The digital transformation of primary bond markets continues to accelerate. An ever-growing number of vendor solutions are coming to the market, targeting different areas of the bond issuance process. A key focus for market participants is the risk of fragmentation resulting from the rapid growth of technology solutions. While some providers compete in particular areas such as bookbuilding or investors’ order submissions, none of the solutions covers the entire front-to-end process. Connecting with different solutions as seamlessly as possible is therefore critical.

### Barriers to further automation of primary bond markets:

- Risk of fragmentation arising from a growing number of vendor solutions.
- Current industry guidelines and vendor solutions focus on separate, but interlinked steps of the issuance process.
- Exchanging data or ‘connecting the dots’ becomes increasingly challenging between internal systems, vendor solutions, and market infrastructures.

### What is the BDT?

In order to address these barriers, ICMA launched the Bond Data Taxonomy (BDT) Working Group, formerly referred to as Common Data Dictionary (CDD) Working Group, to create an agreed language to represent key bond characteristics.

The Group comprises a wide array of market participants active in the primary bond markets, including SSA issuers, banks, investors, law firms, market infrastructure providers and vendors.

The BDT, which includes machine-readable definitions of key fields, expected values, and relevant ISO elements, as well as examples and a user guide, is available for download from the ICMA website.

### What are the benefits of the BDT?

Implementation of the BDT as a ‘common language’ is expected to:

- Promote straight-through-processing (STP) and interoperability, assisting firms involved during the issuance process and streamlining post-trade operations.
- Be vendor agnostic, facilitating the exchange of data between multiple solutions and systems.
- Lay a common foundation for leveraging new technologies, such as distributed ledger, and developing new services.

### What is the initial focus?

The Group has built a consensus to represent:

- Key economic terms of a vanilla bond (e.g., nominal amounts, denominations, currencies, and interest payment related information).
- Key dates (e.g., pricing, settlement, issue dates).
- Other information that is typically included within a term sheet (e.g., status of the note, relevant parties, ratings).

This involved the review of various market practices, standards (such as ISO standards), and other stakeholder specifications for the group to reach a common understanding for representing bond data.

### What are the next steps and how can you be involved?

ICMA will review the Bond Data Taxonomy periodically and expand its scope in line with market developments and member demand.

All market constituents are welcome to engage in the direction and development of the BDT.

### Resources

See ICMA’s [Bond Data Taxonomy webpage](#) for further information.

### Contact us

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