

**Self-assessment questionnaire for prospective  
UPI Service Providers**

**Explanatory note**

16 July 2018

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# 1 Overview

The primary purpose of the Unique Product Identifier (UPI) is to identify the product that is the subject of a particular OTC derivatives transaction. A UPI would be assigned to each product, and regulators would be able to aggregate OTC derivatives transactions by product (using the UPI Code) or by individual reference data elements that comprise the product (such as the underlier).<sup>1</sup>

In September 2014, the FSB asked the Committee on Payments and Market Infrastructures (CPMI) and the International Organization of Securities Commissions (IOSCO) to develop global guidance on harmonisation of data elements that are reported to Trade Repositories (TRs) and are important to aggregation by authorities. Pursuant to that request, on 28 September 2017, the CPMI and IOSCO issued the UPI Technical Guidance, setting out the requirements for a UPI Code and related reference data.<sup>2</sup>

The UPI Technical Guidance contemplates the existence of one or more UPI Service Providers to assign UPIs and maintain a corresponding UPI Reference Data Library to facilitate the unique assignment of a UPI Code to each OTC derivatives product.

The FSB has issued two consultation documents on aspects of the governance arrangements for the UPI and intends to designate one or more UPI Service Provider(s). In response to the FSB's consultations, several commenters have recommended that the UPI Governance Arrangements should entail a public-private partnership. The FSB agrees that private sector participation in the governance of the UPI System is desirable, but also that it is key that Authorities maintain their oversight function.

Against this background **this document seeks self-assessments from entities that wish to be designated by the FSB as a UPI Service Provider.**

Each prospective UPI Service Provider (Respondent) is asked (by means of answering specific questions or through selective provision of additional documents) to present a business and self-governance plan that explains how the Respondent would:

- comply with the UPI Technical Guidance;
- meet the key governance criteria and provide for the relevant governance functions set forth in Section 2 below; and
- meet the Technical Guidance and address the questions mentioned in section 4 below.

Accordingly, this document contains questions on the Respondents' governance arrangements and the set of functions they would perform (Section 2) and questions on technical arrangements that would ensure their compliance with the UPI Technical Guidance (described briefly in section 3). Section 4 discusses next steps in this process.

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<sup>1</sup> Defined terms are set out in the Glossary in Annex 1 and are capitalised in this document.

<sup>2</sup> Available at <https://www.bis.org/cpmi/publ/d169.pdf>.

Respondents are expected to be fully familiar with the UPI Technical Guidance, the two FSB consultation documents<sup>3</sup> on UPI Governance Arrangements, and the CPMI-IOSCO Principles for Financial Market Infrastructures (PFMI), from which aspects of the Questionnaire are drawn.<sup>4</sup>

The FSB recognises that being a UPI Service Provider would be a complex task and that designing a business and operational model that fulfils the Technical Guidance and key governance criteria, as well as the relevant functions, may involve trade-offs. Respondents are encouraged to be candid in their submissions on where or how their proposals may fall short of full compliance on all metrics. They are requested to answer all questions in the questionnaire. They are also encouraged to attach any other relevant documentation and exhibits to support their self-assessment and provide exact references in their responses to where the answer to a given question may be found in the submitted documentation and exhibits.

The FSB mandated its working group on UPI and UTI governance (GUUG) to develop governance arrangements for the UPI System. The GUUG has developed this questionnaire for persons wishing to be designated as UPI Service Providers and the GUUG is open to requests for clarification prior to the submission of a response, and to further dialogue with Respondents thereafter.

The GUUG will assess the extent to which Respondents' proposed operations would comply with the UPI Technical Guidance, the key criteria for UPI Governance arrangements, and relevant UPI governance functions. The GUUG will then make a recommendation to the FSB on designation of one or more UPI Service Providers, including any preconditions for designation.

Any such designation will continue indefinitely, subject to each designated UPI Service Provider continuing to perform its assigned functions in a manner consistent with the Technical Guidance and the key governance criteria. In the event that a UPI Service Provider fails to adhere to the Technical Guidance or the key governance criteria, remedial action might be necessary, which could include, in extreme circumstances, de-designating the UPI Service Provider.

