

Aurel Schubert (European Central Bank)

Hansjakob Schlaich (European Central Bank)

“Who trades what?”, “Who holds which risk?” and “Who is exposed to which counterparties?” - The need for worldwide financial market data standards

Topic

Keywords: Financial Market Data Standards, Data Standards, Legal Entity Identifier (LEI), Unique Transaction Identifier (UTI), Unique Product Identifier (UPI)

Introduction

“Who trades what?”, “Who holds what?”, “Who holds which risk?” and “Who is exposed to which counterparties?” are common questions from financial market regulators, risk managers and policy-makers. To answer these questions a large amount of granular data from a wide variety of reporting agents needs to be collected, integrated and aggregated. The development and usage of global identifiers - such as on counterparties (LEI), transactions (UTI) and products (UPI) - are a necessary condition to be able to answer these questions. Without common identifiers the data reported cannot be matched efficiently for common analysis, and processing. However, convergence is restrained e.g. by differences in legal concepts, cultural differences or time pressure. The development of these identifiers is a crucial first step, but more needs to be done to arrive at worldwide financial market data standards.

The paper will present the development of Financial Market Data Standards and discusses both the obstacles involved in arriving at global standards and how to overcome them.