

Common Domain Model (CDM) for repo and bonds



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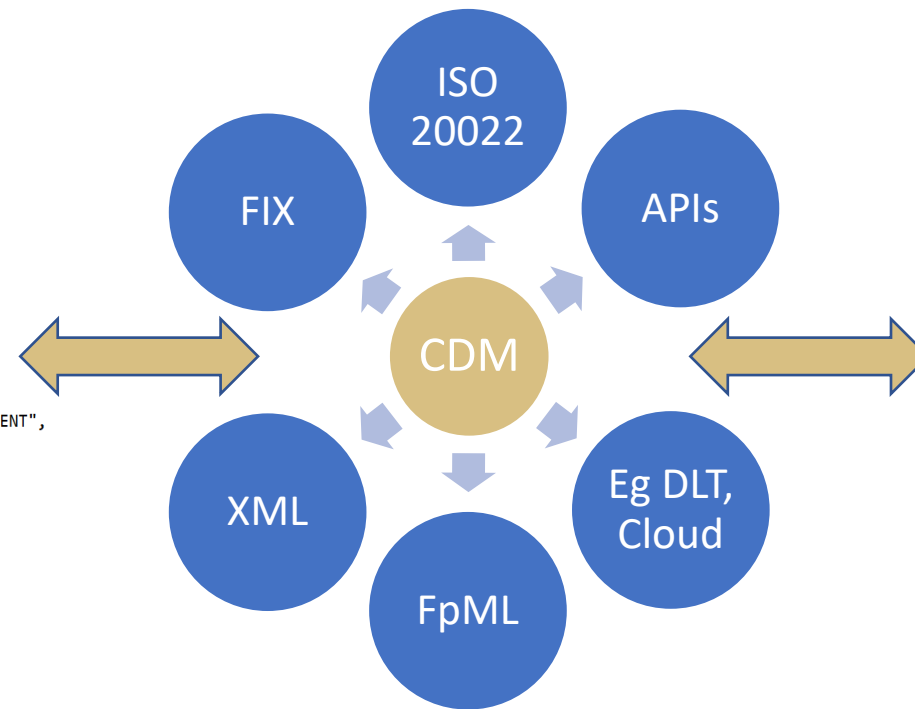
in collaboration with REGnosys

Gabriel Callsen, Director, ICMA

- 1) Benefits of the CDM**
- 2) How to access the CDM for repo and bonds**
- 3) CDM resources: Demos, factsheets and supporting materials**
- 4) Results of ICMA's CDM survey to the ERCC**

CDM for repos and bonds – Benefits

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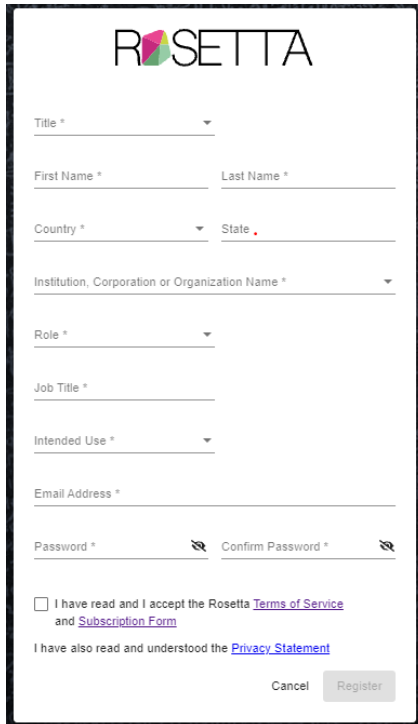
Each party uses the CDM as 'common denominator' or 'common language' to process repo transactions.

Benefits:

- ***Industry-wide efficiency gains***
- ***Interoperability***
- ***Common foundation for innovation***
- ***Cross-industry collaboration: ICMA, ISDA, ISLA***

How to access the CDM for repo and bonds

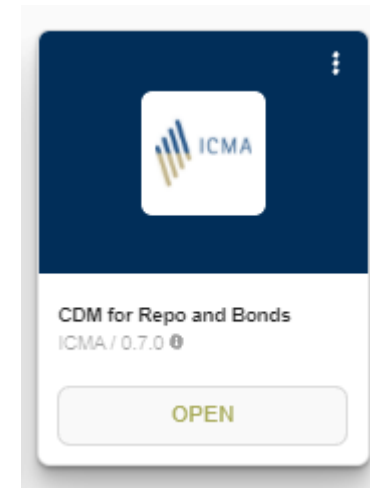
1. New users: Register via the Rosetta portal:
<https://ui.rosetta-technology.io/#/register>



The image shows a registration form for the Rosetta platform. At the top is the Rosetta logo. Below it are several input fields: Title (dropdown), First Name and Last Name (text), Country (dropdown) and State (dropdown), Institution/Corporation/Organization Name (dropdown), Role (dropdown), Job Title (text), Intended Use (dropdown), Email Address (text), Password (text with eye icon) and Confirm Password (text with eye icon). At the bottom, there is a checkbox for accepting the Terms of Service and Subscription Form, and a link to the Privacy Statement. There are 'Cancel' and 'Register' buttons at the bottom right.

2. Existing users of ISDA CDM: use the same credentials to log in via <https://ui.rosetta-technology.io> to Rosetta.

3. Contact ICMA (fintech@icmagroup.org) to request access.
4. You will need to log off and back in to see CDM for Repo and Bonds workspace.