In its consultative documents the FSB identified a set of governance functions that would need to be performed within or in relation to the UPI System. Some but not all these functions are to be performed by UPI Service Provider(s). Furthermore, the set of functions to be performed by an individual UPI Service Provider, including (where applicable) operating the UPI Reference Data Library, may depend on whether one or more UPI Service Providers will be designated by the FSB. Respondents are welcome to offer proposals that encompass functions they see as appropriate for such a service, including, if they wish to propose it, operating the

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<sup>3</sup> Available at <http://www.fsb.org/2017/10/governance-arrangements-for-the-unique-product-identifier-upi-key-criteria-and-functions/> and <http://www.fsb.org/2018/04/governance-arrangements-for-the-unique-product-identifier-upi-second-consultation-document/>

<sup>4</sup> Available at <https://www.bis.org/cpmi/publ/d101a.pdf>.

UPI Reference Data Library alone (if a single UPI Service Providers is designated) or as part of a joint undertaking (if multiple UPI Service Providers are designated). Respondents' views on how they would interact with, or assist in creating, an Industry Representation Group (IRG) are also welcome. The FSB reserves the right to make the final decision on the allocation of all UPI-related functions taking due account of industry feedback to its second consultative document and of the responses received from prospective UPI Service Providers (i.e. the replies to this self-assessment exercise). The FSB has set out a possible allocation of functions in the second consultation document on UPI Governance Arrangements, Annex 4.<sup>5</sup> A further iteration of that allocation taking into account feedback received and further consideration by the GUUG is attached (Annex 2).

## **2 Questions related to fulfilling the FSB's key criteria for UPI governance arrangements**

The FSB consulted on its key governance criteria in its first consultation document on UPI Governance Arrangements. For ease of reference this section relists those criteria, in the form in which they were consulted on in that document. They are key criteria for selecting the Governance Arrangements. The questions in this consultation document explore certain aspects of these criteria and how Respondents would fulfil them. The designation of potential UPI Service Providers will be undertaken in light of the replies to these questions. In addition to general questions on how Respondents would ensure the fulfilment of these criteria, specific questions about certain criteria are asked below.

***Distinguishing present from future arrangements:*** The following questions generally ask Respondents to describe present arrangements or structures for carrying out the functions of a UPI Service Provider. Respondents who have no such existing arrangements, or who plan to upgrade or deepen them, are asked to set out any (additional) arrangements that would be put in place if they were to be designated as a UPI Service Provider. Such plans should be clearly distinguished from arrangements already in place.

### ***2.1 General questions related to the key governance criteria***

- Q1. How will your plan for the provision of the UPI Services ensure that you can provide service across various time zones, including support services that can accommodate all relevant jurisdictions?<sup>6</sup>***
- Q2. Where applicable, please specify (a) the current level of preparedness of the Respondent to provide the UPI Services; (b) the future proposed stages of development (e.g., recruitment, system upgrades, establishment of governance structures, etc.) should you be designated as a UPI Service Provider; and (c) for all such future stages,***

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<sup>5</sup> See footnote 3.

<sup>6</sup> At a minimum, this would include the jurisdictions that (i) are members of the CPMI or IOSCO; and (ii) that have requirements for reporting OTC derivatives trade data to TRs which refer to the UPI as a data element that is required to be reported for some or all transactions.

*(i) the proposed timeline to achieve those stages and date when you anticipate being able to deliver UPI Services, and (ii) any major dependencies that may delay reaching those stages.*

**Q3. Does your business plan envisage and provide for use cases for the UPI other than for regulatory purposes? If so, please describe those other use cases.**

## **2.2 Public interest**

*Governance should be driven by the public and regulatory interest.*

**Q4. How would your proposal fulfil the Public interest criterion? Please explain how the systems, controls, procedures and resources (human, information technology and expertise) proposed to be deployed would fulfil this criterion.**

## **2.3 Lean**

*The UPI Governance Arrangements should not be unnecessarily complex or costly.*

**There is no specific question addressing this criterion; however this criterion should be borne in mind in answering all questions.**

## **2.4 Change only as needed; Consultative change process**

**Change only as needed:** *Revisions to the UPI Governance Arrangements, the UPI Technical Guidance and the UPI System should be managed on a need-only basis and consider benefits and costs of such revisions, to minimise impacts on various stakeholders.*

**Consultative change process:** *Changes to the UPI Governance Arrangements, the UPI Technical Guidance and the UPI System (except for the day to day process of updating the data held in the UPI Reference Data Library) should allow for direct or indirect involvement of stakeholders, and should be made after public consultation where appropriate.*

