, "collateralAssetType": [ { "assetType": [ "SECURITY" ], "securityType": [ "DEBT" ] } ] }, "maturityRange": { "lowerBound": { "period": { "period": [ "Y" ], "periodMultiplier": 1 } } } ] }]
```

```
[{"upperBound": { "period": { "period": [ "Y" ], "periodMultiplier": 5 } } }, {"issuer": [ { "issuerType": [ { "issuerType": [ "CORPORATE" ] } ] } ], "treatment": { "isIncluded": true, "valuationTreatment": { "haircutPercentage": 0.004 } } }]
```

The UI can be used for predefined common eligibility profiles to import and edit and producing industry compatible consumable data output. The current UI gives the user the ability to also validate and construct many version of eligible collateral as CDM data and has the scope to be development further and built into services for use cases beyond collateral

Collateral- Commitment to CDM Integration



2021/22 Technical Integration work with ISDA Create completed. CDM standard format IM documentation available via Create API.



2019- 2023 – Continued support and input on CDM Collateral related representations
Focus - Eligible Collateral, VM & IM CSA, CSD and IM CTA, ISDA Master
Q4 2023 – Analysis phase
Q1 2024 – Mapping to enable CDM compliant format to feed downstream systems/platforms. Dependent on connecting firms to support CDM



2021/2 - Workshops to assess compatibility, first stage mapping and analysis for IM CSA completed. VM CSA in scope.
H2 2023 – Development in COBRA for CDM IM CSA ingestion to COLLINE. Expect to release to clients in Q4 2023



2021/2 - Phase1 ECS representation mapping analysis completed
2022 – Stage 2 technical mapping started into application import/export functionality Contributions to model
2023/24 Development and Launch. Dependent on connecting firms to support CDM



2022 Continued support, input to workshops and contribution to CDM Eligible Collateral terms/conditions
H2 2023 Analysis for integration and model mapping of collateral eligibility terms. Pilot test with connecting client for POC.
2024 Progress with full CDM implementation, upon internal approval



2022 - Mapping to CDM IM CSA representation completed. Validated using ISDADelete output test data
2023 - Testing import/export using data uploader tool. Version 1 to be completed Q3 2023
Next Steps - Extend document coverage to VM and add Eligible Collateral



Focus – To ingest CDM data for Eligible Collateral and multiple CSA versions. Then to produce CDM output from CloudMargin data
H2 2023 / 2024 – Continue analysis and mapping to prepare for ingestion status. Potential to connect to service providers able to support CDM.



Focus - CDM for representing IM, VM ,Legacy CSA and Master Agreement data
Q4 2022 – Investigation into ability to round trip CDM data between Lynx and ISDA Create.
2023 - Build out CDM capability in collaboration with vendors / clients interested in using CDM



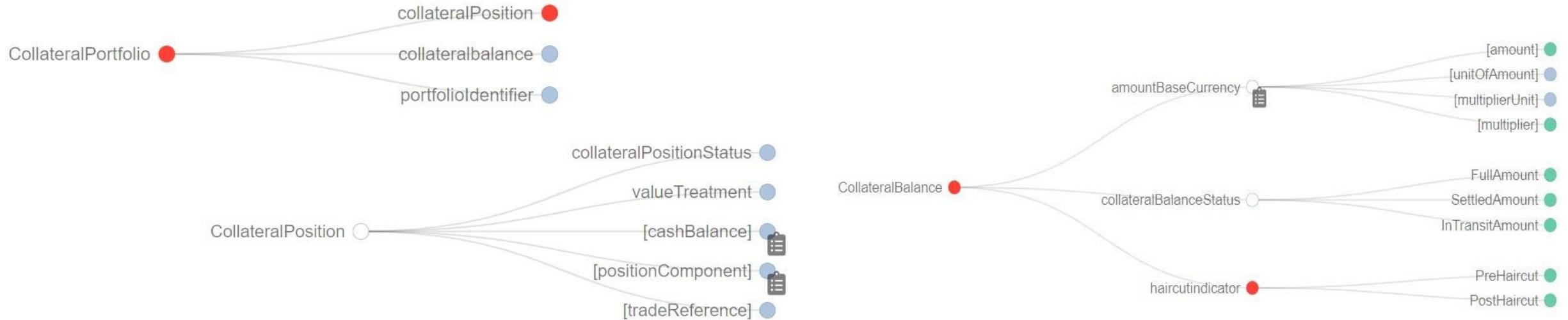
Q1 2023 – Mapping for skeleton of CSA mandatory fields & input into MX.3 platform completed.
