Common Domain Model (CDM) for repos and bonds

In collaboration with ISDA and Regnosys

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**Current state:** Each party captures repo trade data and repo lifecycle events in different ways – e.g. repo interest, marging, collateral substitution.

**Disadvantages:** Reconciliation resulting from duplication and inconsistencies of data and processes.

**Future state:** Each party uses the CDM trade processing model as ‘common denominator’ or ‘common language’ to process repo transactions.

**Benefits:** Interoperability, STP, innovation.
Same code implemented by each party, compatible with existing messaging protocols and data standards.
Latest CDM Repo Workshops and Next steps

✓ ICMA working group of sell-sides, buy-sides, trading venues and technology providers met in July and August
✓ Defining draft specifications for repo model in the CDM
  ✓ Fundamental components: securities & cash
  ✓ Repo specific-components, differentiating the structure of a repo and collateral
  ✓ Interest calculation
  ✓ Scenarios (eg overnight uncleared, 3-month fixed)
✓ Initial gap analysis:
  ✓ Between ISDA’s derivatives CDM and components for modelling repos
  ✓ Potential FpML legacy issues (eg concept of price and notations)?

Next steps:
❑ Finalising legal agreement with Regnosys
❑ Finalising governance and IP arrangements with ISDA
CDM for repos and bonds – Next steps

- Kick-off planned for 2\textsuperscript{nd} half of October. Weekly meetings to be scheduled.
- Expected duration of initial engagement: 8-12 weeks

**Requirements:**
- Anonymised sample data are key → Model only as good as sample data
- Coordination with internal data modelling functions and IT
Thank you for your attention

Any questions?

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