

Press release

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FSB publishes UPI governance arrangements

The Financial Stability Board (FSB) has today [published a report](#) on the governance arrangements for the globally harmonised Unique Product Identifier (UPI).

The UPI will uniquely identify the product involved in over-the-counter (OTC) derivatives transactions reported to trade repositories. This will help authorities to aggregate data on OTC derivatives transactions by product. Such aggregation will facilitate the effective use of OTC derivatives trade reporting data to help authorities assess systemic risk and detect market abuse. It will therefore deliver one of the key objectives of the G20 reforms to OTC derivatives markets.

The Legal Entity Identifier Regulatory Oversight Committee (LEI ROC) is best positioned to become the International Governance Body for the UPI and Unique Transaction Identifier (UTI) and critical other elements other than UTI and UPI (CDE), provided that the LEI ROC makes appropriate adjustments to its existing governance to make it fit for purpose for these identifiers. The FSB takes this decision in coordination with the Committee on Payments and Market Infrastructures (CPMI) and International Organization of Securities Commissions (IOSCO), which were tasked to [develop governance arrangements for the CDE](#). In the interim, the FSB will take on the functions that have been allocated to the International Governance Body.

The FSB also recommends that jurisdictions undertake necessary actions to implement the UPI Technical Guidance and that these take effect no later than the third quarter of 2022.

Notes to editors

G20 Leaders agreed at the Pittsburgh Summit in 2009, as part of a package of reforms to the OTC derivatives markets, that all OTC derivatives transactions should be reported to trade repositories. A lack of transparency in these markets was one of the key problems identified by the financial crisis. Trade reporting, by providing authorities with data on trading activity, is a key part of efforts to identify and address financial stability risks from these markets.

The final report of the FSB's [Feasibility study on approaches to aggregate OTC derivatives data](#) published in September 2014 recommended a number of key preparatory steps that should be undertaken to enable effective global aggregation of OTC derivatives trade reporting data. One of these preparatory steps is harmonisation of important data elements reported to trade repositories, including the creation of a UPI and UTI, and the global introduction of a legal entity identifier (LEI).

The FSB announced in May 2019 that it had [designated The Derivatives Service Bureau \(DSB\) Ltd](#) as the service provider for the future UPI system

The FSB coordinates at the international level the work of national financial authorities and international standard-setting bodies and develops and promotes the implementation of effective regulatory, supervisory, and other financial sector policies in the interest of financial stability. It brings together national authorities responsible for financial stability in 24 countries and jurisdictions, international financial institutions, sector-specific international groupings of regulators and supervisors, and committees of central bank experts. The FSB also conducts outreach with approximately 70 other jurisdictions through its six Regional Consultative Groups.

The FSB is chaired by Randal K. Quarles, Governor and Vice Chairman for Supervision, US Federal Reserve; its Vice Chair is Klaas Knot, President, De Nederlandsche Bank. The FSB Secretariat is located in Basel, Switzerland, and hosted by the Bank for International Settlements.

For further information on the FSB, visit the FSB website, www.fsb.org.