**Q5. Please explain how your proposal takes into account that the UPI Governance Arrangements must meet the Consultative change process criterion and the Change only as needed criterion?**

**Q6. Is any governance body of your organisation (such as the board of directors) subject to any requirement to include customers or other external stakeholders? If so, describe the source of that requirement and how you are satisfying it.**

**Q7. Do you have one or more advisory committees, governing boards, or other structures that are designed to incorporate views of likely users of UPI Services or other external stakeholders? Such a structure could be used, by way of example and not of limitation, to seek input or decisions on product taxonomies, fees, or technological issues.**

**Q8. If the answer to question 7 is 'yes': (a) describe any such structure(s) and the scope of its remit; (b) describe whether it has any decision-making powers or is used for consultation purposes only; (c) describe the size and composition of any such structure(s); (d) describe how persons are selected to sit on any such structure(s); and**

*(e) describe any policies and procedures for promoting the inclusion of a suitable cross-section (whether by business type, geography, etc.) of representation on any such structure(s).*

**Q9.** *If there is no such structure, please indicate whether you would create one and if so how you would address the points in question 8.*

## **2.5 Economic sustainability**

*The UPI Governance Arrangements should be consistent with the need to help ensure the economic sustainability of the UPI System over time.*

Respondents should be aware that Governance Arrangements for the UPI System have not been established at this time. UPI Service Providers may be expected to make reasonable contributions<sup>7</sup> to support the costs of these governance arrangements. As these arrangements are established and one or more UPI Service Providers is identified for possible designation, the FSB may enter into discussions with such Provider(s) to establish a fair basis for such contributions.

**Q10.** *How would your proposal fulfil the Economic sustainability criterion? Please explain how the systems, controls, procedures and resources (human, IT and expertise) proposed to be deployed would fulfil this criterion.*

**Q11.** *What is your estimated annual budget (including both revenue and expenses) for the first 3 years of operating as a UPI Service Provider? Please include separately costed estimates for the various functions of the UPI Service Provider detailed in Annex 2.*

**Q12.** *If relevant, please specify any outstanding open issues regarding the overall governance arrangements that may impact on your budget over the first 3 years. If relevant, describe the assumptions on such open issues that underlie your budget, and provide a sensitivity analysis of your budget to those assumptions.*

## **2.6 Open access and cost**

**Open access:** *Access to, and use of, UPI Codes and the UPI Data Standard should be unrestricted. Authorities should have access to, and use of, the UPI Reference Data Library that is similarly unrestricted. Entities with reporting obligations and TRs should have access to, and use of, the UPI Reference Data Library in a manner that is sufficient to at least allow them to associate a specific OTC derivative product to its UPI Code in a timely manner and facilitate the discharge of reporting obligations for OTC derivatives transactions.*

**Cost:** *Any fees charged by the UPI Service Provider(s) should be based on cost recovery and should be allocated among stakeholders fairly. For Authorities, use of the UPI System should be free.*

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<sup>7</sup> Such contributions may be pro-rated in the case of more than one UPI Service Provider being designated.

- Q13.** *How would your proposal fulfil the Open access governance criterion? Please explain how the systems, controls, procedures and resources (human, IT and expertise) proposed to be deployed would fulfil this criterion.*
- Q14.** *Please describe how, in terms of technical aspects such as speed, capacity, and means of access, users in all relevant jurisdictions would have access to your UPI Services.<sup>8</sup>*
- Q15.** *How would your proposal fulfil the Cost criterion? Please explain how the systems, controls, procedures and resources (human, IT and expertise) proposed to be deployed would fulfil this criterion.*
- Q16.** *Would you have substantial representation in your operational oversight from entities from whom you will seek to impose fees for your cost recovery? If so, please describe.*
- Q17.** *Do you intend to provide value-added products or services that incorporate any UPI Data? If so: (a) please describe any such products or services and the terms on which users could obtain them from you; (b) please explain how those products or services could be provided while still ensuring that access to your UPI Services meet the Open access and Cost recovery criteria for all users.*
- Q18.** *How would you plan to charge fees for users? For what type of services would you assess fees (such as generation of a new UPI Code, access to Reference Data, etc.)? To what extent do you plan to charge fees based on (i) type and robustness of connectivity (e.g., dedicated connection versus simple internet access); (ii) per message or per use (e.g., size and/or number of uploads/downloads); and/or (iii) other considerations? Please describe the proposed fee structure and policies in detail.*
- Q19.** *Please enumerate and describe the tiers/categories you intend to incorporate in your fee structure, with a view to allocating costs fairly across stakeholders.*
- Q20.** *Please describe any policies and procedures that would allow a user to contest fees that you believe should be assessed against it.*
- Q21.** *If, in a given year, fees collected in respect of your activities as a UPI Service Provider exceed costs you incur in respect of those activities, what would you intend to do with respect to the excess (e.g. rebates, fee reductions, etc.)? If you would employ such a mechanism, please describe the circumstances that would trigger such a measure and how it would be allocated amongst your users.*

