International Organization for Standardization
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Международная организация по стандартизации

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ISO/TC68/AG2 - Standards Advisory Group

24 May 2018

To: **Financial Stability Board (fsb@fsb.org)**
Attention: **To Whom It May Concern**
Re: **Certain Governance Considerations for the Unique Product Identifier (UPI), A Key Data Element for Reporting Over The Counter (OTC) Derivative Transactions**

Dear Sir/ Madam,

We write to you in our capacity as co-chairs of the Standards Advisory Group (SAG) of Technical Committee 68 of the International Organization for Standardization (ISO) TC68/AG2.

ISO is an independent, non-governmental international organisation with a membership of 163 national standards bodies. Through its members, it brings together experts to share knowledge and develop voluntary, consensus-based, market relevant International Standards that support innovation and provide solutions to global challenges.

ISO/TC68 is the Technical Committee within ISO tasked with developing and maintaining international standards covering the areas of banking, securities, and other financial services.

The Standards Advisory Group (SAG) as an Advisory Group of ISO/TC68 acts as an advisory sounding board to support and engage with regulators on financial services standards requirements, for the effective and efficient use and development of financial services standards, delivered using a cooperative relationship approach. The SAG enables a proactive dialogue with regulators on financial services standards matters.

The SAG's objectives are:

- Provide a forum for mutual assistance between the global regulatory community and ISO in carrying out their respective authorities and responsibilities with respect to financial services standards;
- Aid the adoption and promotion of consistent standards, where possible;
- Effectively deal with common issues collectively and consistently; and
- Encourage strong and open communication within the regulatory community and with the industry concerning financial services standards.

The present SAG's response represents a collective view of its membership and draws upon its knowledge as an expert standards setting body with practitioner-led experience in the development and use of standards.

With respect to the recent consultation paper, referenced above, we offer the following response.

Q1. Do you agree a public-private partnership model such as the one sketched above should be adopted for the UPI Governance Arrangements?

ISO/TC68 agrees that an international standardization body (ISB) should be included in the model sketched above to develop and approve standards. ISO/TC68 also is pleased that the FSB has concluded that the UPI should be subject to a standardization process and with the conclusion that ISO is the most appropriate body to undertake this function for the UPI. ISO's development of an international standard for the scope of the UPI can be limited to the description of the technical features of the UPI code, and the UPI Reference Data Elements, as outlined by the CPMI-IOSCO Harmonisation Working Group.

Q14. **Do you believe that wherever possible elements within the Reference Data Library should be established as International Data Standards?**

ISO/TC68 believes indeed that Reference Data Libraries should use other ISO data standards (where available) to represent elements. In development of Reference Data Standards and within Information Exchange Standards, ISO/TC68 has made use of relevant ISO standards such as ISO 3166 (Country Codes), ISO 4217 (Currency Codes), ISO 8901 (Date/Time) and others to represent structured data for key data elements. ISO/TC68 also has created new standards for key data elements where necessary, as was the case for ISO 20275, Entity Legal Forms (ELF) to structure further key data elements within reference data records such as the Legal Entity Identifier data record.

Q15. Do you agree that, for similar reasons, as were traversed in the UTI Consultation, the ISO is the most appropriate body to undertake the function of an International Standardisation Body for the UPI?

ISO/TC68 continues to hold the view that ISO is the most appropriate body to undertake the functions of an ISB for the UPI. ISO standards have been supporting regulators and industry as they implement and maintain critical infrastructure for the financial markets and financial services.

The first instance of this was the use of the ISO 20022 information exchange standard in the EU for financial messaging for payments for the Single European Payments Area (SEPA). Since then, ISO 20022 continues to be chosen as a standard for regulatory reporting frameworks and for key market infrastructure initiatives such as Target2Securities and the payment systems of Target2 and TIPS.

In regard to reference data standards, ISO/TC 68 has worked closely with the global regulatory community on the ISO 17442 standard for the LEI. More recently, ISO/TC68 has worked with the regulatory community on the development and publication of ISO 20275, Entity Legal Forms (ELF).

ISO/TC68 formed the Standards Advisory Group (SAG) initially to provide direct support to the FSB and then the LEI Regulatory Oversight Committee (LEI ROC) with regard to the implementation of ISO 17442.
The role of the SAG has since evolved and expanded to offer a broader conduit for engagement between ISO/TC68 and regulators to consider their requirements of financial services standards and, indeed, the considerations of the FSB and the GUUG with respect to governance of the Unique Transaction Identifier (UTI) have been previously responded to by the ISO TC68 SAG and received positively.
Since there may be perceived synergies for the governance arrangements of both the UPI and UTI, having the same ISB for both standards is viewed as beneficial.

Q16. Do you think it is desirable that all elements in the UPI Reference Data Library be subject to ISO standards?

As has been stated in the answer to question 14, ISO/TC68 believes that key structured data elements should make use of other ISO structured data standards where available, and that where currently not developed, could lead to future standardization opportunities as seen with the ISO 20275: Entity Legal Forms (ELF).

Q17. Do you agree with the FSB's preliminary conclusions about code lists and related topics in Section 5.3 above?

ISO/TC68 agrees that wherever possible, existing global standards should be used.
So therefore, ISO/TC68 can concur with the FSB's conclusion that the ISO name, description and allowable values should be adopted for the corresponding UPI Reference Data Elements where appropriate ISO business data elements or code lists exist. These ISO standards will cover many of the data elements required for the UPI.

In order to maintain interoperability of ISO 20022 particularly and other standards, ISO/TC68 continues with extensive work on semantics in which the multi-standard semantic portal can demonstrate interoperability between ISO 20022 and other relevant standards.

We stay at your disposal to address any questions or concerns you might have related to ISO standards in the field of competence of ISO TC68. Such requests should be directed to Christine Jozet, Secretary of the ISO/TC68/AG2 (christine.jozet@ecb.europa.eu).

We trust these comments can be taken into consideration and be useful for the progress of your work.

Thanks and regards,

Allie Harris

Co-Chair of the ISO/TC68/AG2

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