# CDM for repo and bonds
## Factsheet

**ICMA**
International Capital Market Association

## 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 ISDA for derivatives.

The initial phase of ICMA'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.

It builds on legal definitions from the Global Master Repurchase Agreement (GMRA) and the ERCC Guide to Best Practice in the European Repo Market.

## 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.

* Lifecycle events: trade execution, clearing and settlement of a repo transaction.

* Bonds, both as the underlying collateral of a repo and as a standalone transaction, including key data points required for settlement.

## 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.

* The CDM for repo and bonds is now available to ICMA member firms via the Rosetta portal. New users are required to register first, and contact ICMA to be granted access.

    *Note:* ICMA intends to merge in due course the CDM for repo and bonds with the open source CDM for derivatives and securities lending developed by ISDA and ISLA respectively.

## What are the benefits of the CDM for repo and bonds?

Implementation of the CDM, as a 'common language' is expected to:

* Create greater internal efficiencies for firms' various processes by enabling IT applications to 'speak to each other', eg from trade execution, operations, to settlement, risk management, regulatory reporting.

* Facilitate onboarding and improve interoperability between market infrastructures, including trading venues, order/execution management systems, CSDs, CCPs, and trade repositories.

* Enhance consistency of regulatory reporting (eg under SFTR or MiFID II/R).

* Lay a common foundation for developing new technologies such as distributed ledger and cloud services.

## Resources

ICMA's CDM webpage includes a recording of the virtual event of CDM for repo and bonds held on 21 July 2021. Individual demonstrations are available here:

* Watch CDM in action – execution, clearing and settlement of a repo transaction by FINXIS LLC (8 mins)

* Presentations by ICMA and REGnosys.

## Cross-industry collaboration

The CDM is a cross-industry initiative between ICMA, ISDA and ISLA, as reflected by the MoU signed on 2 August 2021.

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