Q3 2023 - Extension of CDM CSA coverage and further mapping to deliver integration into Murex (CDM vs MX.3)
2024 - Extension for Eligible Collateral and representation of Legacy CSAs once delivered to CDM

Collateral- CDM Margin Call / Positions / Balances and Exposure

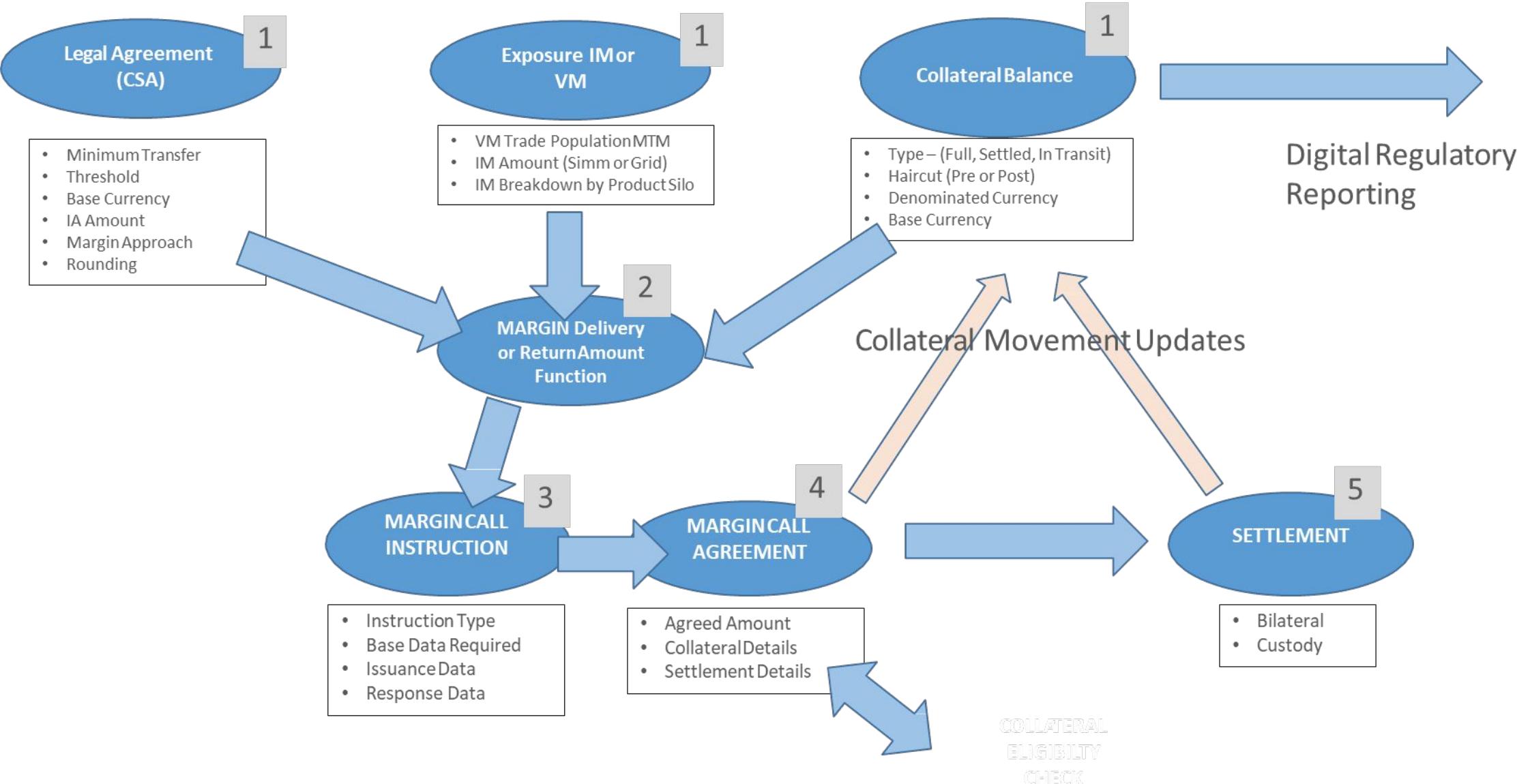
Data to support the Collateral Margin Call process and its related components for Collateral Balance , Collateral Positions and Exposure are now represented in the CDM.

A foundational structure to support the data required for the margin call process including:

- o Standard margin call action labels
- o Base details for margin call data types and attributes to support unique features for issuance and response
- o Collateral positions and ability to list collateral assets for responding to margin demands and for information purposes
