

Introducing the Common Domain Model (CDM) for repo and bonds

Gabriel Callsen, Director, Market Practice and Regulatory Policy, ICMA

CDM for repo and bonds - Event agenda

CEST	Agenda
10.00	Welcome remarks Martin Scheck, Chief Executive, ICMA
10.05	Intro to ICMA CDM project Gabriel Callsen, Director, Market Practice and Regulatory Policy, ICMA
10.10	CDM Demonstration <ul style="list-style-type: none"> • Saeid Attarian, Data Modeller, REGnosys • Nigel Cobb, Senior Data Modeller, REGnosys • Thomas Healey, Founder-Director, FINXIS LLC
10.35	Panel discussion Moderator: Gabriel Callsen, Director, Market Practice and Regulatory Policy, ICMA Panellists: <ul style="list-style-type: none"> • Andrea Prampolini, Head of Financial Markets Analytics and Digital Solutions, IMI Corporate & Investment Banking Division, Intesa Sanpaolo • Gerard Denham, Senior Vice President, Fixed Income Funding & Financing, Eurex • Andy Diplock, Director - Prime Services FI Financing, Barclays plc • Nicholas Hamilton, Executive Director - Global Fixed Income Middle Office, Architecture, Network & Advocacy, JPMorgan • Paul Jones, Repo Product Manager, Tradeweb • Ruddy Vincent, Director - Data and Digital Solutions, ISDA
11.20	Q&A
11.25	Concluding remarks Andy Hill, Senior Director, Market Practice and Regulatory Policy, ICMA
11.30	Event Close

ICMA CDM Steering Committee



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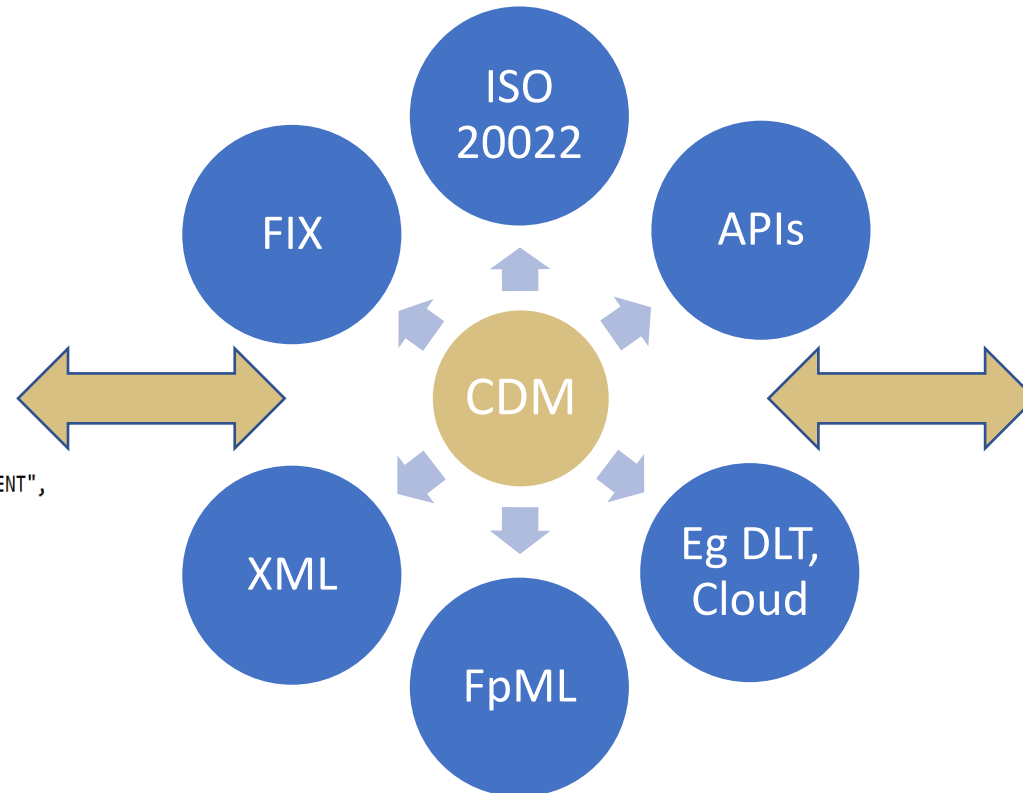
ISDA

ISLA

REGnosys

CDM: A common language for trade processing

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Each party uses the CDM as 'common denominator' or 'common language' to process repo and bond, securities lending and derivative transactions.

CDM project for repo and bonds

❑ Deliverable:

- CDM extension for repo and bonds, building on ISDA's and ISLA's work, designed for implementation in a production environment.

❑ Project Duration:

- February – July 2021

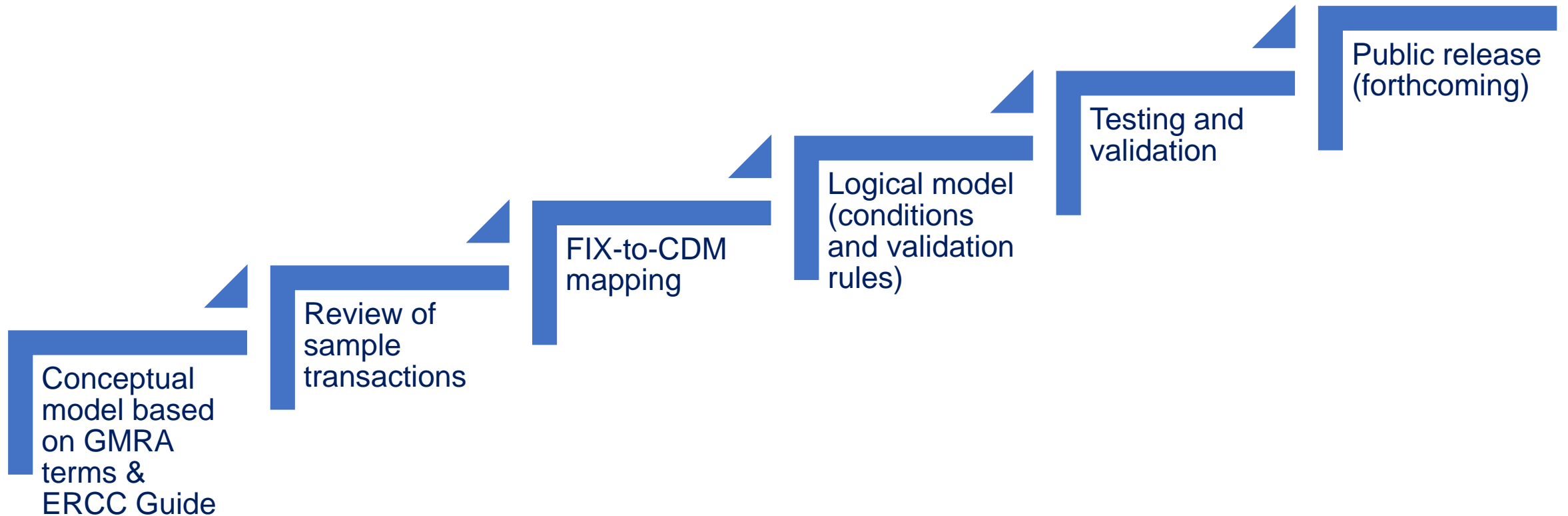
❑ Scope:

- 'Standard' fixed-term repo transaction.
- Execution, clearing, settlement.
- Bond transaction representation – data points required for settlement.

❑ Target users:

- Market participants active in repo and bond markets.
- Financial market infrastructures.
- Vendor firms.

Modelling approach – CDM for repo and bonds



Industry-wide benefits of the CDM

- ❑ **Interoperability** => Connecting systems internally and externally based on common language, increasing efficiency, reducing friction and risk of fragmentation.
- ❑ **Automation** => Streamlining trade processing, reducing need for manual intervention to reconcile transaction details, but also facilitating regulatory reporting.
- ❑ **Innovation** => Enabler for applications of new technologies and business models.
- ❑ **Cross-industry collaboration** across bond, repo, securities lending and derivative markets.



ISDA

ISLA

Delivering cost savings & enabling new revenue opportunities

CDM implementation

- ❑ Re-platforming or system upgrades
- ❑ Entering new electronic markets
- ❑ Establishing new IT infrastructure (eg in emerging markets or frontier markets)

Common Domain Model (CDM) for repo and bonds Factsheet

What is it?
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. The ICMA CDM project will provide an unambiguous, digital representation of repo and bond transactions in the form of code. It builds on legal definitions from the Global Master Repurchase Agreement (GMRA) and the ERCC Guide to Best Practice in the European Repo Market.

Who can use the CDM for repo and bonds?
The CDM is designed to be used by:

- Repo market participants transacting in various repo structures and currencies, using different execution venues, protocols, and vendor solutions;
- Market infrastructures and vendor firms in repo and collateral markets
- Firms seeking to enter the repo market by using a standardised industry model

What are the benefits of the CDM for repo and bonds?
Implementation of the CDM is expected to:

- Create greater internal efficiencies for firms' various processes and IT applications: eg trade execution and confirmation, risk management, regulatory reporting, reconciliations and settlement.
- Facilitate onboarding and improve interoperability between market infrastructures, including trading venues, order/execution management systems, CSDs, CCPs, and trade repositories;
- Enhance consistency of regulatory transaction and trade reporting (IMFR / SFR);
- Lay a common foundation for developing new technologies such as distributed ledger and cloud services.

What is the scope of the CDM for repo and bonds?

- Standard fixed-term repos, with a single ISIN as collateral, which is the most commonly transacted repo structure.
- Bonds, both as the underlying collateral of a repo and as a standalone transaction.
- Key lifecycle events: trade execution, clearing and settlement.

July 2021

CDM for repo and bonds factsheet (Overview)

CDM Factsheet for Implementation

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. The product scope of the CDM includes OTC derivatives, cash securities, securities financing, and commodities.

A single, digital processing standard for trade events and actions enhances financial markets' operational efficiency in several ways.

The CDM components
There are three sets of CDM components, as laid-out in the CDM components diagram below:

- The Rosetta DSL
- The ISDA CDM Distribution
- CDM Application

CDM Components Diagram

The diagram illustrates the flow from Rosetta DSL (Open Source) to CDM Distribution (Open Source) and finally to CDM Application. Rosetta DSL includes Rosetta DSL Language (DSL), Code Generation, and Other Code Generation. CDM Distribution includes Model Definition (Rosetta), Executable Code Distribution (Java), and Other Executable Code Distribution (Lisp, etc.). CDM Application includes Rosetta Core DSL (Reference Applications), Translation, and Applications for Other Service Providers.

CDM for repo and bonds factsheet (Implementation)

Thank you for your attention

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Useful links:

[CDM Rosetta portal](#)

ICMA [CDM](#) resources

ICMA FinTech [Overview](#)

ICMA [Podcasts](#) :

- The Common Domain Model – fundamental & genesis

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