Common data dictionary for primary bond markets

F Following recent roundtables with primary market constituents, ICMA has formally established the Common Data Dictionary (CDD) working group. Previous roundtables explored the risks of fragmentation resulting from a rapid growth of technology solutions, and the importance of speaking a common language for participants to communicate across different systems throughout the primary issuance process. Following member feedback, it was agreed the development of a data dictionary would promote straight-through-processing (STP) and interoperability and assist in streamlining operations or developing new services.

The CDD aims to provide a framework for representing key bond details, building on existing standards and initiatives, for market participants to map to or reference when exchanging data electronically during the issuance process of a bond. Such a dictionary would define a structure to represent fields (data points) and attributes (expected data point values). As a result, details for describing a bond are consistent with consumers of data such as issuers, underwriters, investors, lawyers, CSDs, custodians, IPAs, and vendors.

The initial focus of the group is to reach agreement on how to represent economic terms of a bond (eg nominal amount, currency, interest type, maturity date), and other information typically included within a term sheet (eg whether bearer, registered, or dematerialised). The meeting held in May invited data providers and vendor firms to share feedback on the scope of key fields highlighted by market participants, while the latest meeting in June involved building consensus on specific field requirements. Terminology discussed included current market uses of Status of the Notes, Ratings, and Form of the note, among others, based on the ICMA Primary Market Handbook wholesale final terms *pro forma.*

An iterative process will involve agreeing to a common understanding of fields flagged by the group, including expected attributes and how attributes should be represented to meet the expected benefits of a machine-readable common language. The group represents a broad constituency of ICMA members, from issuers, banks, investors, market infrastructure, law firms and vendors.

Please contact us if you would like to join.

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