- o Collateral balance data requirements and aggregate values for margin call data and reporting



Collateral- Margin Call connection to other CDM components



Collateral- Processing Standards in CDM- What next?



2023/2024 - CDM Collateral Initiatives

Objectives:

Documentation Extensions:

1995 VM CSA

ISDA Master Agreement

Amendment Agreements

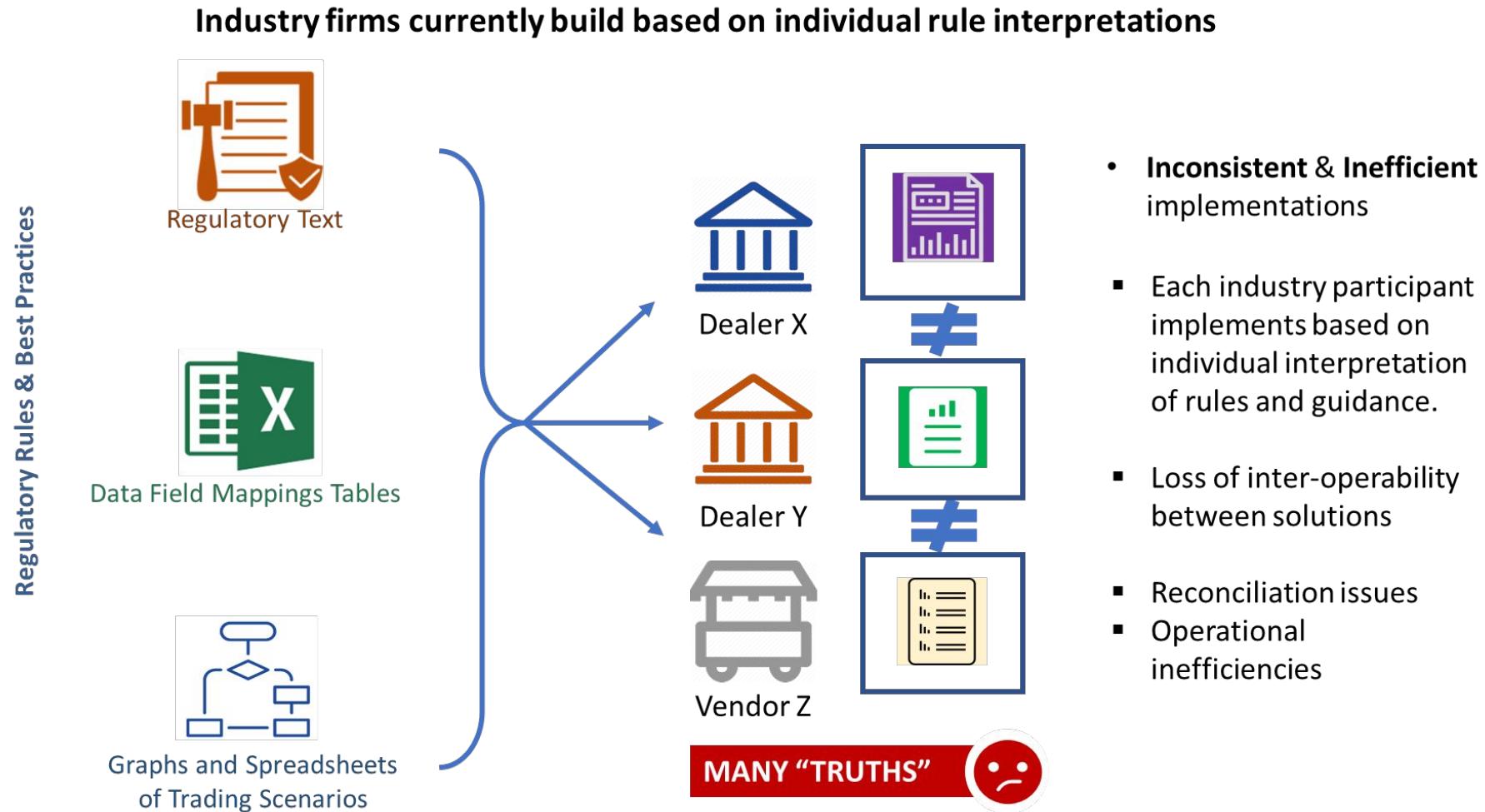
Support Adoption of CDM Documentation and ECS into Production Environments of External Platforms

Validate CDM Data Structure for Margin Call Issuance and Response Standards

Engage with Members for Support and Adoption

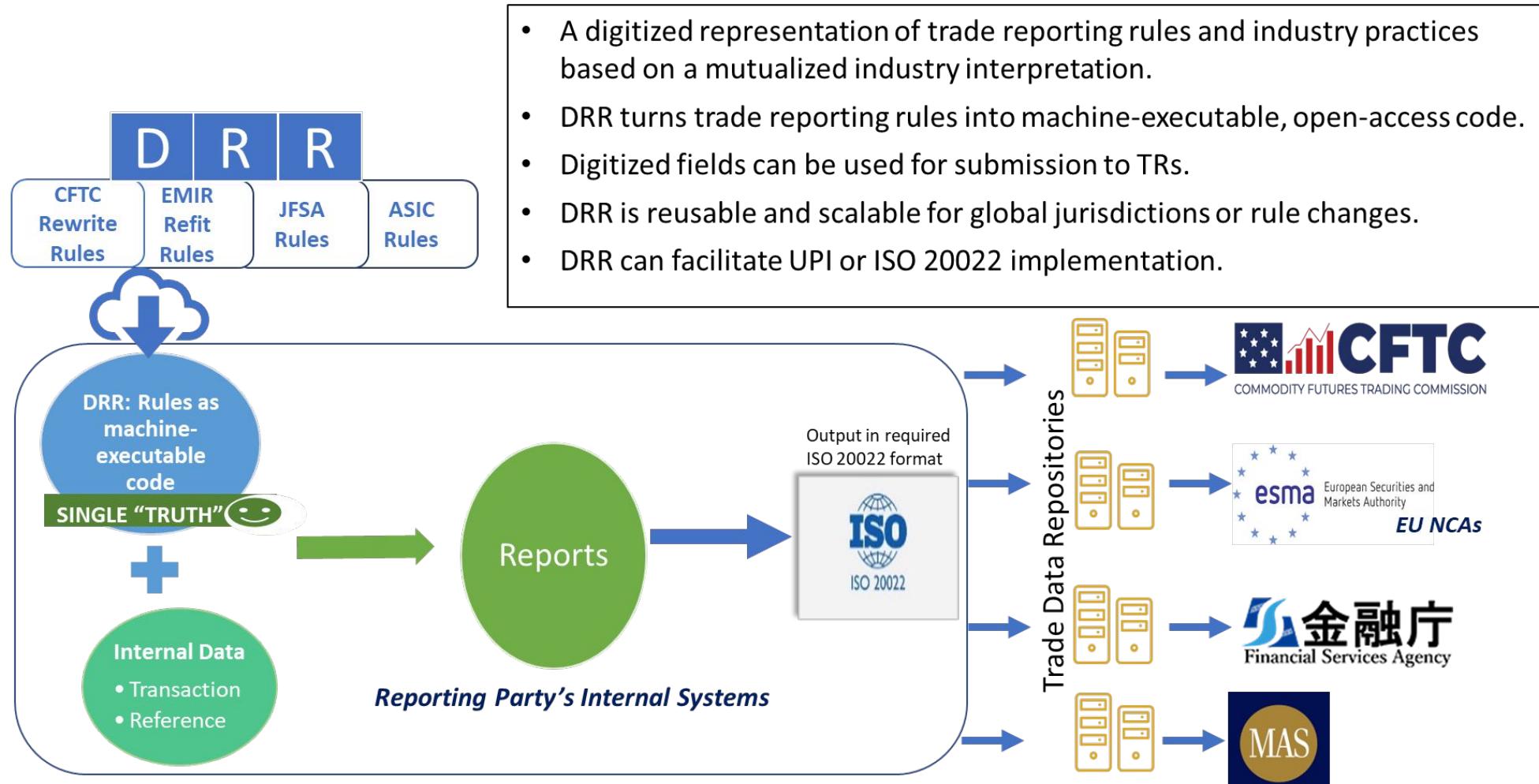
Collaboration with other Trade Associations to extend CDM Repo and Securities Lending Collateral Process

Trade Reporting Rule Implementation Today



Digital Regulatory Reporting

Trade Reporting Rule Implementation Using the DRR



Trade Reporting Rule Implementation Using the DRR