## **2.7 Intellectual property**

*The UPI Data Standard should not be subject to any intellectual property restriction. Consistent with this, the use of any UPI Code should be free of licensing restrictions. As to the UPI Reference Data Library, intellectual property restrictions should be applied in a manner consistent with the rules applicable in a given jurisdiction.*

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<sup>8</sup> See footnote 6.

**Q22.** *If you are designated as a UPI Service Provider, you will be tasked with collecting and processing a library of Data Elements and associated values pertaining to a large number of OTC derivatives products, and assigning UPI Codes to each. In carrying out this function, intellectual property in this data could be created by or accrue to you. How would your proposal fulfil the Intellectual property criterion?*

**Q23.** *If designated as a UPI Service Provider, would you be willing and able to convey to the FSB (or such other body as it may designate) any intellectual property owned, created by, or accruing to you when carrying out your functions as a UPI Service Provider? Under the law in which you are organised, is there any impediment to making such a conveyance to the FSB (or such other body as it may designate) effective? Would you be willing to provide an opinion of counsel stating that such a conveyance would be effective?*

**Q24.** *Please describe (i) how you intend to identify the assets underlying OTC derivatives products and (ii) how such identification mechanism(s) would be consistent with the Intellectual property criterion. Please ensure your answer addresses at least the following intellectual property issues relating to Data Elements within the UPI Reference Data Library:*

- *Some values currently being utilised to identify underlying assets are owned by third parties. For example, a publicly known trademarked index name may be subject to licensing and usage restrictions.*
- *Access to a proprietary identifier and its corresponding proprietary data could require a separate licensing agreement between the identifier's issuer and a market participant accessing the UPI Reference Data Library. This should not restrict access by users of the UPI Reference Data Library in their capacity as such to publicly known identifier data (e.g. debt issuer name, index name, etc.) that is associated with such a proprietary identifier.*
- *An underlier identifier used in the UPI Reference Data Library might contain—or might need to contain— more than one value, such as that obtained by subscribers to certain services for use in trading OTC derivatives transaction in order to satisfy different usage rights to underlier identifiers that have been established in different jurisdictions.*

## **2.8 Conflicts of interest**

*The UPI Service Provider(s) should have policies and procedures that are reasonably designed to detect and effectively manage any potential conflict of interest. Access to the UPI should not be tied or bundled with any other services offered by a UPI Service Provider.*

**Q25.** *How would your proposal fulfil the Conflicts of interest criterion? Describe any policies and procedures you have that are designed to identify, manage and/or eliminate conflicts of interest relating to the provision of the UPI Services.*

**Q26.** *If you were designated as a UPI Service Provider, would you or a related legal entity engage in any business activity other than providing the UPI Services? If so, please (a) describe generally any such business activities and the extent to which such activities would utilise any UPI data; (b) indicate whether you or any relevant affiliate would*

*ring-fence the UPI Services from those other business activities; (c) if your answer to part (b) is affirmative, describe what sort of corporate, legal, and/or accounting structures or mechanisms you would employ to effect such an arrangement?*

**Q27.** *If you were designated as a UPI Service Provider, would you or a related legal entity provide value-added products or services that incorporate any UPI data? If so, please describe any such products or services and the terms on which users could obtain them from you or any relevant affiliate.*

**Q28.** *Describe any policies and procedures you have that are designed to identify and eliminate and/or address any instances where any of your affiliates, clients, other business units operating within the same legal entity as the UPI Service Provider, or other persons that could access your UPI Services on a more favourable basis than any other similarly situated user.*

