ISDA CDM™

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ISDA CDM

- **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.

Enhance interoperability & straight through processing
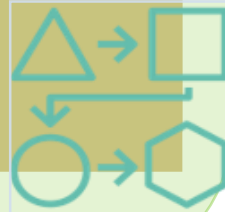
- **ISDA CDM promotes transparency and alignment** between **regulators** and market participants.

  - 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.
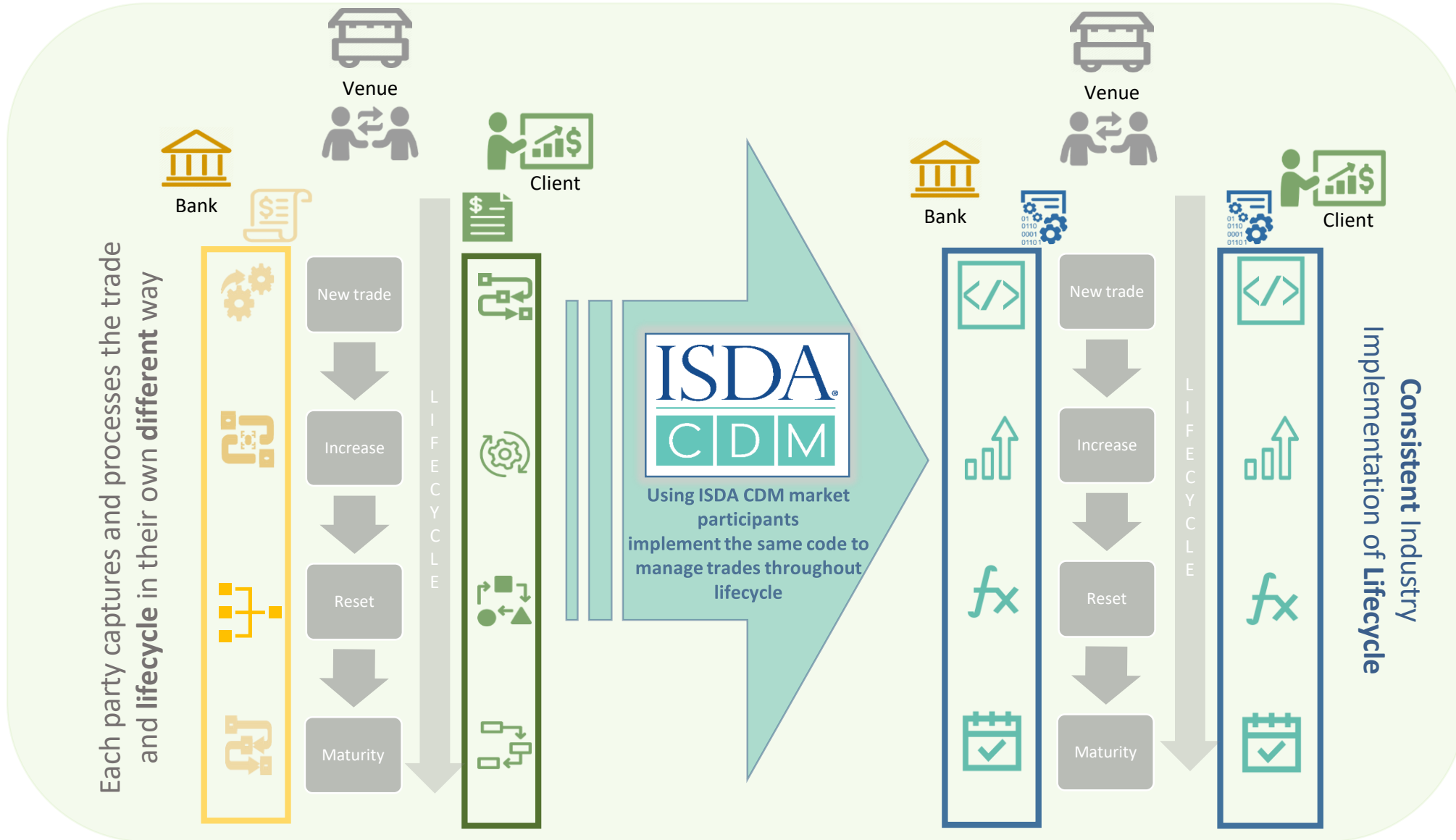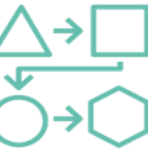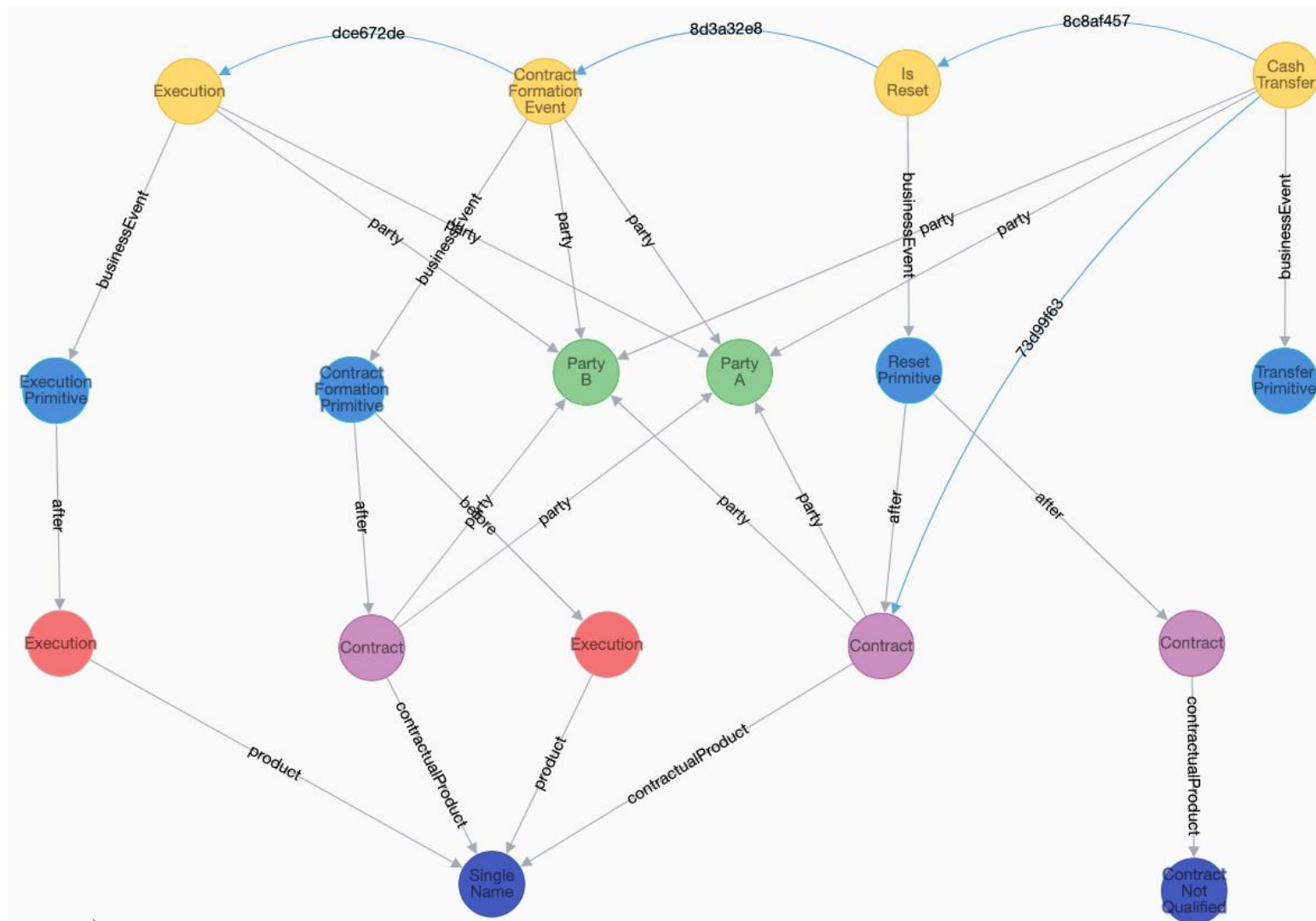
Deliver better regulatory oversight

- **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.

Creates an environment for innovation in financial markets

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

Venue

Bank

Client

LIFECYCLE

New trade → Increase → Reset → Maturity

ISDA CDM

Using ISDA CDM market participants implement the same code to manage trades throughout lifecycle

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LIFECYCLE

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Consistent Industry Implementation of **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

- 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 the our mailbox: MarketInfrastructureandTechnology@isda.org
or Provide Feedback on ISDA CDM directly via the ISDA CDM portal while logged in