Mutualize regulatory reporting compliance effort

- Rule interpretations and compliance effort is spread across the industry

Gives you an unambiguous rule interpretation

- Reflects rules, guidance and industry best practices in an unambiguous way within the DRR model

DRR is open-access and increases transparency

- The DRR will be accessible to regulators and market participants

Defines core regulatory reporting ruleset only once

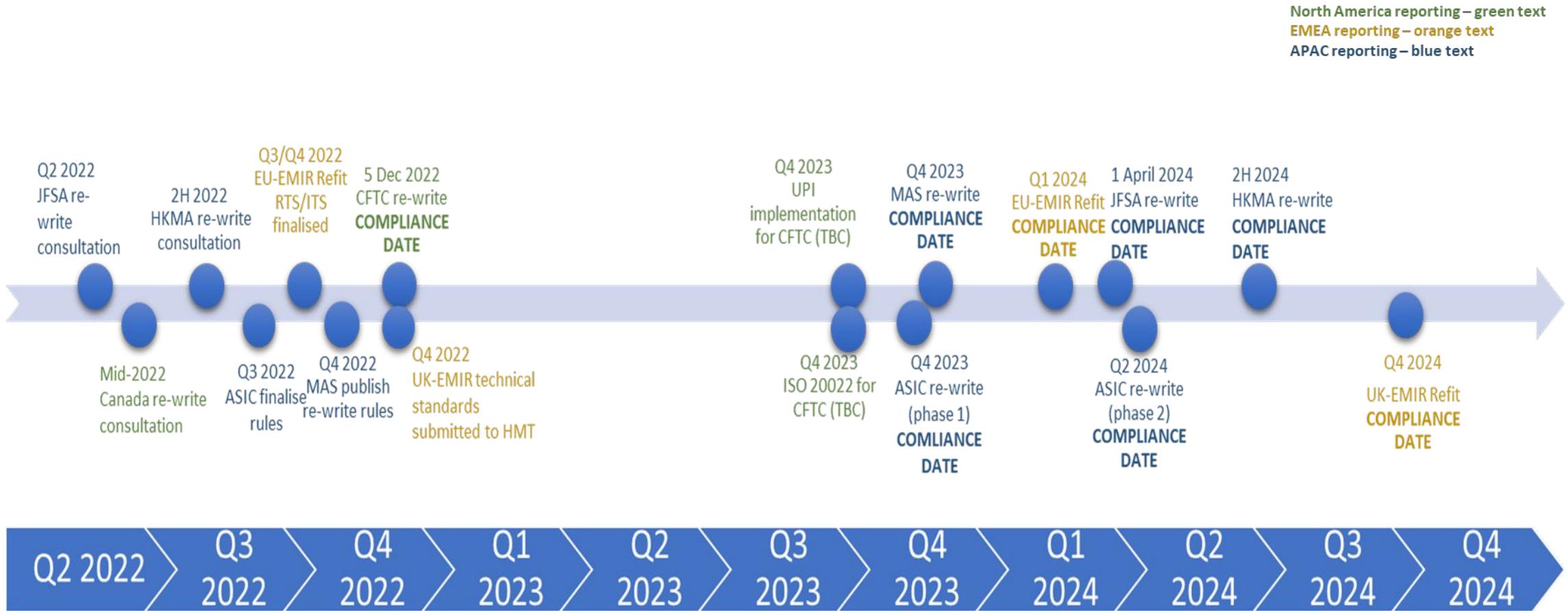
- Thereafter, only incremental efforts are required to extend the DRR model to other jurisdictions and future changes to reporting rules
- And such updates will be delivered through centralized DRR model changes

Significant resource and cost savings

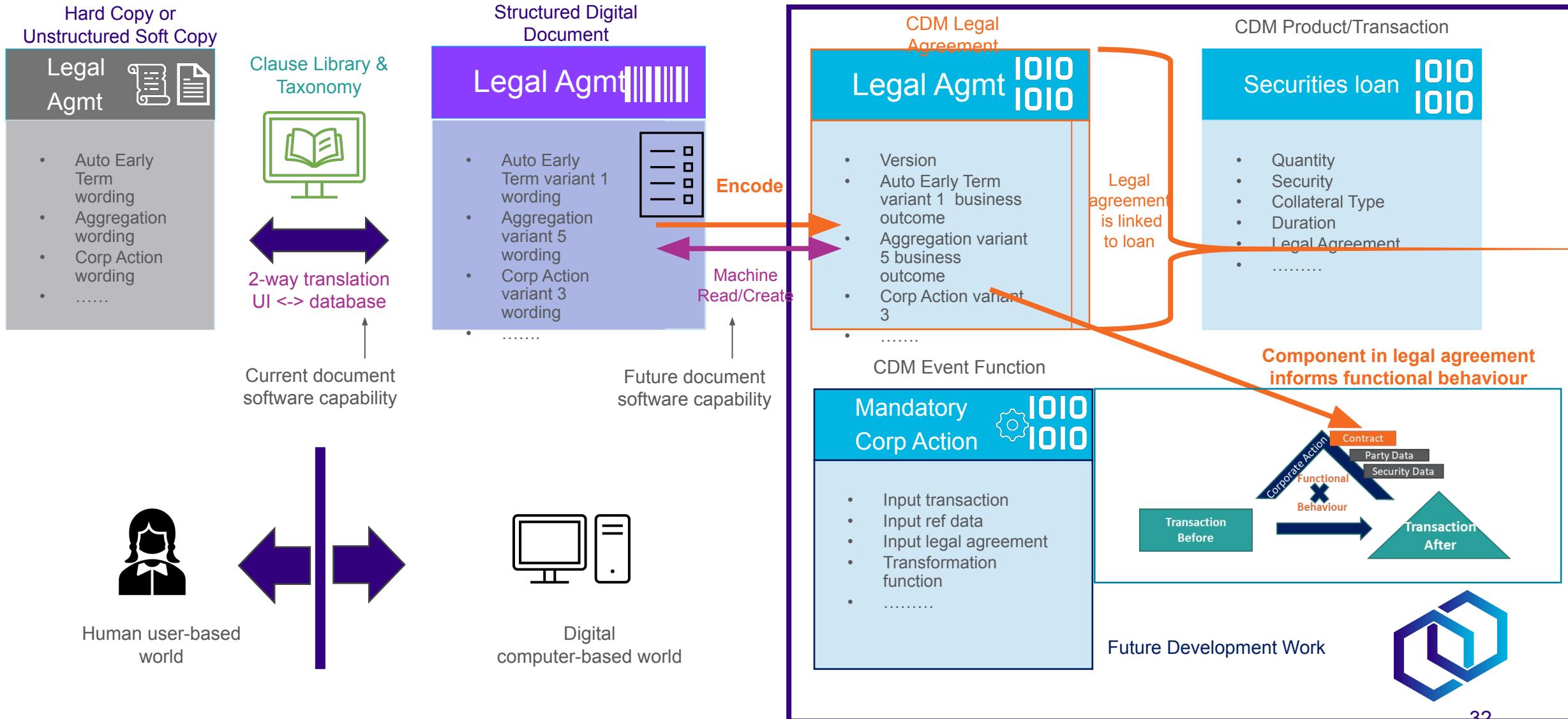
- Through the mutualized effort, firms leveraging DRR using the CDM will reap significant compliance, reporting and implementation project savings