## **2.9 Fit for purpose**

*UPI Governance Arrangements should be able to perform the relevant functions identified in a timely and efficient manner and should have reasonable access to the necessary resources and information to do this. UPI Governance Arrangements should maintain the fitness of the UPI System and UPI Technical Guidance for the needs of Authorities.*

The FSB envisages the possibility of a follow-up with Respondents on their responses as necessary to inform its assessment of those responses. In particular, the FSB may gauge it appropriate that several Respondents jointly provide UPI Services. In that case, the FSB would engage with the relevant Respondents to investigate further how such a set-up – and in particular the interaction among those Respondents – would most appropriately support the provision of UPI Services in line with the key criteria and the functions of the Governance Arrangements, and, more broadly, the purpose for which the UPI Technical Guidance was developed. Relevant Respondents would also be asked to provide a jointly agreed upon detailed plan on how to establish or provide the functional services of a Reference Data Library to the GUUG, and/or present themselves before the GUUG in order to address and resolve any outstanding challenges associated with the Reference Data Library.

**Q29.** *If more than one UPI Service Provider is designated, how would you propose to interact with other UPI Service Provider(s) to create or allow for a centralised UPI Reference Data Library? Do you envisage any challenges to such interaction?*

## **2.10 Consideration of other Governance Frameworks**

*Governance Frameworks for the UPI should take into consideration other Governance Frameworks that impact other data elements, such as the LEI, the UTI, and other critical data elements for OTC derivatives.*

*There is no specific question addressing this criterion.*

### **2.11 Operational viability and continuity of UPI Service Provider operations**

*Governance of the UPI System should be such that any UPI Service Provider should be required to have adequate resources, legal authorities, and reasonable policies and procedures in place designed or adequate to ensure operational viability, system security, and business and system continuity and succession, so as to enable it to operate securely and effectively as a UPI Service Provider.*

**Q30. How would you establish / contribute to the business continuity of the UPI System (beyond business continuity as dealt with in the technical parts of the questionnaire) if you ceased to be a UPI Service Provider? Please describe any relevant arrangements (e.g. recovery plans, “living will,” etc.) that you have or intend to put in place.<sup>9</sup> Please describe your preparedness to provide relevant Authorities with the data and information, including strategy and scenario analysis, required for purposes of resolution planning on a timely basis.**

### **2.12 Other questions**

**Q31. If you have any plans for developing human readable aliases that pertain to individual UPI codes, please describe them.**

The above questions are found in Tab A of the accompanying Questionnaire template.

## **3 Compliance with the UPI Technical Guidance**

To meet the needs of the authorities that use the data from trade repositories (TRs) and, in particular, to facilitate the consistent global aggregation of OTC derivative transactions, the UPI is expected to satisfy the principles listed in Section 3 of the UPI Technical Guidance. These principles, in combination with operational standards drawn from the Principles for Financial Market Infrastructure (PFMI), suggest a minimal set of technical requirements for the UPI Service Provider(s). Therefore the FSB invites Respondents to reply to a set of technical questions covering three areas (I. Support of Technical Principles for the UPI, II. Suggested UPI Assignment and Retrieval Processes and III. Operational Technology Capability). For technical questions involving planned future arrangements for which Respondents cannot yet provide complete detail, Respondents should note this in their response. These questions are found in tabs B1 – B3 of the Questionnaire template.

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<sup>9</sup> For these purposes, you may wish to make reference to CPMI and IOSCO guidance on the principles and key considerations in the *Principles for Financial Market Infrastructures* (PFMI) that relate to recovery planning (see <https://www.bis.org/cpmi/publ/d162.htm>), with suitable modifications.

## 4 Next steps

We welcome responses to this document, including responses to the questions raised herein. The FSB expects to reach conclusions on the UPI Governance Arrangements, and to designate one or more UPI Service Provider(s), by mid-2019.

The FSB invites prospective UPI Service Providers to complete the self-assessment and provide their responses by Tuesday 4 September 2018 by e-mail to [fsb@fsb.org](mailto:fsb@fsb.org) with “Designation of UPI Service Provider(s)” in the e-mail subject line.

Submitters are asked to use the Questionnaire template published alongside this Explanatory Note.<sup>10</sup> They may also submit accompanying documents such as diagrams, procedures manuals, and the like; however the submission of such material should be selective and should be directed at answering specific questions posed. In all such cases adequate specific references to page or paragraph numbers should be included in the Questionnaire response.

