

May 30, 2017

Mr. Cornelius Crowley  
Deputy Director and Chief Data Officer  
Office of Financial Research  
717 14<sup>th</sup> Street, NW  
Washington, DC 20220

Via email to Melissa K. Avstreich, Senior Industry Liaison, Office of Financial Research

Re: OFR Viewpoint 17-03, An Approach to Financial Instrument Reference Data

Dear Mr. Crowley:

The Securities Industry and Financial Markets Association's Asset Management Group ("AMG")<sup>1</sup> appreciates the opportunity to provide feedback for the Office of Financial Research ("OFR") plan to standardize financial instrument reference data, as described in the OFR paper, "An Approach to Financial Instrument Reference Data".<sup>2</sup>

AMG believes that the OFR's mandate to prepare and publish a financial instrument reference database – a set of standards for creating and describing financial instrument reference data – is helpful to the industry and our asset manager members are supportive of this project. We understand that the project scope includes a common data dictionary with consistent terms and definitions for financial instruments, and data standards that define the structure and format of the reference data.

AMG strongly agrees with the OFR's goal of utilizing globally-harmonized data. AMG has been supportive of the efforts of the Committee on Payments and Market Infrastructures ("CPMI") and the International Organization of Securities Commissions ("IOSCO") to work across jurisdictions to ensure a consistent approach to derivatives data elements and identifiers resulting in one solution to address regulators' need to have certain data aggregated into a single field. Harmonized reporting standards reduce unnecessary costs and may improve data quality, both of which are positive for investors whom AMG members serve as fiduciaries.

As the OFR moves forward building the Financial Instrument Reference Database, AMG recommends that the OFR give specific attention to the following:

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<sup>1</sup> SIFMA Asset Management Group ("AMG") brings the asset management community together to provide views on policy matters and to create industry best practices. SIFMA AMG's members represent U.S. and multinational asset management firms whose combined global assets under management exceed \$39 trillion. The clients of SIFMA AMG member firms include, among others, tens of millions of individual investors, registered investment companies, endowments, public and private pension funds, UCITS and private funds such as hedge funds and private equity funds.

<sup>2</sup> See Office of Financial Research, "An Approach to Financial Instrument Reference Data," ViewPoint 17-03 (Mar. 27, 2017, available at [https://www.financialresearch.gov/viewpoint-papers/files/OFRvp\\_17-03\\_Financial-Instrument-Reference-Data.pdf](https://www.financialresearch.gov/viewpoint-papers/files/OFRvp_17-03_Financial-Instrument-Reference-Data.pdf)).

1. **Address harmony on a global level.** The OFR standards could be helpful for harmonizing information and descriptions globally. More work remains to reach international consensus on some fundamental questions such as what is a swap, and additional issues such as how currency forwards fit into the regulatory framework. As such, we recommend that OFR's scope expressly include global harmonization. Otherwise, the usefulness of the OFR's Financial Instrument Reference Database would be limited if its scope were restricted to the U.S.
2. **Create interoperability between existing standards.** The database could be a valuable tool for the industry's data teams who evaluate and reconcile data from multiple sources and in various formats. Currently it is not uncommon for a global firm to have multiple security master databases, which, conceivably, could be consolidated with the help of interoperability standards to translate the various formats.
3. **Clarify which standards will be included (whether ISO, FpML, FIX, etc.) and how their versioning will be handled within the database.**
4. **Outline the process by which information will be updated.** Also, some detail on the level of standardization would be helpful, i.e. will the database standardize reference data based on product types, such as derivatives or repos, or by regulatory reporting requirements.
5. **Set clear standards for governance.** AMG believes that in governance-related questions, the financial instrument reference database should follow an established model copying the example of the Legal Entity Identifier system. Also, we further believe that governance considerations should be considered at the same time that OFR assesses the technical issues and develops components of the database.
6. **Articulate who this database will serve and how will it be accessed.** AMG believes that asset managers would benefit from the database if they had access to it, potentially improving the quality of data and standards in use in the industry. Thus, we urge the OFR to be more specific about the plans of how industry participants can access the database.

If you would like to discuss our recommendations or have any questions, please do not hesitate to contact Laura Martin at 212-313-1176 or [lmartin@sifma.org](mailto:lmartin@sifma.org) or Elisa Nuottajarvi at 212-313-1166 or [enuottajarvi@sifma.org](mailto:enuottajarvi@sifma.org).

Respectfully submitted,

/s/ Laura Martin

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