Digital Regulatory Reporting

DRR Roadmap

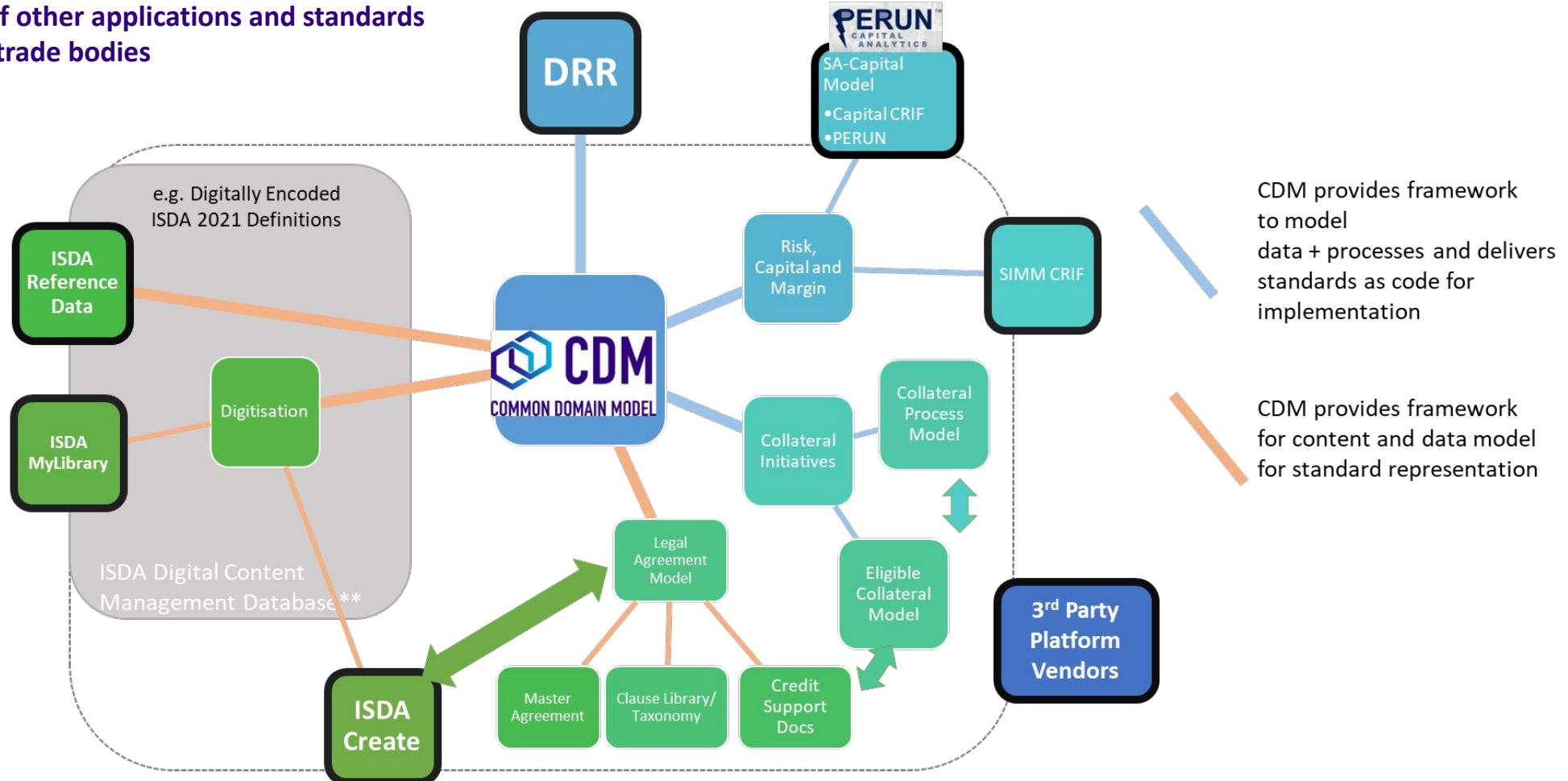


Integrating CDM and Legal Agreements



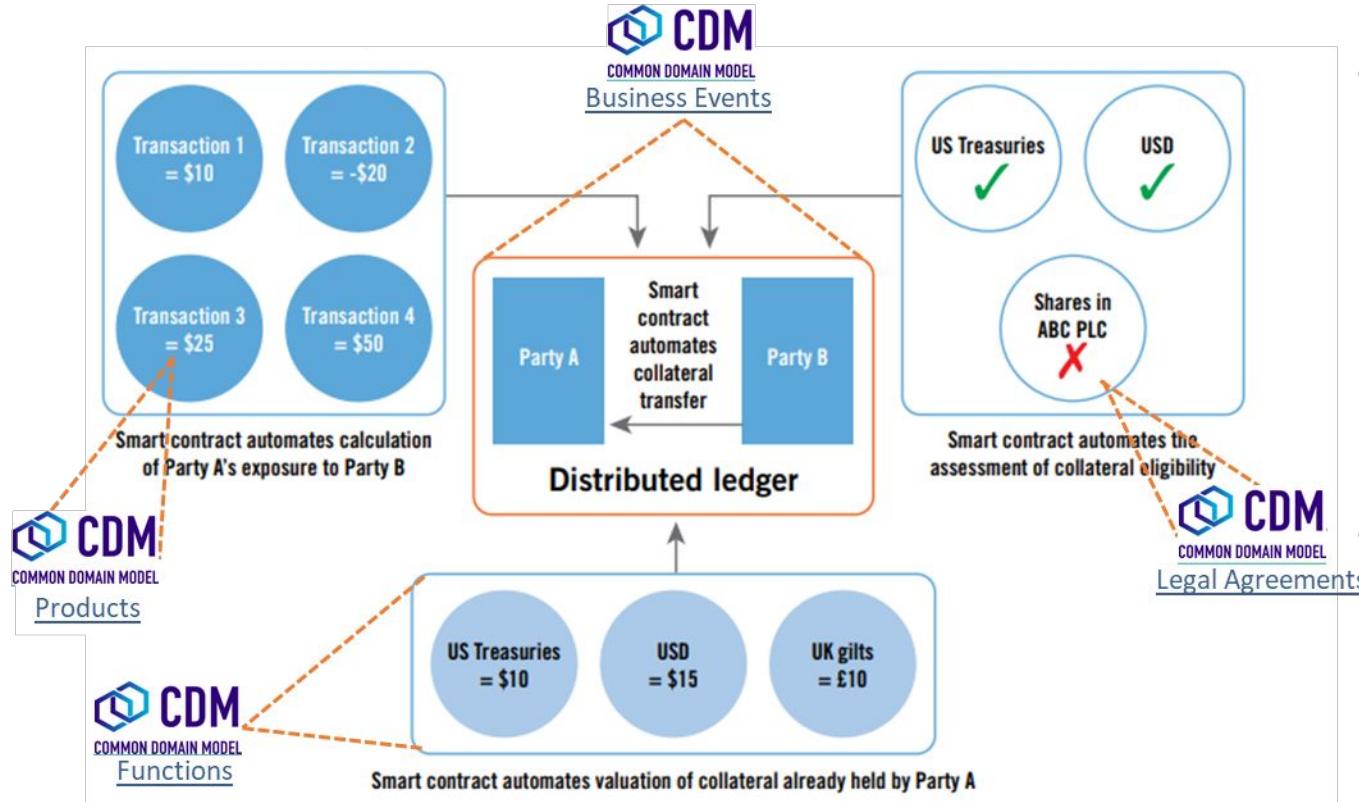
Further Use Cases: Ecosystem

CDM presents opportunities to interact with entire eco system of other applications and standards provided by trade bodies



Further Use Cases: Smart contract technology support

Use case: Aid the consistent and robust implementation of smart derivatives contracts applications and related upcoming technologies



- Many collateral processes such as:
 - The valuation of exposure and margin requirements;
 - Assessing collateral eligibility;
 - Exchange and return of collateral assets,
 - use conditional logic and could benefit from increased automation.
