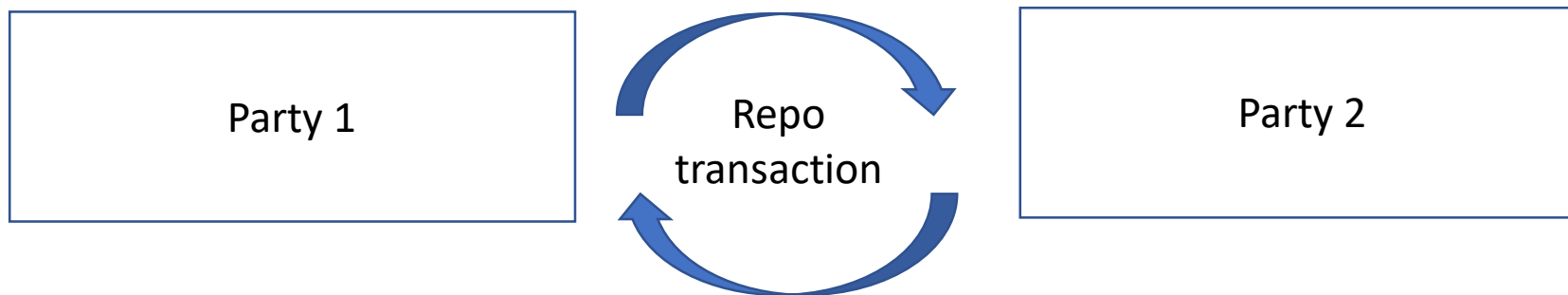


Common Domain Model (CDM) for repos and bonds

In collaboration with ISDA and Regnosys

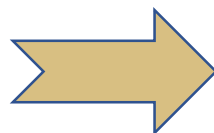
Gabriel Callsen, Director, ICMA

CDM for repos and bonds – Current and future state



Current state: Each party captures repo trade data and repo lifecycle events in different ways – eg repo interest, margining, collateral substitution.

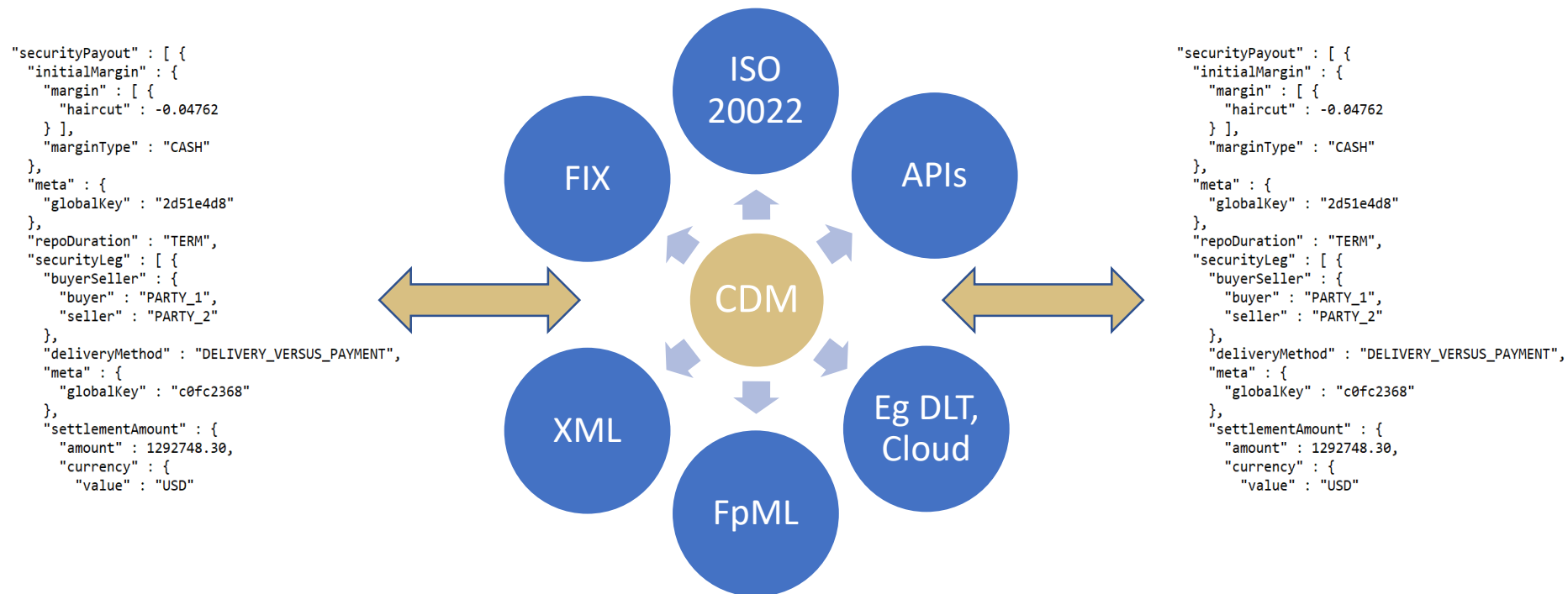
Disadvantages: Reconciliation resulting from duplication and inconsistencies of data and processes.



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

Benefits: Interoperability, STP, innovation.

CDM for repos and bonds – Future state



Same code implemented by each party, compatible with existing messaging protocols and data standards.

Latest CDM Repo Workshops and Next steps

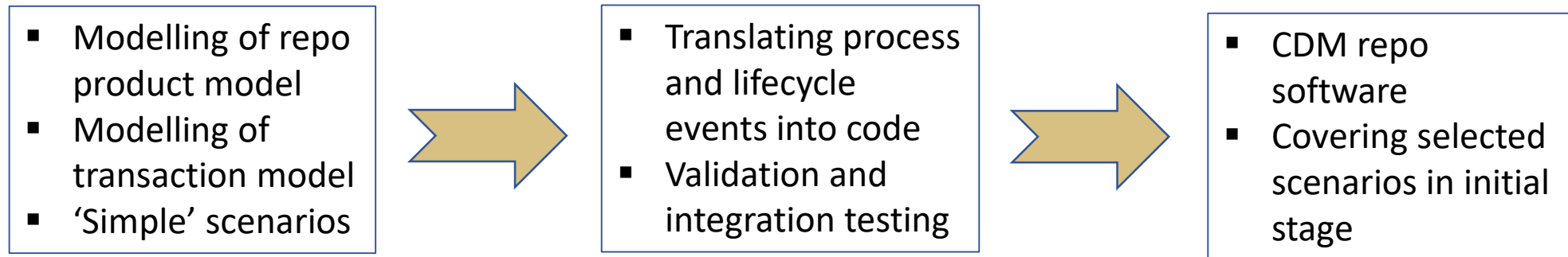
- ✓ ICMA working group of sell-sides, buy-sides, trading venues and technology providers met in July and August
- ✓ Defining draft specifications for repo model in the CDM
 - ✓ Fundamental components: securities & cash
 - ✓ Repo specific-components, differentiating the structure of a repo and collateral
 - ✓ 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 2nd 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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