



To: Commodity Futures Trading Commission
Regarding: Large trader reporting requirements

Dear Commission,

I write to you in my capacity as co-chair of the Standards Advisory Group (SAG) of Technical Committee 68 of the International Organization for Standardization (ISO) TC 68/AG2.

ISO is an independent, non-governmental international organization 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/TC 68 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/TC 68 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 SAG's response represents a collective view of its membership and draws upon its knowledge as an expert standard setting body with practitioner-led experience in the development and use of standards.

With respect to the consultation paper on large trader reporting requirements, the SAG offers the following response:

First, the SAG appreciates that the Commission's proposed rule includes the Legal Entity Identifier (LEI, ISO 17442:2019) for the identification of the Special Account Controller and more broadly supports the proposed changes for Submission Standards (Section 17 (g), (h), 17.03(d)) to modernize data standards. Reported data is more useful when it contains a consistent identifier, like the LEI, opposed to names or

different and optional identifiers. Reporting of non-standardized data will lead to inconsistent submissions and in terms of comparability, ultimately more work on behalf of the Commission. The LEI is the only global standard for unique legal entity identification. The LEI record includes the data of the legal entity included in the local business register. The LEI connects to key reference information that enables clear and unique identification of legal entities participating in financial transactions. LEIs contain information about an entity's ownership structure and thus answers the questions of 'who is who' and 'who owns whom'. Further benefit can be derived from data that accompanies a LEI record. For example, company name and address (legal and headquarters), can be automatically retrieved or verified from an LEI record. All LEI data is validated and verified by LEI issuers against authoritative sources which results in a trusted source of entity data. LEI issuers are rigorously accredited by GLEIF and renewed annually.

In terms of data submission standards referred to in the proposed rule, the SAG suggests the Universal Financial Industry Messaging Scheme (ISO 20022-1 through 8:2013) may be considered. This standard provides a methodology for the creation of financial messages and provides a semantic foundation for financial services. ISO 20022 includes the LEI as part of the data model and corresponding financial messaging. It is already leveraged in several contexts for the construction of standardized regulatory reports in the financial industry, as well as having wide adoption by financial market infrastructures for the delivery of payments and other financial transactions. ISO 20022 provides a crucial regulatory tool to facilitate the Commission's ability to link and aggregate data to detect and mitigate systemic risk and prevent market manipulation, among other important purposes of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010.

On a related note, the Commission has set January 2024 as the required date for market participants to report to a Swap Data Repository using a Unique Product Identifier (UPI, ISO 4914:2021) for swaps in the credit, equity, foreign exchange, and interest rate asset classes to comply with the CFTC swap recordkeeping and reporting requirements. In addition to the LEI, the ISO 20022 financial messaging also includes the UPI.

The SAG remains at your disposal to support you in your work and to engage with you in discussions and questions related to standards in financial services.

Thank you and regards,

[signed]

Karla McKenna

Chair of the ISO/TC68/AG2