CDM resources

- ❑ **Demos and recordings** of ICMA's CDM showcase event held on 21 July 2021 are available here:
 - [CDM in action – execution, clearing and settlement of a repo transaction by FINXIS LLC](#) (8 mins)
 - [An introduction to Rosetta by REGnosys](#) (5 mins)
 - [Common Domain Model \(CDM\) for repo and bonds](#) (1hr 25min)
- ❑ The factsheets and further information can be found on **ICMA's [CDM webpage](#)**.

❑ CDM factsheets:



CDM for repo and bonds Factsheet

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. Initially developed by ICMA for derivatives, the initial phase of CDM's CDM project for repo and bonds, concluded in July 2021, provides an unambiguous, digital representation of repo and bond transactions in the form of code.

What is the scope of the CDM for repo and bonds?
It builds on prior editions from the Global Master Repurchase Agreement (GMRA) and the ISDA Study to Reuse (ISDA Study to Reuse) in the European Repo Model.

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

- Repos market participants transacting in various repo structures and currencies, using different execution venues, platforms, and asset classes.
- Related infrastructure and service 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, as a 'common language' is expected to:

- Create greater financial efficiency for firms' various processes by enabling IT applications to 'speak to each other', optimise back-office operations, to settlement, risk management, regulatory reporting.
- Facilitate cross-currency and cross-jurisdictional transactions between market infrastructure, including trading venues, order execution management systems, CDM, CCPs, and trade repositories.
- Enhance consistency of regulatory reporting under SFTR or MiFID II.
- Lay a common foundation for developing new technologies such as distributed ledger and cloud services.

Resources

- [ICMA CDM webpage](#) includes a [summary](#) of the initial phase of CDM for repo and bonds repo on 21 July 2021. Technical specifications are available here.
- [Repo CDM v1.01 – standard specification](#) (addressed to a [public repository](#) by 21 July 2021) (10 mins)
- [Presentations by ICMA and CDM project](#)

Cross-industry collaboration
The CDM is a cross-industry initiative between ICMA, ISDA and ISLA, accelerated by the ISDA [agreed](#) on 2 August 2021.

ICMA contacts
[Gunter Gassen, Director](#)
[mailto:gunter.gassen@icma.org](#)
[https://www.icma.org/repo](#)

Human Market, Australia
[https://www.humanmarket.org.au](#)

August 2021



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

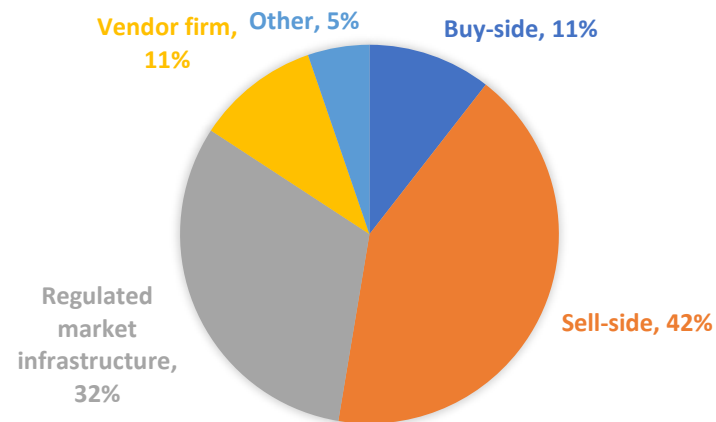
CDM Components Diagram

The diagram illustrates the CDM components and their relationships. It is divided into three main sections: Rosetta DSL (Open Source), CDM Distribution (Open Source), and CDM Application. The Rosetta DSL section includes the Rosetta DSL (Open Source) and the Rosetta DSL (Open Source) components. The CDM Distribution section includes the CDM Distribution (Open Source) and the CDM Distribution (Open Source) components. The CDM Application section includes the CDM Application (Open Source) and the CDM Application (Open Source) components. The diagram shows how these components interact to form the CDM ecosystem.

CDM survey to the ERCC community

- ❑ Survey conducted from mid-August until End of September 2021.
- ❑ The purpose was to gather members' views on potential next steps, priorities and considerations for implementation in relation to the CDM from a repo perspective.
- ❑ 19 organisations participated in the survey:

% OF RESPONDENTS



CDM survey to the ERCC community

□ Key take-aways:

- Respondents agreed unanimously that they see value in further extending the CDM going forward.
- Priorities for future development of CDM:
 1. Transaction management - Model unambiguous representation of lifecycle events and processes
 2. Repo structures - Model other repo structures (floating-rate repos, open repos)
 3. Collateral management - Model unambiguous representation of collateral-focused processes
 4. Regulatory reporting (eg future review of SFTR)
 5. Synonym mapping (eg FIX or Swift to CDM) to facilitate translation in and out of CDM
 6. New applications in repo markets (eg tokenisation and related events and processes)
- Priorities in terms of IT budget allocation over next 5 years:
 - Regulatory reporting and compliance (71%)
 - Developing new products and services (59%)

Thank you for your attention

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Useful links:

ICMA [CDM Rosetta portal](#)

ICMA [CDM](#) webpage

ICMA FinTech [Overview](#)

ICMA [FinTech newsletter](#)

ICMA [Podcasts](#) – Recent additions:

- How FinTech is changing capital markets
- The Common Domain Model – fundamental & genesis

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