

ISO Content Standards Demystified

Introduction

Over recent years there has been a move towards all regulators adopting ISO standards as not only the preferred message format (i.e. ISO 20022 - <https://www.iso20022.org/>), but also for the content of messages themselves.

The glossary, created by ISITC Europe, summarises the ISO standards used to identify the key assets in the life of a trade.

Glossary

ISO 3166 (or CC) is a standard to identify countries. The standard comprises three lists, 2 and 3 character code lists, along with a numerical list. The contention is to use 2 character Country Codes, whilst 3 characters to identify currencies. For example: GB - to represent the United Kingdom. *This abbreviation brings a smile to us Anglo-Saxons.*

ISO 4217 (or CCY) ISO Currency Codes; every currency is allocated a 3 character code, along with a 3 digit equivalent, however the latter is no longer used in data interchange. (https://en.wikipedia.org/wiki/ISO_4217). In some instances, the least significant or minor digits are specified (e.g. pence) on transactions. In such situations the 3rd digit in GBP is replaced by the X (GPX) to indicate that the amount is in pence. Occasionally some old financial instruments may have cash flows in a deprecated currency. e.g. DEM for Deutsch Mark rather than the Euro (EUR). Be warned, disseminating GPX and a deprecated currency may result in an STP break given that certain applications may not be intelligent to understand such nuances.

I SO 10962 (or CFI) The Classification of Financial Instruments is a 6 character alpha code comprises of a 2 level hierarchy along with 4 additional attributes to classify instruments and products into broad product groups (For further information go to <http://www.anna-web.org/standards/cfi-iso-10962/>). Originally this standard was designed around an understanding of securitized/fungible instruments and was recently extended by version 2015 to attempt to cover OTC transactions. To effectively support future regulatory reporting requirements, there is an expectation that the current version will be superseded within a year. Though, the changes would ideally be live immediately, the current ISO maintenance processes, which moves at glacial speeds, prohibits such a prompt resolution. CFI codes for OTC derivatives are being disseminated by the Derivatives Service Bureau (DSB), along with the ISIN.

ISO 6166 (or ISIN) The International Securities Identification Number (<http://www.anna-web.org/standards/isin-iso-6166/>) is now being used not only to uniquely identify a transferable/fungible instruments, but to also uniquely identify OTC bilateral trades. The latter is being achieved via the use of the Derivatives Service Bureau (DSB) which uses a set of reference data terms (primarily identified in ESMA's RTS 23) to facilitate this. In addition, the DSB will also provide a CFI for each ISIN. (for further reading: <http://www.anna-web.org/home/derivatives-service-bureau/>)

ISO 18774 (FISN) The Financial Instrument Short Name is used to provide a short name to assist in identifying the instrument traded. An example being "Daimler AG/4.625 MTN 20140902MTP u" Some regulators are mandating this data item too. (<http://www.anna-web.org/standards/fisn-iso-18774/>)

ISO 17442 (or LEI) The Legal Entity Identifier is used to uniquely identify parties (sometimes referred to as counterparties) that may have a role to play in a trade. These parties may be business entities (i.e. a branch) or high wealth individuals. The LEI is issued by a Local Operating Unit (LOU) – (ISO Standard: <https://www.iso.org/standard/59771.html>, also refer to <https://www.leiirc.org/> to understand the issuance process.

ISO 10383 (or MIC) The exchange and Market Identifier Code is used to identify exchanges, MTFs, SI, etc... that are involved within a trade (<https://www.iso20022.org/10383/iso-10383-market-identifier-codes>).