**Confidentiality:** All responses will be treated confidentially to the extent permitted by law. All persons that will consider the answers will do so for the purpose of identifying and/or evaluating potential UPI Service Provider(s) and are official sector employees or contractors and are subject to official secrecy. The responses will be shared with such persons by email or via the FSB’s, CPMI’s or IOSCO’s secure extranet.

If there are elements of your submission that in your view require a heightened level of confidentiality, please identify them specifically and specify the handling restrictions you request. Such requests will be considered in good faith.

**Encryption:** If you wish to encrypt your Questionnaire response, please contact the FSB Secretariat at the email address above to agree a means to communicate the password or other means of decryption.

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<sup>10</sup> <http://www.fsb.org/wp-content/uploads/P160718-3.xlsx>

## **Annex 1 List of acronyms and defined terms**

Authorities	National or regional authorities
CPMI	Committee on Payments and Market Infrastructures
Data Element	<p>A general term for each of the discrete categories of information that might be reported or processed pertaining to an OTC derivatives transaction.</p> <p>In the context of the UPI, “Data Element” shall mean the UPI; or data that represents a particular instance of a UPI.</p>
Data Standard	<p>A set of characteristics or qualities that describes the features of a Data Element. A Data Standard for a given Data Element includes or may include such things as a structural definition and format specifications.</p> <p>The use of the term “standard” is not intended to denote a particular level in a hierarchy, nor does it necessarily denote the output of the work of an International Standardisation Body or Standard-Setting Body.</p>
FSB	Financial Stability Board
Governance Arrangements	Governance structures, procedures or protocols. The term encompasses only the arrangements as adopted or to be adopted by the FSB, exclusive of the broader Governance Framework in which these arrangements will exist.
Governance Framework	The background setting, including legal structures, in which any Governance Arrangements may be established. This broader framework includes national regulatory authorities, international and national standard-setting bodies, national and international law, and guidance.
GUUG	FSB Working Group on UTI and UPI Governance
Harmonisation Group	CPMI and IOSCO working group for harmonisation of key OTC derivatives data elements
HG	Harmonisation Group
IRG	An Industry Representation Group, which could include representatives of, inter alia, reporting entities, derivatives infrastructure providers, or market data providers
International Data Standard	A Data Standard issued by an International Standardisation Body
International Standardisation Body	An international body, other than a Standard-Setting Body, that promulgates standards, including data standard-setting bodies such as the ISO.

IOSCO	International Organization of Securities Commissions
IP	Intellectual property
ISO	International Organization for Standardization
Maintenance (with respect to the UPI Technical Guidance or the UPI Data Standard)	The ongoing process of revising and potentially updating the UPI Technical Guidance or the UPI Data Standard
OTC	Over-the-counter
Questionnaire	The set of questions referred to in this document.
RDL Operator	UPI Reference Data Library operator
Respondent	Respondent to the Questionnaire
Standard-Setting Body	A grouping or body of Authorities (with or without observers that are not Authorities), that is responsible for issuing standards or recommendations for the guidance of Authorities, market participants and/or other addressees, for example, the CPMI or IOSCO
TR	Trade Repository (as defined)
Trade Repository	<p>a) An entity that maintains a centralised electronic record (database) of transaction data and is authorised to receive reports about transactions and make this information available to authorities as appropriate; or</p> <p>b) an entity, facility, service, utility, government authority, etc. that is not established as an authorised trade repository but that maintains a centralised electronic record (database) of transaction data and is used by market participants to report transaction data, or provides TR-like services.</p>
UPI	Unique Product Identifier, a Data Element that will identify the product type for an OTC Derivative (see definition of Data Element above)
UPI Code	A unique set of characters that represents a particular OTC derivative product
UPI Data Standard	The Data Standard for the UPI, including the structure and format (see definition of Data Standard above)
UPI Governance Arrangements	Governance Arrangements for the UPI
UPI Reference Data Elements	Data Elements contained in the UPI Reference Data Library