- This example provides an illustration of a potential smart derivatives contract construct that is designed to automate certain aspects of the collateral management process.

Further Use Cases

Integration with CRIF standard for FRTB, SIMM, and SA-CVA reporting

Transcribe legally prescribed functional clauses from ISDA Def into machine readable and human readable codified functions

Facilitate more efficient re-use of data e.g. data template for large volume of increases of an Equity portfolio swap

Set a standard for the efficient digitalisation of collateral related margin process

Assert and mutualise the standardised encoding and capacity for implementation of legal clauses supporting the life cycle events of derivative transactions.

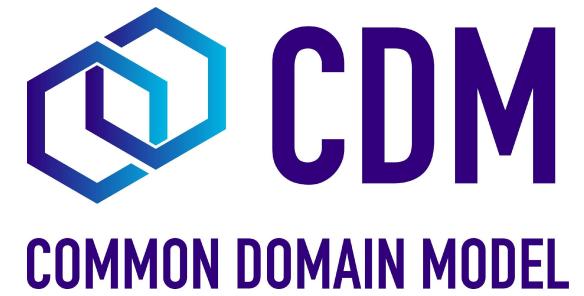
Express the CCP clearing handbook book that regulates the registration and clearing of a transaction into a machine readable and executable code that can be automatically generated.

