ISDA CDM enables interoperability between systems/services, removing burden of setting up connections to different systems/entities, laying groundwork for STP.

E.g. collateral management: A CSA shared with two collateral management systems, in different parts of the collateral process. If data + processes are defined in ISDA CDM, it allows for portability and easy interchange of information.

ISDA CDM promotes transparency and alignment between regulators and market participants.

E.g. regulatory obligations, such as reporting* or stress testing, could be met by specifying via code that certain CDM components or data should be collected in a certain way. This will drastically improve fidelity and integrity of regulatory outcomes.

ISDA CDM will speed up development of new solutions for the market by allowing providers to focus on what they specialize in – the technology – rather than requiring them to interpret and represent market events and processes individually. The resulting technology solution will also be interoperable with other offerings which are using ISDA CDM.

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Enhancing interoperability, reducing reconciliations & promoting STP

Each party captures and processes the trade and lifecycle in their own different way.

Consistent Industry Implementation of Lifecycle

Using ISDA CDM market participants implement the same code to manage trades throughout lifecycle.
In this Equity Swap example:

1) A trade gets executed, then affirmed (contract)
2) An equity reset occurs
3) A cash payment gets generated

All components required to manage the state transitions are captured and normalised in the CDM:

1) All data attributes: e.g. product details, parties
2) The state transition logic, so processes are standardised
3) Embedded validation rules, to ensure clean data

One success criteria of our upcoming workshop(s) is to build a similar sample for repos
Good news – the ISDA CDM already features (a draft of) a repo model!

- Draft needs refining: it is largely based on an (aged) FpML representation
- Only includes standard features: e.g. open or ever-green repos need to be worked on
- Some lifecycle events: e.g. corporate actions, are specific to repo and need developing
Join the ISDA CDM conversation!

The ISDA CDM is accessible in open source via the following address: http://portal.cdm.rosetta-technology.io

Please direct questions or comments to our mailbox: MarketInfrastructureandTechnology@isda.org or Provide Feedback on ISDA CDM directly via the ISDA CDM portal while logged in.