UPI Reference Data Library	A data library that contains UPI Codes and UPI Reference Data Elements that, in combination, identify and describe the characteristics of an instrument and underlier for an OTC derivative product; for a given OTC derivative product, a given set of values for the Data Elements in the UPI Reference Data Library will map to a unique value for the UPI Code, thus creating a product identification for the OTC derivative product. In this way, the UPI Reference Data Library will help to classify OTC derivatives by product type.
UPI Services	The generation and issuance of UPI Codes and the reception, retention, storage, transmission and/or publication of the corresponding Reference Data Elements consistently with the UPI Technical Guidance.
UPI Service Provider	Any entity, other than an Authority, Standard-Setting Body or International Standardisation Body, that provides UPI Services
UPI System	The UPI Data Standard, the UPI Reference Data Library, and the process of assigning a UPI Code to a set of UPI Reference Data Elements
UPI Technical Guidance	The contents of the reports (issued in the first instance by the CPMI jointly with IOSCO) setting out regulatory guidance on the UPI Data Standard, and which may contain material other than Data Standards, such as recommendations on associated matters, or commentary on Data Standards or associated matters
UTI	Unique Transaction Identifier

## Annex 2 Functional allocations

**Note:** As explained in the Governance arrangements for the unique product identifier (UPI): Second consultation document (Second Consultation Document), to which an earlier version of this table formed an Annex, the FSB proposes that the Industry Representation Group (IRG) operate under the general oversight of the Unique Identifiers Regulatory Oversight Committee (UIROC). As such, the FSB proposes that the UIROC have oversight of all functions proposed to be allocated to the IRG in this draft allocation of functions table, notwithstanding the absence of text highlighting the oversight role of the UIROC for each function allocated to the IRG. In addition, the FSB recognises that some of these operations may, in practice, be combined or structurally linked. For example, the UPI Reference Data Library operator (RDL Operator) may also be the UPI Service Provider or the IRG may have operational or executive control of the UPI Service Provider(s). Terms such as “ISB” (International Standardisation Body) and “Authorities” are defined in Annex 1.

	UPI Service Provider(s)	IRG	UIROC	ISB	Authorities
<b>5.1 Functions related to ongoing generation of UPIs</b>					
<b>F5.1.1 Production and routine maintenance</b>					
(a) Producing and assigning UPI Codes to OTC derivatives products in conformity with the UPI Technical Guidance, the UPI Data Standard, and any other standards relating to the UPI System that may prevail.	Operational functions				
(b) Updating and publishing the list of UPI Codes (including historical data) and associated UPI Reference Data Elements for each UPI Code.	Operational functions including transmission of RDEs to RDL Operator <sup>11</sup> , Publication of list of UPI Codes and UPI RDE				

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<sup>11</sup> A Reference Data Library is required but can be achieved through a UPI Service Provider(s) serving as the RDL Operator or through a separate entity established specifically to serve as the RDL Operator.

	<b>UPI Service Provider(s)</b>	<b>IRG</b>	<b>UIROC</b>	<b>ISB</b>	<b>Authorities</b>
(c) Maintaining (i) the UPI Reference Data Library (containing the UPI Reference Data Elements) and (ii) the permissible values thereof per asset class/product type.	Maintain RDL (either as the RDL Operator or through a separate RDL Operator)			Maintaining permissible values	
(d) Establishing and maintaining adequate policies and procedures to ensure conformity with the UPI Technical Guidance, the UPI Data Standard, and any other standards relating to the UPI System that may prevail.	Operational policies/procedures	Stakeholder input and review			
(e) Maintaining a history of issued UPI Codes to avoid reuse; to ensure compatibility of old/new versions of the UPI; and to facilitate the performance of historical data analysis.	Avoiding re-use by testing UPI Codes against historical data and previous versions of UPI. Keeping historical UPI Reference Data and making it available for analysis (either as RDL Operator or through a separate RDL Operator).				
<b>F5.1.2 New UPI protocol</b>					
Establishing and maintaining policies and procedures governing applications for obtaining new UPI Codes. This would include the form and manner of data submission, how users must connect to the UPI Service Provider(s) to provide data and request a UPI Code, and timing	Operational functions	Stakeholder input and review			
<b>F5.1.3 Review and assessment</b>					
(a) Review the UPI System to accommodate new product types, including deciding whether each addition or change to product types requires a change to associated reference data (e.g., through addition of new allowable values for the UPI Reference Data Elements within given asset class/product type).	Operational functions	Stakeholder input and review		Maintaining permissible values	
(b) Reviewing the UPI System to maintain granularity, having a process for accounting for errors in issuance of UPIs, and deprecating UPIs that become obsolete.	Operational functions	Stakeholder input and review			