Support more consistent implementation of market infrastructures processes such as clearing in tally with upcoming new innovative technologies (DLT, Cloud, Smart Contract, etc)

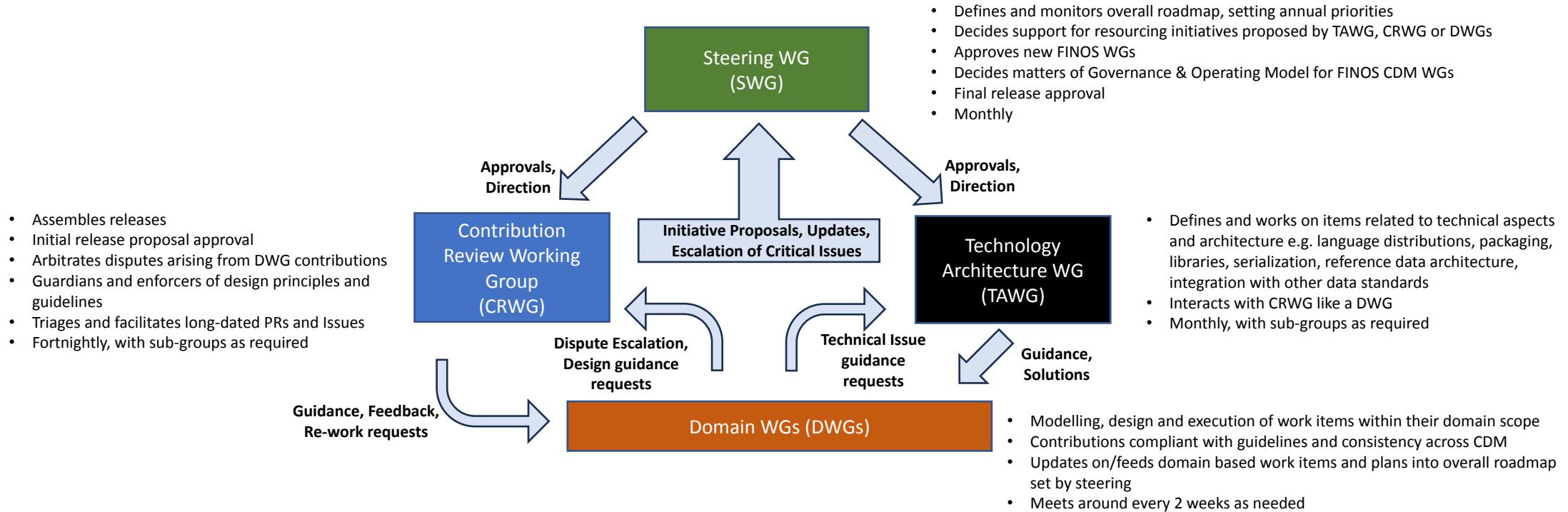
Match and store consistent trade representations that feed in “real time” FO trading systems using DLT and detect inconsistencies if any.

Aid the standardized representation of SSIs

Get Involved



How to get involved- Community Structure



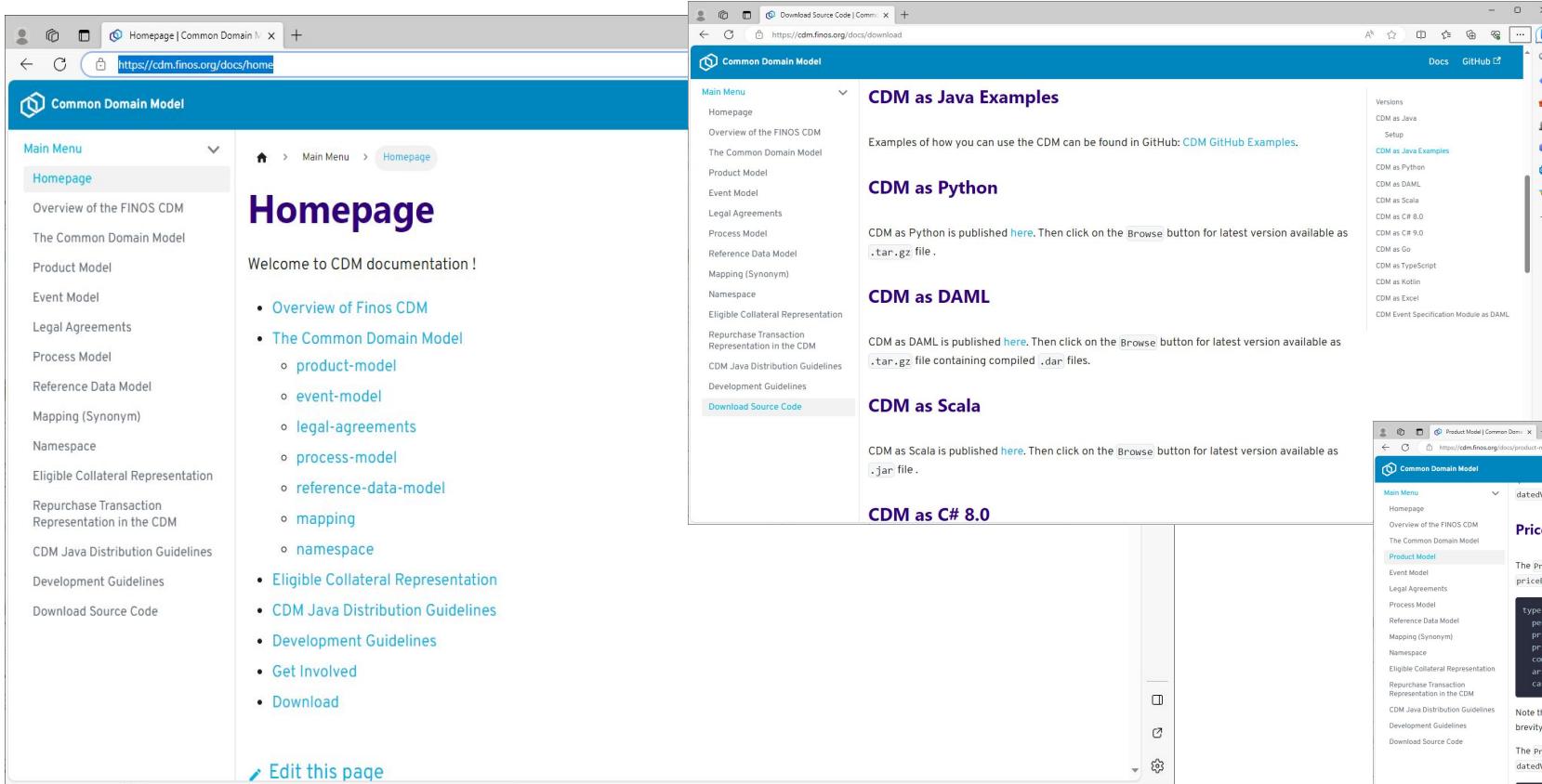
List of DWGs & their Scope as at Oct 23:

- Collateral**- Collateral schedules & processes
- Repo & Bonds**- Repo & bond products
- Securities Lending**- Securities Lending
- Derivatives Products and Business Events (DBPE)**- Derivatives products of a non-structured/exotic nature
- Structured Products**- Structured & Exotic Derivatives
- DRR Peer Review**- Digital Regulatory Reporting (Derivatives regimes)
- ISDA Legal Agreements**- ISDA Legal Agreement modelling

[FINOS groups](#)
[ISDA WGs](#)
[ISLA WGs](#)
[ICMA WGs](#)

How to get involved

Info hub for FINOS including user documentation downloadable distributions: [Homepage | Common Domain Model \(finos.org\)](#)



The screenshot displays two browser windows. The left window shows the [Homepage](https://cdm.finos.org/docs/home) of the Common Domain Model. It features a sidebar with links like Main Menu, Overview of the FINOS CDM, The Common Domain Model, Product Model, Event Model, Legal Agreements, Process Model, Reference Data Model, Mapping (Synonym), Namespace, Eligible Collateral Representation, Repurchase Transaction Representation in the CDM, CDM Java Distribution Guidelines, Development Guidelines, Download Source Code, and a 'Get Involved' link. The main content area is titled 'Homepage' and includes a welcome message and a list of links under 'Welcome to CDM documentation !'. The right window shows a detailed documentation page for 'CDM as Java Examples'. It has a sidebar with links for various language bindings: Versions (CDM as Java, Setup, CDM as Java Examples, CDM as Python, CDM as DAML, CDM as Scala, CDM as C# 8.0, CDM as C# 9.0, CDM as Go, CDM as TypeScript, CDM as Kotlin, CDM as Excel, CDM Event Specification Module as DAML). The main content area contains sections for 'CDM as Java Examples', 'CDM as Python', 'CDM as DAML', 'CDM as Scala', and 'CDM as C# 8.0'. Each section provides a brief description and a link to the GitHub repository. A third window, partially visible at the bottom, shows the 'Product Model' documentation for the 'Price' data type.