	UPI Service Provider(s)	IRG	UIROC	ISB	Authorities
(c) Periodically assessing the distribution of products within the classification system and ensuring that products are assigned their proper taxonomical classification when appropriate.	Operational functions	Stakeholder input and review			
<b>5.2 Functions associated with the oversight of the UPI System</b>					
<b>F5.2.1 Oversight of production and routine maintenance</b>					
(a) Coordinating as necessary and where appropriate with market participants, UPI Service Providers (if there are more than one), third parties who issue any underlier identifiers used in the UPI Reference Data Library, infrastructure providers, and regulators with regard to changes in or introductions of the identifiers of underliers or other UPI Reference Data Elements.		Stakeholder input and review	Coordination role		Consultation
(b) Issuing recommendations for further updates or changes to UPI Reference Data Elements or related data structures.	Input		Oversight Issuing technical standards		
(c) Overseeing the technical decisions of any UPI Service Provider and the RDL operator and ensuring that there is a mechanism for responding to complaints and inquiries.		Lead role			
(d) Coordinating with international regulatory oversight bodies and Authorities.		Stakeholder input to UIROC	Lead role		
<b>F5.2.2 Functions associated with implementation</b>					
(a) If the FSB were to determine that there should be an International Data Standard for the UPI Code and/or any UPI Reference Data Elements, taking necessary steps to achieve such a standard.		Stakeholder input to UIROC	taking necessary steps to achieve an International Data Standard	Issuance of International Data Standard	

	UPI Service Provider(s)	IRG	UIROC	ISB	Authorities
(b) Recommending a coordinated approach for UPI implementation by Authorities, including timing aspects.			Lead role		
(c) Implementation of the UPI through Authorities' rules and regulatory oversight.			Monitoring		Supervisory and regulatory functions
<b>F5.2.3 Functions associated with oversight of ongoing operation</b>					
(a) Disseminating UPI Technical Guidance. The UPI Technical Guidance, as addressed to Authorities, shall be disseminated to facilitate its broad application.			Disseminating		
(b) Overseeing the UPI Service Provider(s) and the monitoring of their adherence to the UPI Technical Guidance, the UPI Data Standard, any other standards relating to the UPI System that may prevail, the UPI Governance Arrangements, and any terms or conditions forming part of such arrangements.		Monitoring Stakeholder input to UIROC	Oversight		Supervisory and regulatory functions
(c) Taking any action with regard to the provision of services by the UPI Service Provider(s), including applicable procedural safeguards.		Stakeholder input and frontline communication with UPI Service Provider(s)	Oversight		
(d) Monitoring implementation of the UPI by Authorities. There may be the need to monitor implementation at the global level and identify implementation issues which hinder a harmonised approach.			Monitoring		

	<b>UPI Service Provider(s)</b>	<b>IRG</b>	<b>UIROC</b>	<b>ISB</b>	<b>Authorities</b>
(e) Coordinating the analysis of and response to issues relating to the UPI Data Standard (and any other standards relating to the UPI System that may prevail), UPI Technical Guidance updates and maintenance with other relevant standard-setting bodies, standards development organisations, regulators, or Authorities. This may include coordination relating to changes in or introductions of the identifiers of underliers.		Stakeholder input	Oversight	Standard-setting	
(f) Receiving and considering any recommendation by a UPI Service Provider for further updates or changes to reference data or related data structures.		Lead role on 'receiving' and advisory role to UIROC on 'considering'	Lead role on 'considering'		
(g) Considering updates to the UPI Technical Guidance and the costs and benefits of updates to the UPI Technical Guidance.		Stakeholder input to UIROC	Lead role		
(h) Reviewing use of the UPI by market participants, UPI Service Providers and regulators.			Monitoring of regulators' use of the UPI		Review of market participants' use of the UPI
(i) Processing requests for information and providing clarification on the UPI Technical Guidance.		Stakeholder input	Oversight		Supervisory and regulatory functions
(j) Maintenance of technical aspects of the UPI Data Standard (and any other standards relating to the UPI System that may prevail) as an International Data Standard.			Consultation	Standardisation	

## **Annex 3 - Members of the Working Group on UTI / UPI Governance**

as at time of publication

### **Co-chairs**

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