Homepage

Welcome to CDM documentation !

- [Overview of Finos CDM](#)
- [The Common Domain Model](#)
 - [product-model](#)
 - [event-model](#)
 - [legal-agreements](#)
 - [process-model](#)
 - [reference-data-model](#)
 - [mapping](#)
 - [namespace](#)
- [Eligible Collateral Representation](#)
- [CDM Java Distribution Guidelines](#)
- [Development Guidelines](#)
- [Get Involved](#)
- [Download](#)

[Edit this page](#)

CDM as Java Examples

Examples of how you can use the CDM can be found in GitHub: [CDM GitHub Examples](#).

CDM as Python

CDM as Python is published [here](#). Then click on the [Browse](#) button for latest version available as [.tar.gz](#) file.

CDM as DAML

CDM as DAML is published [here](#). Then click on the [Browse](#) button for latest version available as [.tar.gz](#) file containing compiled [.dar](#) files.

CDM as Scala

CDM as Scala is published [here](#). Then click on the [Browse](#) button for latest version available as [.jar](#) file.

CDM as C# 8.0

Price

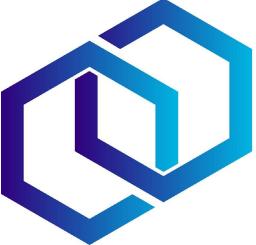
The `PriceSchedule` data type extends the `MeasureSchedule` data type with the addition of the `priceExpression` and `perUnitOf` attributes, which together further qualify the price.

```
type PriceSchedule extends MeasureSchedule:  
    perUnitOf UnitType (0..1)  
    priceType PriceTypeEnum (1..1)  
    priceExpression PriceExpressionEnum (0..1)  
    composite PriceComposite (0..1)  
    arithmeticOperator ArithmeticOperationEnum (0..1)  
    cashPrice CashPrice (0..1)
```

Note that the conditions for this data type are excluded from the snippet above for purposes of brevity.

The `Price` data type further constrains the `PriceSchedule` data type by requiring the `datedValue` attribute to be absent.

```
type Price extends PriceSchedule:  
    condition AmountOnlyExists:  
        value exists and datedValue is absent
```



CDM

COMMON DOMAIN MODEL

The Common Domain Model is brought to you by:

